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Sent: Tuesday, October 26, 2021 12:42 PM

To: khartley@avma.org

Cc: [Dr. Kent McClure](#)

Subject: Hi There - AHP Coalition - 2022 Strategy and Re-Commitment

Hi there. I hope you are well! I hope you are enjoying some Fall weather!!

I wanted to reach out regarding the AHP Coalition. As I mentioned, I very much want to keep the Coalition going throughout 2022. I truly believe there is value in continuing our work through the Coalition even if 2022 may be somewhat quiet. That's because, depending on the mid-term election results in Nov. 2022, there may be opportunities to crank things up in 2023 and 2024. And, depending on the Presidential election results in Nov. 2024, we will be well-positioned to finally get much of what we have been trying to get done over these past 3 years FINALLY DONE.

As I mentioned, here is my thinking on a 2022 strategy:

Pathway #2 AHPs (for non-industry-based groups and self-employed individuals)

- Frustratingly, Pathway #2 continues to sit in purgatory. As a result, we will limit our focus on Pathway #2 to the following: (1) Continued monitoring of the legal certainty/uncertainty; (2) Responding to Federal and State policymakers with information and data relating to Pathway #2 AHPs; and (3) Responding to trade associations, brokers, and other organizations inquiring about Pathway #2 AHPs.
- However, in the event a Circuit Court ruling is issued (regardless of whether the decision is unfavorable or favorable), we will immediately snap into action and respond through press releases and placing positive news stories in the media, along with meetings with Congressional staff and Biden Administration officials about the future of Pathway #2 AHPs.
- Also, because 2022 is an election year, we will look for opportunities to work with House and/or Senate campaigns in targeted States by giving them talking points and any data that we have on the benefits of Pathway #2 AHPs.

Pathway #1 AHPs (for industry-based groups with employers with at least one W-2 employee)

- Fortunately, the Biden Administration and Congressional Democrats have been focused on other priorities throughout 2021, and therefore, we have yet to see any attempts to neuter or substantively modify the Pathway #1 rules. For 2022, we will stay-the-course on the strategy we adopted for 2021, which was, keep our heads down and only snap into action if and when necessary. As a result, we will (1) Continue to monitor any and all activity relating to Pathway #1 AHPs; (2) Respond to Federal and State policymakers with information and data relating to Pathway #1 AHPs; and (3) Respond to trade associations, brokers, and other organizations inquiring about Pathway #1 AHPs.
- In the event the Biden Administration or any particular State attempts to attack Pathway #1 and/or undertake legislative or regulatory efforts to change the Pathway #1 rules, we will immediately snap into action to fight these efforts and stop them in their tracks. This would include engaging with

Biden Administration officials, Congressional staff, and State regulators and even the NAIC, if required.

- Also, with 2022 being an election year, we will look for opportunities to tout the successes of Pathway #1 AHPs even in the “unfriendly” States.

Individual Coverage HRAs (ICHRAs)

- Now that the ACA’s “individual” market is stabilizing a bit, the “individual” market is becoming more attractive to some small employers (depending on the State and the cost of health coverage in that State’s “small group” market relative to the “individual” market). As a result, while our Coalition’s preference is establishing an AHP so small employers can create a “large group” plan, for some trade associations out there, these associations may want to serve as a resource to their small employer members who may find the “individual” market – and ICHRAs – a better option than taking steps to establish an AHP. As a Coalition, we would like to be responsive to the needs of these trade associations, especially those associations with small employers located in “unfriendly” States (who are unable to establish an AHP at all).
- To this end, we will fold issues relating to ICHRAs and the ACA’s “individual” market into our Coalition by (1) Advocating for changes to the law that codify and strengthen the ICHRA rules and (2) Responding to trade associations, brokers, and other organizations asking for more information about ICHRAs.

The ACA’s “Enhanced Premium Subsidies”

- Related to issues involving the “individual” market, the Biden Administration and Congressional Democrats successfully (1) Increased the ACA’s premium subsidy amounts and (2) Eliminated the income thresholds so people with incomes in excess of 400% of FPL can access a premium subsidy. However, these “enhanced premium subsidies” go away at the end of 2022. However, currently, the Biden Administration and Congressional Democrats are trying to extend the “enhanced premium subsidies” for up to 2, 3, or 4 additional years.
- In the event the Biden Administration and Congressional Democrats can extend the “enhanced premium subsidies” for multiple years, it is advisable for our Coalition to (1) Serve as a resource to trade associations, brokers, and other organizations inquiring about how the “enhanced premium subsidies” could help their members/clients and (2) Analyze how these “enhanced premium subsidies” will impact the value proposition of AHPs during the years the “enhanced premium subsidies” are available (we can also strategize on how we can showcase AHPs as a viable alternative if these “enhanced premium subsidies” ultimately expire).

For the 2022 calendar year, I am proposing a slight reduction in membership dues. We were super active in 2018, 2019, and 2020, but we were not as active in 2021, and that may also be the case for 2022. However, things could break our way in 2022, so our activity level could spike. Even if things do not break our way in 2022, our continued activities will serve us well if and when the politics shift after Nov. 2022 and/or Nov. 2024.

Please feel free to reach out if you would like to chat about anything. 703-209-0690. Call any time! Also, please let me know about your re-commitment to our AHP Coalition for 2022 when you have confirmation about your continued participation. I am very much looking forward to working hard for you and our Coalition members throughout 2022 and beyond!