



The CBO recently released its report on how the Senate health bill would affect health insurance premiums. As CA feared, the proposed legislation as currently written could have an adverse effect on many of our members. Below is a summary of the effects on premiums in the individual market from the CBO director's blog. You can read the entire summary here.

<http://cboblog.cbo.gov/?p=434>

You can read the entire CBO report here. <http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>

Nongroup Market

“The nongroup market would consist of coverage purchased individually through the new insurance exchanges that would be established, and coverage purchased by individuals and families directly from insurers. The average, unsubsidized premium per person covered (including dependents) for new nongroup policies would be about 10 percent to 13 percent higher in 2016 than the average premium for nongroup coverage in that same year under current law.”

In response to this report, CA is urging lawmakers to include language allowing Association Health Plans in healthcare reform legislation currently being considered. Several key moderates from both parties have supported legislation in the past allowing Association Health Plans as a means of ensuring small businesses and farmers have access to high quality and affordable health insurance. For example, Senators Landrieu, Ben Nelson, Snowe, and Collins, all of whom will be crucial to the final outcome in the Senate, all supported the “Health Insurance Marketplace Modernization and Affordability Act” (S. 1955) in 2006 which included small business health plans.

The following is the body of a letter that was sent to key moderates of both parties regarding the importance of including AHP language in existing legislation.



Communicating for America (CA) is a rural, non-profit, non-partisan organization with members across America. For more than three decades, CA has been working to ensure that rural Americans have access to affordable health insurance.

CA believes that Association Health Plans would provide small businesses and farmers, which are the backbone of rural America, access to high quality and affordable health insurance similar to that of larger employers. By joining together, AHPs would allow small businesses to strengthen their negotiating power, reduce administrative costs, and spread risk over a much larger group.

AHP legislation has received more bipartisan support in the past than any of the healthcare proposals currently being considered by Congress. We believe in the need for comprehensive healthcare reform, but are concerned that the current legislation would increase the premiums for both the individual and small group markets, as the most recent CBO report suggests. We feel that stiffer penalties for non-compliance of the individual mandate requirement along with language allowing AHPs would strengthen the current legislation and ensure that small businesses and farmers benefit from healthcare reform and have access to high quality and affordable health insurance.