President Signs Executive Order:

New Rules to Expand Availability of Association Health Plans and Short-Term Policies

October 12, 2017

In what the President cited as the first steps to repeal and replace the Affordable Care Act in "a very positive manner," he signed an Executive Order (EO) designed to encourage the rise of a new set of loosely regulated health plans. The EO directs the Departments of Health and Human Services, Labor and Treasury to reinterpret existing regulations to expand health care coverage options to –

- Allow cross-state association health plans (AHPs),
- Extend the duration of short-term plans, and
- Boost healthcare reimbursement arrangements.

More specificity is below, however, it should be noted that this will have **no immediate impact** on insurance plans. This is a directive for select Departments to examine current regulations to allow more small businesses and individuals to buy coverage outside of the ACA.

Click here to read the EO, here for the White House fact sheet, and here for the President's signing statement.

Specific Department Directions

Based on information from the White House, the EO directs-

- The Secretary of Labor to expand access to association health plans (AHPs) through a broader interpretation of Employee Retirement Income Security Act (ERISA) to allow employers in the same line of business across the country to join together to offer group plans.
- The Secretaries of Treasury, Labor and HHS to revise current ACA regulations to expand coverage through low cost short-term limited duration insurance (STLDI).
- The Secretaries of Treasury, Labor and HHS to consider changes to Health Reimbursement Arrangements (HRAs) so employers can make better use of them for their employees.
- The Secretaries of Treasury, Labor and HHS to identify other policies that limit choice and competition and lead to consolidation.

Additionally, the EO alludes to the Administration's authority to expand hardship exemptions from the individual mandate, but reiterates the necessity of Congressional action if there are to be changes to that tax or the employer mandate.

If you have any questions, please contact our policy lead, Devon Seibert-Bailey, at 202-266-2600.