

From: "Qualified AHPS" (info@qualifiedahps.com)

Subject: Commissioner Mike Kreidler: Stop Trying To Take Away Our Health Care

Dear Member of the Washington State Legislature:

This morning the Coalition of Qualified Association Health Plans (the Coalition) ran a full-page advertisement in The Olympian newspaper asking that Washington State Insurance Commissioner Mike Kreidler stop his on-going effort to take away the health care of the thousands of small businesses and working families all across Washington State that receive their coverage through qualified Association Health Plans (AHPs). A copy of the advertisement and a document capturing key facts regarding qualified AHPs are attached for your reference.

As you may know, AHPs grew out of a crisis in Washington State after the near-collapse of the health insurance market in the late 1990s. Dozens of insurance companies left the market and those that remained were reluctant to sell to small businesses. In response, the Washington State Legislature passed a law authorizing the establishment of AHPs. This allowed Washington's industry organizations to begin offering health insurance to their small business members.

By working together, not only did legislators and industry organizations solve the crisis, they left enduring and successful institutions that today provide affordable health care accessible to hundreds of thousands of hard-working Washingtonians, many of whom did not previously have coverage. Qualified AHPs are a true Washington State success story.

But now, Commissioner Mike Kreidler wants to eliminate qualified AHPs as a coverage option for Washington State's small businesses and working families.

Members of the Coalition have met dozens of times with Commissioner Mike Kreidler and his staff regarding the need to preserve qualified AHPs and have received explicit assurances – directly from Commissioner Mike Kreidler himself – that he would not harm Washington's small businesses and working families by taking away the health care they receive through their qualified AHP.

Unfortunately, Commissioner Mike Kreidler has gone back on his word and his campaign to eliminate qualified AHPs continues.

As part of his attack on the hundreds of thousands of hard-working Washingtonians who receive their coverage through qualified AHPs, Commissioner Mike Kreidler has made numerous false claims and misrepresentations regarding the benefits and services offered by qualified AHPs. The Coalition wants to set the record straight. Here are the facts:

Claim: Qualified AHPs cover very few small businesses.

FACT: There are over 2,500 companies in our qualified AHPs. Over 92% of these employers are small businesses. Small businesses generally do not have large HR staffs to devote hundreds of hours to managing their employee benefits. Qualified AHPs provide simple, "one stop shopping" for their medical, dental, life, vision, EAP and disability insurance.

Claim: Qualified AHPs discriminate against women.

FACT: Qualified AHPs DO NOT discriminate against women. Qualified AHPs have comprehensive, unlimited benefits for women and don't rate based on gender.

Claim: Qualified AHPs don't offer comprehensive benefits.

FACT: Qualified AHPs offer their members access to a diverse and comprehensive product portfolio including medical, life, disability and dental insurance as well as other programs such as Employee Assistance Programs, Wellness Programs, Retail Discounts and more. Qualified AHPs offer comprehensive health benefits including preventive care, the full spectrum of care for women and unobstructed access for the sickest patients to the best available care – all with no lifetime maximums. For the years 2010-2014, our members received over \$818,000,000 in paid benefits.

Claim: Qualified AHPs don't offer reasonable rates.

FACT: By pooling their collective risk, small employers that choose qualified AHPs have the purchasing power of a large group, can negotiate for plan designs and prices more compatible with their constituency and ensure better rate stability and protection for all members. Our fully-insured rates must be sufficient to cover all claims, administrative expenses and taxes. As a matter of fact, unlike the self-insured plans and other government programs, our qualified AHPs paid over \$12,000,000 in taxes and fees in 2014 alone! Since 2010, our qualified AHPs have paid in excess of \$32,000,000 in taxes and fees.

We remain highly confused that after reviewing and approving our rates for nearly 30 years, why current Commissioner Mike Kreidler and his staff have now declared that our rates are unreasonable.

In short, qualified AHPs are successful because they do the right thing for small businesses and working families that need this vital service. They offer competitive rates, quality service by brokers and health plans, market efficiencies to give value to the consumer and frequently offer services in addition to health insurance. Qualified AHPs are a proven model that works. Members all across Washington State love their qualified AHP and don't want Commissioner Mike Kreidler to them taken away. To find out how many small businesses are impacted in your district, contact Will Compton for a complete list.

Thank you for your attention to this important matter. If you have any questions regarding qualified AHPs or the Coalition, please do not hesitate to contact me.

Sincerely,

M. Jonathan Hensley

The Coalition of Qualified Association Health Plans