PLYMOUTH INSTITUTE FOR FREE ENTERPRISE

EXPAND POOLED HEALTH INSURANCE ACCESS

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ADVANCING AMERICAN FREEDOM

TOPLINE: Lawmakers should expand access to Association Health Plans so that more people in non-traditional jobs or with shared geography or interests can pool together to obtain more affordable health insurance.

BACKGROUND: Association Health Plans (AHPs) allow multiple, typically small employers that have a common association to pool together to sponsor a single group health insurance plan similar to a larger employer. By pooling their purchasing/bargaining power and spreading risks and administrative costs across multiple employers, AHPs can increase insurance plan options and significantly reduce costs for workers and employers. AHPs are currently limited to participants who have a genuine organizational or economic relationship beyond simply providing health benefits.

While AHPs can currently help small businesses operating in the same industry, they leave out millions of independent workers, as well as small businesses in unrelated industries that might otherwise want to pool together to provide health insurance. The Trump-Pence administration issued a rule broadening AHP access to include geographic associations, and initial analysis of the expanded plans showed promising trends, including claims savings of up to 29%. But portions of that rule were struck down in the courts, and the Biden administration subsequently overturned the geographic AHP expansion. Congress should make it easier for people outside of shared occupations to pool together to purchase lower-cost health insurance.

Action Items (Congress):

- **Expand AHPs, including by decoupling them from strict employer and industry association requirements** and allowing groups based on geographic association, self-employment, and other common interests.

How It Would Make Life More Affordable:

- Association Health Plans can save thousands of dollars per year from an individual's or family's health insurance premium.
- By increasing health insurance coverage, AHPs would reduce potentially catastrophic health care costs.

Related Legislation: The Association Health Plans Act (S. 1847, H.R. 2528).

BOTTOMLINE: Access to affordable health insurance should not be limited to people who work for large, traditional employers.