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Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Afforable Care Act

Comment On: IRS-2010-0010-0001
Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

Document: IRS-2010-0010-0026
Comment on FR Doc # 2010-14488

Submitter Information

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General Comment

We appreciate the opportunity to comment on the Interim Final Rules regarding grandfathered health plans under the Patient Protection and Affordable Care Act. NAHMA is a section 501(c)(6) individual membership organization whose mission is to advocate for quality affordable multifamily housing.
NAHMA has six full-time employees, and an annual operating budget of about $1.4 million. Currently, we provide health insurance to our employees as a benefit of employment. In 2010 the cost to provide this benefit is about $60,000, or 4.3 percent of our annual expenses. In 2011, we expect the cost to rise to about $65,000, or 4.5 percent of our annual expenses. This is a high cost to a small association, and it is unknown how long we will be able to continue offering the same current level of benefit, through the same provider, to our staff.
The plan is a high-deductible plan, with health savings accounts provided to our employees. We have used a broker to thoroughly research the types of plans available to us, and we know we have the best rate that we are able to get at this time.
We are greatly concerned that the grandfather provisions outlined in the Interim Final Rules are too restrictive and may cause us to lose the grandfathering we need. If NAHMA is forced through budget constraints to consider options of a non-grandfathered plan before we have the benefit of an Exchange, we are concerned that we may be priced out of the market and may even have to

drop coverage - something we do not want to do.
We would suggest for the transition period before the Exchange is established, that small and medium sized employers such as NAHMA be allowed to change insurance carriers and/or make cost saving changes to copayments and cost sharing provided we do not reduce the per-employee amount we pay for insurance. This could help us adjust and preserve coverage in anticipation of greater reform and options that will occur beginning in 2014.

Attachments

IRS-2010-0010-0026.1: Comment on FR Doc # 2010-14488

NAHMA

NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

August 4, 2010

Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
Room 445-G Hubert H. Humphrey Building
200 Independence Ave. SW
Washington, DC 20201

Re: OCIIO-991-IFC, The Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

On behalf of the National Affordable Housing Management Association (NAHMA), we appreciate the opportunity to comment on the Interim Final Rules regarding grandfathered health plans under the Patient Protection and Affordable Care Act. NAHMA is a section 501(c)(6) individual membership organization whose mission is to advocate for quality affordable multifamily housing.

NAHMA has six full-time employees, and an annual operating budget of about $1.4 million. Currently, we provide health insurance to our employees as a benefit of employment. In 2010 the cost to provide this benefit is about $60,000, or 4.3 percent of our annual expenses. In 2011, we expect the cost to rise to about $65,000, or 4.5 percent of our annual expenses. This is a high cost to a small association, and it is unknown how long we will be able to continue offering the same current level of benefit, through the same provider, to our staff.

The plan is a high-deductible plan, with health savings accounts provided to our employees. We have used a broker to thoroughly research the types of plans available to us, and we know we have the best rate that we are able to get at this time.

We believe that many organizations, including NAHMA, will greatly benefit from the expanded options for health insurance that will be available beginning in 2014 through the Exchange. However, because the benefits of the Exchange will not be realized until 2014, we will likely continue to experience annual cost increases and lack of control

over actual coverage until 2014. As such, the grandfathering of our existing coverage is extremely important, especially prior to the establishment of a working Exchange system.

We are greatly concerned that the grandfather provisions outlined in the Interim Final Rules are too restrictive and may cause us to lose the grandfathering we need. If NAHMA is forced through budget constraints to consider options of a non-grandfathered plan before we have the benefit of an Exchange, we are concerned that we may be priced out of the market and may even have to drop coverage – something we do not want to do.

We would suggest for the transition period before the Exchange is established, that small and medium sized employers such as NAHMA be allowed to make cost saving changes to copayments and cost sharing provided we do not reduce the per-employee amount we pay for insurance. This could help us adjust and preserve coverage in anticipation of greater reform and options that will occur beginning in 2014.

We also suggest that small and medium sized employers such as NAHMA be allowed to change insurance carriers prior to 2014 and have our plans treated as grandfathered plans provided we do not reduce the per-employee amount we pay for insurance. This would allow us to maintain the level of coverage for our employees, but reap the benefit of a less expensive plan prior to the implementation of the Exchange.

Thank you for this opportunity to express our views on this important issue.

Sincerely,

Kristina Cook, CAE
Executive Director, NAHMA