



Testimony offered on behalf of:  
THE GARRETT COUNTY CHAMBER OF COMMERCE

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FAVORABLE WITH AMENDMENTS:  
HB 634 – Association Health Coverage Plans

Health and Government Operations Committee  
March 11, 2021

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support with amendments for **HB 634 – Association Health Coverage Plans. We support the amendments that have been filed that ensure oversight by the Commissioner of the Maryland Insurance Administration (MIA) and allow small employers to be grouped together for the purpose of rating them as a large group.**

Association Health Plans (AHPs) are group health plans that chambers of commerce and associations offer to provide health coverage for their members' employees. They allow small employers to pool their employees and be rated as a large group to gain regulatory and economic advantages that are available to larger employers. And, we support the Commissioner of the Maryland Insurance Administration (MIA) having complete oversight of the plans.

Small businesses want to provide good benefits to their employees, including affordable quality healthcare. However, the cost for health insurance for a small business is often too expensive and cost prohibitive. Currently, Maryland does not allow for the creation of AHPs thereby putting our small businesses at a disadvantage, unable to access quality affordable health plans like large businesses.

Passing HB 634 could radically improve the situation the healthcare situation in Maryland. This legislation could potentially save our small businesses thousands of dollars and provide health insurance to hundreds of Marylanders. HB 634 would basically allow small businesses to pool their employees through a chamber of commerce or association like a buying cooperative which would spread the risk over many people instead of the few of one business. By allowing the pool to be rated as a large group, these small businesses would have access to rich health insurance plans at affordable rates like a large business with hundreds of employees.

AHPs are ***not allowed to cherry pick or discriminate based on health or prior conditions***, and the plans must include all of the benefits mandated by the federal government and by the State of Maryland. Important safeguards, consumer protections and healthcare antidiscrimination protections are in place.





There is **no evidence** that the creation of AHPs will create a disparity between healthy and sick businesses participating in the small group market vs. participating in AHPs. Because AHPs are prevented from cherry picking and denying coverage for pre-existing conditions, AHPs will have a mix of sick and healthy businesses participating. It does not mean that only sick businesses will be left to participate in the small group market. ***Twelve states have already adopted rules to support AHPs and have seen little to no effect on small group market.***

These are not self-insured plans. The plan is provided and administered by an in-state insurance carrier such as United Healthcare, Kaiser Permanente, Blue Cross/Blue Shield or Aetna with oversight by the MIA Commissioner for eligibility and accountability.

The Garrett County Chamber estimates about 500 business members would have NEW access to affordable health insurance if we were allowed to offer an Association Health Plan. Under Maryland's current law, small businesses are not allowed to pool their employees to be rated as a large group. We need to change the law so that Maryland small businesses can have access to affordable health insurance options, the same as businesses in other states across the country.

With the costs of doing business continually rising in Maryland, Association Health Plans could significantly improve the bottom line for many small employers and their employees. AHPs will also help more Marylanders access health insurance. An estimated 15 million Americans who work for a small business or operate a sole proprietorship, and their families, lack health coverage. Four million Americans, including 400,000 who otherwise would lack insurance, will join an AHP by 2023, according to Congressional Budget Office Estimates.

Small businesses have been battered by the pandemic and need all of the help they can get. At a time when access to affordable health care has never been more important, allowing the creation of AHPs would provide tens of thousands of Marylanders with health insurance.

Please help Marylanders access affordable health insurance by giving **HB 634 a FAVORABLE WITH AMENDMENTS REPORT.**

Sincerely,

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President & CEO





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