

Testimony of The Leukemia & Lymphoma Society

In opposition to SB 21—063 “Concerning an expansion of the ability of an existing association consisting of multiple employers to offer health care benefits to the members of the association”

March 24, 2021

The Leukemia & Lymphoma Society (LLS) is grateful for the opportunity to submit the following testimony to the Senate Committee on Business, Labor, and Technology in opposition to SB 21-063 “Concerning an expansion of the ability of an existing association consisting of multiple employers to offer health care benefits to the members of the association.” While we are grateful to the bill’s sponsor, Senator Jerry Sonnenberg, for seeking ways to improve access to affordable health care in the state, we have concerns with the bill that necessitate our opposition.

At LLS, our mission is to cure leukemia, lymphoma, Hodgkin’s disease and myeloma, and improve the quality of life of patients and their families. LLS exists to find cures and ensure access to treatments for blood cancer patients.

The good news is that advancements in research and treatment of these conditions have led to significant improvements in survival rates for blood cancer patients over the past several decades. That depends, however, on having access to the health care services necessary to catch, diagnose, and treat the disease in a timely fashion – and access to care starts with access to coverage.

We agree that it is critical to ensure that affordable health insurance coverage is available to every Colorado consumer who needs it, but we do not feel that multiple employer welfare arrangements – or MEWAs, also known as association health plans or AHPs – are the right solution.

The most immediate issue facing the state is that the federal rules which opened the door to the “pathway II” AHPs envisioned in this bill are currently the subject of ongoing litigation. On February 8th of this year, the DC Circuit Court of Appeals issued an order holding the case in abeyance at the request of the Biden Administration.¹ In other words, even if the State passes this bill, it currently cannot be implemented.

While MEWAs may be able to offer lower premiums to some consumers it is important to remember that if employer-based coverage through a MEWA is made newly available to individuals who currently enroll through the Marketplace, they will no longer be eligible for any

¹ Keith, Katie. “ACA Round-Up: Health Plan Filing Deadlines, Affordability Data, Association Health Plan Litigation, And More.” February 9 2021. Health Affairs Blog. Available at: <https://www.healthaffairs.org/doi/10.1377/hblog20210209.830145/full/>



tax credits or subsidies for a Marketplace plan. Imagine a blood cancer patient who works for a small employer who does not offer coverage, and who receives advance premium tax credits (APTC) to lower their premiums through the Marketplace, and who has selected a silver plan to help manage their out of pocket costs. It may be the case that a MEWA's base premiums are less than that patient's base silver premium, but that does not take into account the significant premium offset afforded by the APTC. If their employer decides to offer a comparatively barebones MEWA instead, that patient will have no choice but to pay higher premiums for higher out of pocket costs.

We share concerns over the affordability of health coverage, and we are eager to work together to find ways to make sure that patients and consumers can afford the best possible plans for themselves and their families – plans that provide the right coverage at the right time, and where affordability considers not only premiums but also out-of-pocket costs. But we do not feel that this bill is the right solution.

We urge the members of the Committee to oppose this bill.

If you have questions about LLS's position on this matter, or would like further information from LLS, I can be reached at dave.almeida@lls.org or 803-546-6379.

Sincerely,

J. David Almeida
Regional Director, Government Affairs
The Leukemia & Lymphoma Society