



Association Health Plans

M Myth: Association Health Plans (AHPs) are “junk.”

R Reality: AHPs have substantial consumer protections.

A common myth is that AHPs are “junk” or skinny insurance plans that do not provide quality coverage for consumers. This couldn’t be further from the truth. AHPs must adhere to several Affordable Care Act (ACA) requirements and comply with other federal and state laws to ensure quality for plan beneficiaries.

Additionally, while it is true that the ACA exempted AHPs from the Essential Health Benefits (EHB) mandate, that is because congressional staff saw that most AHPs were already covering all or most of the EHBs. Indeed, recently created AHPs have shown there is no evidence of narrow benefit designs, and that many AHPs go above-and-beyond by offering additional benefits. They often provide several different plan options, offer medical savings account arrangements (such as HSAs), and have used a variety of approaches to ensure plan stability.

In short, AHPs are affordable, quality options to provide millions of Americans with coverage both during and post-COVID-19.

REQUIREMENT	AHPS
Must cover pre-existing conditions	✓
Comply with ACA substantial coverage mandate	✓
Adhere to ACA preventive services requirement	✓
No lifetime limits on essential health benefits offered	✓
Bound by HIPPA nondiscrimination rules	✓
Subject to ACA cost sharing regulations	✓
Required to provide COBRA coverage	✓

SOURCES:

Lois Gleason, “Do Association Health Plans Have to Cover Essential Health Benefits?” International Foundation of Employee Benefit Plans (2018), <https://blog.ifebp.org/index.php/do-association-health-plans-have-to-cover-essential-health-benefits>.

Association Health Plans, Inc. “First Phase of New Association Health Plans Reveal Promising Trends,” AssociationHealthPlans.com (2019), <https://www.associationhealthplans.com/reports/new-ahp-study/>.