



NEWS RELEASE

IMMEDIATE RELEASE

Contact: Tracey Young 202-785-7872

FAQs on Association Health Plans

Academy Issue Brief Answers Questions and Addresses Concerns

(Washington, D.C. –April 11, 2005) In order to make health insurance available, affordable, and accessible to all Americans, Congress and the Bush administration are considering legislation to promote the use of association health plans (AHPs). AHPs allow small businesses to join together through their membership in a trade or professional association to offer health insurance to their employees. The American Academy of Actuaries applauds Congress' effort to address the nation's health insurance woes, but asks for Congress to be careful when drafting AHP legislation. The Academy has released the issue brief **FAQs on AHP** that addresses the unintended consequences and related concerns that could arise if AHP legislation is not written carefully.

“While the goals of the legislation are commendable, the current bills do not directly address the core problem of America's health care system, which is the high cost of health care,” said **Karen Bender**, chairperson of the Academy Association Health Plans Work Group. In addition to identifying the negative consequences of current AHP bills, the paper also includes six questions that policy-makers should consider when discussing this issue. They include the following:

1. Will AHPs be regulated by the U.S. Department of Labor, or will there be state-level oversight?
2. Are surplus requirements sufficient for self-funded AHPs to remain solvent?
3. Will AHPs be on equal footing with other health plans in the states where AHPs operate?
4. Will AHPs provide similar benefits to those provided by other health plans in the states where AHPs operate?
5. Will allowing AHPs to have different rating rules benefit the market?
6. Will AHPs allow small employers to have more buying power, and will this actually reduce costs?

To view the issue brief, go to http://www.actuary.org/pdf/health/ahp_mar05.pdf. To interview Karen Bender, please contact Tracey Young, the Academy's media relations manager by phone at 202-785-7872 or by e-mail at young@actuary.org.

The American Academy of Actuaries is the nonpartisan public policy organization for the U.S. actuarial profession. The Academy provides independent analysis to elected officials and regulators, maintains professional standards for all actuaries, and communicates the value of actuarial work to the media and public.