

BUSINESS ADVOCATE



 SAGINAW COUNTY
CHAMBER
OF COMMERCE

A publication of the Saginaw
County Chamber of Commerce
www.saginawchamber.org

THE QUEST for
Sustainable, Affordable
Health Plans Continues

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LETTER from the President

Dear Members:

2018 was a year of transitions in Saginaw County and in the Great Lakes Bay Region. We honored Bob Van Deventer when, after 14 years of providing great leadership to this organization and the Saginaw County community, he retired as President/CEO of the Chamber.

I was humbled to be selected as the new President/CEO and hope to emulate Bob's great leadership for the 158-year-old Saginaw County Chamber of Commerce. Like Bob, I know that the chamber is the heart of the community and a leading force to spur Saginaw's redevelopment.

I share his belief that everyone will be more successful if we work together. It's why I'm excited to welcome new Regional Leaders Ryan Tarrant, President/CEO of the Bay Area Chamber of Commerce and Tony Stamas, President/CEO of the Midland Business Alliance (Midland Area Chamber and Midland Tomorrow, the economic development organization for Midland County).

We have all known one another and worked together over the past 20 years, so while we're not "new" to the area, we're all "new" to our roles. We fully intend to find our areas of commonality and work towards a stronger economic region.

Our Chamber board of directors felt it was important to conduct strategic planning, which we just completed. This process confirmed much of the work we're already doing and helped us prioritize how we can better serve our members. We'll continue to provide you, our members, with quality programming and events as well as some new, exciting initiatives.



I want you to know how excited I am to continue our work for you, our members. We have an exceptional staff and we're always available to serve you.

We truly value your membership and will continue to be the Leading Voice of Influence for our members!

Veronica J. Horn

Veronica Horn, President/CEO
Saginaw County Chamber of Commerce



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BUYER BEWARE

Discovering the health of Association Health Plans

Few dispute that providing employee healthcare coverage is a challenge for small business. New federal rules governing association health plans are adding little relief while stirring controversy. So, for small business, the quest for sustainable, affordable plans continues.

A company's ability to provide quality health coverage is one of the top considerations for American workers when considering whether to take a job, according to the U.S. Chamber of Commerce. The best and brightest employees expect it and competitiveness demands it, but some experts advise the new rules call for a "buyer beware" mindset.

Looking for progress

Hopes were high that solutions were at hand when the U.S. Department of Labor announced a Final Rule last July expanding association health plans (AHPs). Rules set out by President Donald Trump's executive order allow more employers

to form AHPs by expanding the "commonality of interest" mandate.

New regulations define eligibility as employer members of an association group in the same trade, industry, line of business, profession, or located within the same region. Also, under the rule, professional organizations may form for the purpose of selling AHPs.

New regulations aim for small groups and the self-employed to benefit from insurance-buying power on scale with large business plans. The U.S. Chamber staunchly supports the measures. It contends the Affordable Care Act's (ACA) regulation of the small-group market drove up prices to unaffordable levels. The Chamber also contends new rules offer better choices of coverage at lower premiums.

"We see it as a great opportunity helping small business and sole proprietors," said Kevin Courtois, Congressional and Public Affairs Manager for the U.S. Chamber's Great Lakes Region.

While the Michigan Chamber took an active part in developing reforms, its

leadership ultimately came to different conclusions from the U.S. Chamber.

"We started out bullish on what an association plan could mean for our chambers," said Jason Russell, Michigan Chamber Senior Director/ Insurance Solutions. "Upon close examination, the Michigan Chamber found new AHP rules do not allow for sustainable, affordable plans. You have to strip meaningful benefits to find a way to fund it long-term."

Cheaper and less regulated, yes, but in the end, healthcare is like everything else—you get what you pay for. The controversial new ruling permits plans for the small-group market to skirt the ACA's 10 "essential benefits" mandated for small group plans. Among these are maternity coverage, mental health, prescriptions and rehab care. Also, under new rules, premiums may be charged based on age, gender, industry or occupation, but not on health status. Opponents conclude the new rules leave consumer protections weakened and serve to dismantle the ACA.

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Association Health Plans



Taking action

The non-profit American Heart Association is on record with its concerns pertaining to new AHP rules. "... it will once again leave consumers and patients in AHP arrangements with insufficient coverage, unpaid medical bills, lifelong health implications and no resources to challenge or seek remediation for these issues—just as AHPs did before the ACA provided appropriate oversight and protection. We are fundamentally concerned with AHPs overall ability to provide sound financial protection to patients and deliver on their responsibilities to make high quality care available to patients when needed."

Saginaw-based Mannor Financial Group Founder Kevin Mannor has over 25 years of insurance and financial services experience. Mannor provides health insurance plans for 15 companies, including Blue Cross Blue Shield, Priority Health, United Healthcare and Humana. Mannor anticipated new AHPs to be game-changers and provided many clients with plan quotes.

"I thought it would be a powerful rollout," he said. "We have not yet seen a group close in price or benefits beneficial enough to see a group get it."

Coverage priced for Mannor Financial Group, under new AHP rules, increased premiums 20 to 30 percent over current premium rates.

"One of the problems is that association health plans have not matured," Mannor said. "There's no clear history."

“One of the problems is that association health plans have not matured...There’s no clear history.”

— Kevin Mannor

Insurance companies are risk adverse, he said. Without claim history, quotes are priced at a higher level.

Eleven state attorney generals and the District of Columbia filed a lawsuit against the Labor Department, Labor Secretary Alexander Acosta, and the U.S. challenging the AHP executive order. States involved in the action include California, Delaware, Kentucky, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Virginia and Washington.

