



September 11, 2012

Committee on Ways and Means
Health Subcommittee
1101 Longworth House Office Building
Washington, DC 20515

The American Society of Association Executives (“ASAE”) is a section 501(c)(6) individual membership organization representing more than 22,000 association executives and industry partners from nearly 12,000 tax-exempt organizations. Its members manage leading trade associations, individual membership societies, and voluntary organizations in every state as well as in 50 countries around the globe.

For many associations, providing insurance is one of their highest budget costs annually. According to ASAE’s Compensation & Benefits survey, over three fourths of associations provide some health coverage for employees; this percentage is even higher for associations with eleven to thirty staff. The average premium increase, however, is 10% annually. ASAE has historically been active on this issue because effective and accessible networks of small employers can work to reduce the cost of this increase.

ASAE has long been a strong supporter of allowing employers to form health insurance pools because of the cost-saving elements passed on to small employers. This sort of instrument creates a large consumer base and the scale that gives bargaining power to small employers. Small employers are often a class that faces the most difficulty when accessing affordable and quality insurance. Similar to small businesses, many associations could benefit from a well run insurance exchange that provides affordable options for employees, as well as budget relief for the employers.

As the deadline approaches for Exchanges to be put in place in every state as part of the ACA, it is imperative that these Exchanges run well. ASAE supports reasonable adjustments to deadlines, if needed, in order to ensure that statewide exchanges are built effectively before they are put into place. States should look to existing models, such as association health plans, in order to build effective Exchanges. In addition, the ACA created a role for “navigators” or organizations that represent large populations that are able to guide eligible employers through the Exchange. The navigator role is critical to the success of the Exchange and, as associations are rightly included as eligible navigators, we urge the federal government and states to use them appropriately in the creation of Exchanges.

ASAE hopes careful consideration is made to ensure that the Exchanges are fully operational in time for the deadline just over a year away. Should you have any questions, please contact me or Jim Clarke, sr. vice president of public policy, at (202) 626-2865 or jclarke@asaenet.org.

Sincerely,

John H. Graham IV, CAE
President & CEO