



Statement on Behalf of Members of the Partnership to Protect Coverage
House Committee on Education and the Workforce
Health, Employment, Labor, and Pensions Subcommittee
Hearing on: "A Healthy Workforce: Expanding Access and Affordability in
Employer-Sponsored Health Care"
April 2, 2025

The 27 undersigned organizations represent more than 120 million people living with a pre-existing condition in the US. Collectively, we have a unique perspective on what individuals and families need to prevent disease, cure illness, and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that are critical components of any discussion aimed at improving or reforming our healthcare system.

Our organizations share three principles that we use to help guide our work on healthcare to continue to develop, improve upon, or defend the programs and services our communities need to live longer, healthier lives.¹ These principles state that healthcare must be adequate, affordable, and accessible.

With these principles at the forefront, we write to convey our concerns about policies that could negatively impact the quality and affordability of healthcare for patients, including three bills that have previously been considered by the Committee and may be before you again or amended for your consideration: the Association Health Plans Act; the Telehealth Benefit Expansion for Workers Act; and the Self-Insurance Protection Act. In the report, "Under-covered: How 'Insurance-Like' Products Are Leaving Patients Exposed," many of our organizations documented our concerns with health insurance products that are not required to comply with the patient protections enacted in the Affordable Care

Act.ⁱⁱ We are especially concerned that the bills above, or other similarly crafted proposals, would decrease the number of consumers enrolled in comprehensive health insurance plans and threaten access to quality, affordable health care for the patients and consumers we represent.

We urge the Committee to oppose bills that would limit comprehensive coverage options for these individuals including the policies detailed below.

The Impact of Association Health Plans

Current law allows employers to work together to form a multiple employer welfare arrangement (MEWA) to provide certain benefits to their employees. An Association Health Plan (AHP) — a health benefit plan sponsored by an employer-based association — is one type of MEWA.

AHPs do not constitute adequate coverage because AHPs:

- Can be classified as large employers and are therefore not subject to critical patient protections and state insurance regulations.
- Are not required to provide comprehensive coverage or cover the Essential Health Benefits (EHB) and may also charge higher premiums based on occupation or even health status in some cases.
- Pose risks to the many consumers who do not enroll in them. AHPs can siphon away healthy individuals from state individual and small-group markets by leveraging the regulatory advantages they enjoy. This leaves the individual and small group markets smaller and with a larger proportion of individuals with pre-existing conditions, leading to higher premiums and fewer plan choices for those who depend on those markets to access affordable, comprehensive coverage.

We believe additional enrollment in AHPs by small employers and the self-employed, like proposed in the Association Health Plans Act, will weaken patient and consumer protections and lead to higher costs for consumers who rely on comprehensive insurance. As the Committee contemplates improvements to the healthcare system, we urge you to oppose legislation that would promote additional enrollment in AHPs and partner with us to set common-sense restrictions that protect patients, consumers, and employers — limiting low-value plans rather than allowing them to proliferate further.

Telehealth as an Excepted Benefit

Telehealth has long been a vital care delivery method for improving access in underserved communities, particularly rural areas, areas with physician shortages, and areas with limited access to primary care services. Our organizations believe that telehealth can and should be used to increase patient access to care and we have issued principles to aid lawmakers in setting appropriate policies to achieve that goal.ⁱⁱⁱ

Nothing prevents an employer or health insurance carrier from offering telehealth coverage in conjunction with their health coverage, and many do. However, we are concerned with any proposals that would create a new excepted benefit for telehealth services. Excepted benefits are a category of coverage exempt from most federal and state standards that apply to health insurance. This means that a telehealth excepted benefit could discriminate against patients with a pre-existing condition by refusing to cover certain treatments, charging more for coverage, or denying coverage altogether.

Excepted benefits coverage can take many forms, including disease-specific policies like cancer-only, dental, and fixed indemnity plans. These plans are designed to supplement a major medical insurance plan. They are *not* comprehensive coverage and, in many cases, they are not allowed to coordinate with

other coverage. These products are often exempted from federal regulation and primary regulation authority lies at the state level. While telehealth is an important coverage, it is insufficient on its own without major medical health insurance.