The lawsuit asks the court to invalidate the regulations. It alleges the rules violate the ACA and federal employee benefits law and is in conflict with the Employee Retirement Security Act by its interpretation of employer. It contends the AHP rule undermines the ACA’s progress in insuring a greater number of people, in providing comprehensive coverage, and in stabilizing the individual and small-group insurance markets and opening markets to junk insurance.

The U.S. Chamber and Society for Human Resources Management (SHRM) filed a joint brief in support of the new AHP rule. The brief contends AHPs offer a variety of quality options at more affordable prices. It states it is “a logical, market-driven solution to the problems faced by small businesses and working owners. In addition to allowing more small businesses to provide health coverage, it will also make them more competitive in the marketplace.”

Russell pointed out that in looking behind the curtain and examining the likely employee pools, new AHP plans favor young, healthy groups. Older demographics could see premium increases.

Potential lawsuit impacts and political uncertainty cloud AHPs future viability, according to some policy experts. States maintain authority for AHP licensing, registration, certification, financial reporting, examination, audit and other state insurance laws. Michigan’s new Democratic administration could change the scope of the AHP ruling. Or, because the rules were established by executive order and not Congressional action, the presidential landscape—if changed in 2020—may again reshape rules.

The stepped rollout for plans under Trump’s executive order began September 1, 2018 for fully insured AHPs. On January 1, 2019 rules for existing self-insured AHPs took effect and on April 1, 2019 new self-insured AHPs will rollout.

Patience could be key to securing affordable AHP coverage.

“It may take a year or two to make a splash,” Mannor said, noting that in the

meantime, he worries plans developed in other states could be “sold so aggressively” that they go out of business and have a negative effect on Chamber members relying on them.

“People should be super cautious about jumping in too quickly,” he warned. “It could quickly blow up.”

Mannor views the insurance market as an evolving process.

“Watch for better and better options,” he said.

During the first quarter of 2019, the Michigan Chamber will offer its own solution for small business healthcare coverage. Having determined that new AHP rules generate little genuine benefit for small business, Russell said the Michigan Chamber will roll out a sustainable and affordable healthcare program.

Whether a supporter of new regulations or not, experts share optimism in moving forward—and agree—better healthcare options for small business are coming. ■



New Leadership, New Focus

Chamber launches three-year strategic plan

In transitioning to 2019 with new leadership on the Chamber Board and in the role of President, it seemed the opportune time to evaluate the existing Chamber programs, events, committees, commitments, benefits, roles and mission.

The purpose of the internal examination and appraisal was to determine if programs and operations were aligned to provide members the best possible service going forward. To help gain perspective on Chamber relevancy and purpose within the state, the staff turned to the Michigan Chamber of Commerce to help facilitate a three-year strategic priorities mapping and action plan. The summary of that plan is outlined below.

Mission

The mission of the Saginaw County Chamber of Commerce is to be the leading voice of influence for our members.

Vision

The vision of the Saginaw County Chamber of Commerce is to be the recognized leader for business in the region and to communicate, connect and influence on behalf of our members.

Stakeholders

Business

Members
Non-Members
Industry Sectors
Size Sectors

Young Professionals

Ages 21-40
Subset Ages 21-30
Subset Ages 31-40
YP Employers

Health Care Sector

Education

Subset Higher Education
Subset ISD
Subset K-12 Public Education

Regional Organizations

Cooperating Chambers of Commerce
Great Lakes Bay Regional Alliance

Government

Non-Profit Organizations

Law Enforcement

Faith-based Community

Residents/Citizens

Priorities & Measurement

Plan for the Future Success of the Chamber

- Increase engagement and awareness among current membership
- Increase membership growth and retention
- Define, develop and enhance Chamber leadership progression to ensure business continuity and resource allocation. Demonstrate a clear path in member development and programming and share with stakeholders
- Increase staffing to support additional programming and services

Increase Influence with Stakeholders

- Invest in positive relationships with government to maximize membership influence and to attract additional business engagement in the region
- Strengthen industry sector engagement and involvement
- Increase engagement in the legislative arena, specifically areas affecting Chamber priority issues impacting business in the Saginaw County area
- Increase legislative cooperation between Chambers within the Great Lakes Bay Region
- Increase number of endorsement questionnaires completed in next election

Enhance Communications with Media and Membership

- Strengthen media relations to ensure the Saginaw County Chamber of Commerce is viewed as a knowledgeable and important resource on business issues and points of view
- Strengthen and enhance Chamber story to include value other than events with particular focus on manufacturing and medical sectors

Participate in Special Projects that support the community and grow the reach and influence of the Chamber to create an environment attractive for business

- Support a thriving riverfront
- Develop and enhance links between business and education



ABOVE: In an effort to promote business and education collaborations, the Chamber provided platforms at Percolator Breakfast for presentations on the Marshall Plan for Talent and MI Bright Future. The Chamber endorsed the Saginaw ISD Millage Proposition for Career Tech Training and are participating in Michigan's M-46 Talent Consortium



LEFT: In late September, the Chamber welcomed new Program Coordinator Irene Stibitz to help take the Chamber's Young Professionals Network to the next level.



LEFT: Chamber staff and committees have already begun working on new elements of the plan as well as continuing to work on projects that are already underway.

GROWING PRIDE

New video part of ongoing campaign

In December 2018, the Chamber launched a brand new video designed to elicit pride in Chamber membership and in the Saginaw community that will be part of an ongoing marketing promotion in 2019.

Steps have also been taken to align messaging, advocacy, and mission throughout the Chamber's various programs and projects to make them more effective and relevant to existing and potential members.

These are just a few of the projects currently underway. The staff and board will continue to review the plan on a quarterly basis to ensure forward momentum and make adjustments to remain relevant to member and community needs.

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