



April 30, 2020

The Honorable Ralph Northam  
Governor of Virginia  
P.O. Box 1475  
Richmond, VA 23218

Dear Governor Northam,

The Arlington Chamber of Commerce respectfully urges you to assist our small business community and to allow Senate Bill 861 to become law.

Senate Bill 861 provides for the creation of benefits consortia to expand health care options for small businesses and their employees while maintaining the same coverage standards as the Affordable Care Act. Estimates indicate that a typical small business could save about \$20,000 annually on health care costs. As the Commonwealth recovers from the current economic downturn, it is critical that small businesses and their employees have quality health care coverage that expands access and lowers premiums.

Benefits consortia will have the ability to design plan attributes that are specific for their particular demographics or specific geographic area. In doing so, they align with your directive to “use data to make coverage more efficient and improve health outcomes, especially for vulnerable populations.” SB 861 provides broad access, consumer protections, quality coverage, and financial security, and is constructed to address the administration’s concerns of similar vetoed legislation from the 2019 session.

SB 861 is not an association health plan. The legislation’s foundation is based upon existing Virginia code that allows private colleges, bankers, and localities to offer similar plans. The plans cannot impose pre-existing condition limitations, nor can health status be used to determine membership in the sponsoring association. These plans do not impact the individual market or the planned Virginia state-based exchange because they target small businesses with 2-50 employees.

As member-managed plans, there will be full transparency into rate development, claims utilization, administration costs, etc. As self-funded plans, all excess premiums must belong to the participants; and since there are no insurance company profits, there is not a need for a minimum loss ratio.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Kate Bates". The signature is written in a cursive, flowing style.

Kate Bates  
President & CEO