

Presidential Executive Order Seeks To Expand Access To Health Insurance

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On October 12, 2017, President Trump issued an Executive Order (Order) intended to improve access, increase choices, and lower costs of healthcare. The Order directs the Department of Labor (DOL) to consider expanding access to “Association Health Plans,” which would permit employers in the same line of business to form groups across state lines to purchase group insurance plans. In theory, this would give employees and employers access to a wider range of insurance options at lower rates, since prices would reflect a large group market. The Order also directs the Departments of Treasury, Labor, and HHS (Departments) to consider expanding coverage through low-cost, short-term limited duration insurance (STLDI) products to benefit individuals who, among other things, missed open enrollment, are between jobs, or are in locations with only a single insurer in the available health insurance marketplace. Finally, the Order directs the Departments to consider changes to health reimbursement account rules so that employers can make better use of them for employees. Opponents of the Order argue that it may have the opposite of the intended effect. Also, there is some question as to the authority of the administration to implement such actions without Congress, and the Order lacks detail as to how a number of the directives would be carried out. For now, employers should await further guidance from the Departments.

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