

BREAKING NEWS ... the Department of Labor has finalized the Association Health Plan rule. See below for an article by Dawn Sweeney, CEO National Restaurant Association, for her take on the ruling as well as some insights on the new Association Health Plan, RHA Benefit Trust, available to members. **FOR MORE INFORMATION EMAIL healthcareinfo@restaurant.org OR VISIT restauranthealthcare.org**



Small Businesses to See New Opportunity in Health Insurance Coverage and Cost Savings

By Dawn Sweeney

Major healthcare savings and protections are on the horizon for the more than 11 million Americans who work for or own small businesses. Today, the U.S. Department of Labor finalized regulations to expand Small Business Health Plans – also known as Association Health Plans (AHPs). This expansion will help level the healthcare playing field for smaller to mid-size businesses – allowing owners and their employees to enjoy similar health coverage benefits as large employers.

For hardworking restaurant operators and workers across the country, this transformational change is coming not a moment too soon. As healthcare premiums continue to increase, these innovative plans can provide small businesses with negotiating power, reduced costs, and flexibility.

The new policy empowers small businesses to advocate for better, more affordable healthcare for themselves and their team members. By banding together in an AHP, small business owners from Seattle to New Orleans to Newark will now be able to purchase high quality insurance for a more affordable price. Of course, that will benefit their bottom line, as well as their local economies. More importantly, this will help millions of Americans and their families stay happy and healthy.

For the first time, this rule will allow smaller, local restaurants or retailers in a rural area to all participate in a single Small Business Health Plan in order to offer insurance to their employees. On average, a single employee premium in 2017 was \$6,690 according to the Kaiser Family Foundation. That cost is up 133% since 2002, which is significantly higher than core inflation and wage increases. Due to these high costs, small businesses offering insurance dropped from 63% in 2006 to 56% in 2016. However, through AHPs, local coffee shop owners or restauranteurs from Raleigh to San Diego could join forces to create their own health plan.

We are already seeing the creation of plans like the Restaurant & Hospitality Association Benefit Trust, which offers members of the National Restaurant Association a selection of more than 120 plans with medical and specialty benefits, including wellness options. Restaurant owners and operators participating in the trust now enjoy a reduction of administrative costs through economies of scale, and they have strengthened their bargaining positions while enhancing their ability to self-insure.

Empowering small businesses to band together to offer affordable health coverage to their employees is a long overdue act that will help millions of Americans. Moreover, this is proof that the answer to expanding access to affordable health care does not lie in increased federal spending, but instead in giving people the power to purchase the health care that best meets their needs.

Early champions, including President Donald Trump and U.S. Labor Secretary Alexander Acosta, have made good on their promise to support the 11 million people employed by small businesses in America. Supporting AHPs serves those who serve us every day by giving small businesses who are priced out of the current healthcare system an opportunity to access affordable healthcare.

Ask any small business owner and they will tell you that their greatest asset is their employees, and one of their biggest costs is recruiting, training, and retaining top talent. As owners face an increasingly competitive hiring market, offering health coverage is increasingly important.

Keeping employees happy and healthy reduces turnover and keeps business' bottom lines healthier too.

Dawn Sweeney is President and CEO of the National Restaurant Association.