



**Kansas Restaurant and Hospitality Association
Senate Financial Institutions and Insurance
Scott J. Schneider J.D.
Supporting Testimony
Senate Bills 29, 36, and 33
Wednesday, January 30, 2019**

Mr. Chairman and members of the committee, the Kansas Restaurant and Hospitality Association supports Senate Bills 29, 36 and 33. These bills clarify the conditions under which a small business qualifies for an Associated Health Plan.

The Kansas restaurant industry employs over 137,000 people and nearly one half of every dollar spent on food in Kansas is through one of our member businesses. Our association provides solutions to our industry for everything from food safety training to our self-insured workers compensation fund.

Small businesses with 2-50 employees desperately need access to insurance and healthcare that comes along with the benefit. We believe any action allowing our members access to our fully-insured health plan offered by the National Restaurant Association would be a major benefit for our employees.

I have attached the National Restaurant Association's insurance plan description. This is a different plan than has been previously discussed. The fully-insured, ACA compliant plan is already being offered in 34 states and without passing this series of bills, Kansas restauranteurs will continue to be excluded.

When Kansas passed the previous Association Health Plan law the KRHA hired insurance consultants and actuaries to determine if an intrastate plan was a viable option. We concluded the take rate was too high to justify the risk. This national plan overcomes many of the road blocks identified and we can create a better pool an industry members who desperately need a better insurance option. These bills, will directly help hard working Kansans have greater access to insurance and healthcare.

Additionally, we have concern placing a non-insurance product into an insurance bill may confuse the Kansas consumer. When industry confusion exists in a shared risk financial instrument like insurance, then consumer confidence may also wane.

Thank you for your consideration of this legislation.



Restaurant & Hospitality Association Benefit Trust

Issue Overview

Restaurants and hotels with 2-99 employees can now enroll in a comprehensive healthcare plan known as the Restaurant & Hospitality Association Benefit Trust (RHA Trust). Sponsored by the National Restaurant Association, and fully-insured by UnitedHealthcare, the RHA Trust will enable small businesses and their employees to achieve scale in order to access quality, affordable health insurance.

A Commitment to Quality that features:

- All 120 benefit plans offered through the RHA Trust are fully compliant with the Affordable Care Act and cover all “minimum essential benefits.”
- A broad provider network that features the same access to caregivers as is available to large corporations, including 5,600 hospitals and world-class medical centers like MD Anderson, the Mayo Clinic, and Johns Hopkins.
- Family in mind: Maternity and newborn care, telehealth, and a \$0 copay for a child’s pediatrician visits.
- Inclusive benefits such as: Prescription drug coverage, mental health services, hospitalization coverage, substance abuse treatment, and wellness incentives – all with minimal cost-sharing.

The Kaiser Family Foundation (KFF) reports the rate of small businesses (3-199 employees) offering health insurance has dropped from 61% in 2012 to 56% in 2018.¹ Additionally, over 28 million Americans were uninsured in 2017. To provide health insurance, small businesses seek quality coverage, competitive pricing, and simple administration. Since 2015, the National Restaurant Association has partnered with UnitedHealthcare to formulate an association health plan that meets and exceeds these key benchmarks.

As a bona fide association, the National Restaurant Association is proud to sponsor the RHA Trust and offer enrollment exclusively to members of the organization. The RHA Trust complies with all federal (*Employee Retirement Income Security Act of 1974*) and state laws. We look forward to partnering with policymakers on solutions to advance quality, comprehensive health insurance coverage.

Contact

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Background:

The National Restaurant Association was founded in 1919, with headquarters in Chicago, IL and Washington, DC.

UnitedHealthcare is the largest health insurer in the U.S.² and its employer-sponsored plans serve over 200,000 employer customers.

In April 2018, the National Restaurant Association launched the Restaurant & Hospitality Association Benefit Trust (RHA Trust), a fully-insured plan from UnitedHealthcare.

9 in 10 restaurants have fewer than 50 employees, and 7 in 10 restaurants are single-unit operations.

Our Position:

Improve small business access to quality, comprehensive health insurance coverage for their employees.