With telehealth as a new excepted benefit, employers would be able to offer the stand-alone benefit as an alternative to a comprehensive health insurance plan. Low-wage workers, in particular, would be at risk of enrolling in the lower-cost telehealth plan, thinking it will provide comprehensive coverage when it won't.

Lastly, we want to draw the committee's attention to a concerning trend. In recent years, excepted benefits have been marketed and sold – sometimes bundled – as replacements for traditional health insurance.^{iv} This can lead to significant consumer confusion and a false sense of security for people who believe they've purchased high-quality coverage, only to find substantial gaps and higher out-of-pocket costs when they use their plan.

We are concerned that bills like the Telehealth Benefit Expansion for Workers Act, or others that are similarly formulated, would be harmful to patients and consumers. We encourage the Committee to instead consider approaches that would promote consumer access to integrated telehealth benefits within a comprehensive health plan.

Stop-Loss Coverage

Stop-loss insurance is intended to be used as a tool to protect a health plan sponsor—typically an employer—from unpredictably high losses due to unexpected claims. As such, it can be an important tool to promote stability for sponsors of health insurance plans, particularly sponsors providing coverage for small numbers of insured individuals, whose unique health needs sometimes necessitate very expensive health services.

We are concerned with proposals, like the Self-Insurance Protection Act, that would remove an important level of consumer and patient protection by eliminating the ability of states to exercise oversight of stop-loss plans. State insurance commissioners play an important role in the health insurance marketplace. Removing states' ability to regulate stop-loss coverage would lead to less oversight of these plans, which would increase the likelihood of misleading marketing and other fraudulent practices that would prove harmful to employers purchasing stop-loss coverage as well as their employees.

Conclusion

We urge the Committee to reject the bills referenced above and, instead, partner with organizations like ours to identify opportunities to expand affordable, accessible, and adequate healthcare coverage for patients and their families. If you have questions or would like to discuss this further, please contact Katie Berge (Katie.Berge@lls.org), Jelani Murrain (Jelani.Murrain@cancer.org), and Ashleigh Tharp (atharp@cff.org).

Sincerely,

AiArthritis
Alpha-1 Foundation
American Cancer Society Cancer Action Network
American Heart Association

American Kidney Fund
American Lung Association
Arthritis Foundation
Asthma and Allergy Foundation of America
Cancer Support Community
CancerCare
Crohn's and Colitis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation of America
Hemophilia Federation of America
Immune Deficiency Foundation
Lupus Foundation of America
Muscular Dystrophy Association
National Bleeding Disorders Foundation
National Coalition for Cancer Survivorship
National Health Council
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society
WomenHeart: The National Coalition for Women with Heart Disease

ⁱ Consensus Healthcare Reform Principles. <https://www.lung.org/getmedia/0912cd7f-c2f9-4112-aaa6-f54d690d6e65/PPC-Coalition-Principles-FINAL.pdf>.

ⁱⁱ Under-Covered: How "Insurance-Like" Products Are Leaving Patients Exposed. <https://www.lls.org/advocate/under-covered-how-insurance-products-are-leaving-patients-exposed>.

ⁱⁱⁱ Principles for Telehealth Policy. [https://www.lung.org/getmedia/ac136df2-5984-46b6-9503-8523f71f5425/FINAL-Principles-for-Telehealth-Policy-8_27_2020-\(003\).pdf](https://www.lung.org/getmedia/ac136df2-5984-46b6-9503-8523f71f5425/FINAL-Principles-for-Telehealth-Policy-8_27_2020-(003).pdf).

^{iv} Limited Plans with Minimal Coverage Are Being Sold as Primary Coverage, Leaving Consumers at Risk. <https://www.commonwealthfund.org/blog/2021/limited-plans-minimal-coverage-are-being-sold-primary-coverage-leavingconsumers-risk>.