

ASSOCIATION OF GOSPEL RESCUE MISSIONS
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COLORADO SPRINGS, CO 80919

August 13, 2010

Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: RIN 1210-AB42, The Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

On behalf of the Association of Gospel Rescue Missions (AGRM), we appreciate the opportunity to comment on the Interim Final Rules regarding grandfathered health plans under the Patient Protection and Affordable Care Act. AGRM is North America's oldest and largest association of independent crisis shelters and rehabilitation centers. Rescue missions have cared for the hungry, homeless, abused, and addicted in America since the 1870s. Today, our members provide shelter for 15 percent of America's homeless every night and serve 48 million meals, provide 16 million nights of lodging, help thousands of abuse victims, and graduate more than 18,000 individuals from addiction-recovery programs each year.

All of our members are tax-exempt organizations and most are considered small employers, but each one struggles to purchase health care coverage for employees. Even small cost increases or changes in benefits can mean the difference between providing coverage for employees and having no option but to limit or drop coverage altogether. Unfortunately, this trend will continue until more affordable health care options are available starting in 2014 under the Exchange system. That is why grandfathering their existing coverage for employees is so important, but the grandfather provisions in the Interim Final Rules are too restrictive and will likely price more of our members out of the market—an ironic result of attempts to make health care more affordable.

Specifically, the subsidies for small employers meant to offset the cost of insurance are too limited and phase out if an employer has over ten employees and expire completely for rescue missions with 25 or more employees. In addition, the credits are phased out for employers with even modest compensation packages. As a result, these subsidies provide assistance for some small, tax-exempt employers but the benefit is very limited.

In addition, many of our members have small numbers of employees and are unable to self-insure, which places them at the mercy of health insurance plans sold by private carriers. That means rescue missions often have no control over co-pays and cost sharing and simple changes to their plans can cause them to lose grandfather status. Until the Exchange is in place, finding new, affordable insurance that meets the requirements of the Patient Protection and Affordable Care Act will be a serious problem. Further, in order to control costs so that health insurance can be purchased for employees, our members need the ability to work with their current carriers to adjust co-pays and cost sharing as much as possible in order to afford coverage, especially in the current economic and charitable giving environment.

The Interim Final Rules, as currently drafted, will likely make a bad situation worse by forcing more of AGRM's member organizations to limit or cancel health care coverage if grandfather status is revoked before the Exchange is in place. To remedy this problem until more affordable options are available in 2014, we suggest that small- and medium-sized employers be allowed to 1) make cost saving changes to co-payments and cost sharing, and 2) change insurance carriers prior to 2014 and have their plans treated as grandfathered plans, provided they do not reduce the per-employee amount they pay for insurance. These changes will allow rescue missions to maintain the current level of coverage for employees, while reaping the benefit of a less expensive plan prior to the implementation of the Exchange in 2014.

The work that rescue missions perform is essential for the homeless and poor living in communities across America. We hope that you will consider our suggestions and help us to continue providing the same level of support for our employees, who do so much for the individuals in our communities who need help the most.

With respect,

A handwritten signature in black ink, appearing to read 'John Ashmen', with a large, stylized initial 'J' and a long horizontal flourish extending to the right.

John Ashmen
President