Association Health Plan Final Regulations Issued

July 2, 2018

The DOL released final regulations expanding the groups of employers that may participate in one ERISA-covered employee group health plan (an ?ÃÂ£***Association Health Plan***?ÃÂ¥). Generally, employers (including working owners with no employees) may participate in an Association Health Plan as long as they are in the same industry, state, or metropolitan area. A major benefit of joining together to participate in one ERISA-covered group health plan, as opposed to being treated as maintaining separate ERISA group health plans, is that the total number of employees participating in the Association Health Plan, from all participating employers, will determine whether the Association Health Plan is treated as ?ÃÂ£large group,?ÃÂ¥ ?ÃÂ£small group,?ÃÂ¥ or individual coverage for purposes of the mandates under the Affordable Care Act (the ?ÃÂ£***ACA***?ÃÂ¥). The ACA places a number of requirements on small group and individual coverage that do not apply to large group health plans. An Association Health Plan will still be considered a ?ÃÂ£multiple employer welfare arrangement?ÃÂ¥ under ERISA, also known as a MEWA, whether fully-insured or self-funded. These final regulations contain a number of requirements that must be met by Association Health Plans, including nondiscrimination requirements that generally prohibit experience-rating participating employers based on health factors. The final regulations are applicable to fully-insured Association Health Plans as of September 1, 2018, to existing self-funded Association Health Plans as of January 1, 2019, and to newly created self-funded Association Health Plans as of April 1, 2019. **View the final regulations**.

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