

**HEARING BEFORE THE
HOUSE EDUCATION AND THE WORKFORCE SUBCOMMITTEE
ON HEALTH, EMPLOYMENT, LABOR, AND PENSIONS**

ENTITLED

**“A HEALTHY WORKFORCE: EXPANDING ACCESS AND
AFFORDABILITY ON EMPLOYER-SPONSORED HEALTH
CARE”**

**WRITTEN TESTIMONY OF
ANGELA SHIELDS**

**ON BEHALF OF
THE NATIONAL ASSOCIATION OF REALTORS®
APRIL 2, 2025**

Chairman Allen, Ranking Member DeSaulnier, and members of the Subcommittee. My name is Angela Shields. I am CEO of the Tennessee REALTORS®. Thank you for the opportunity to testify on the challenges faced by small businesses in offering affordable health coverage to employees, as well as the difficulties of independent contractors – including REALTORS® and many other self-employed individuals – when trying to obtain affordable and comprehensive health coverage.

I am here today representing the National Association of REALTORS® (NAR) whose members are engaged in all facets of both residential and commercial real estate sales, brokerage, leasing, property management, and investment. Most NAR members are not employees of the real estate brokerages with which they are affiliated. They are “small businesses of one” – i.e., self-employed individuals with no employees paying for their business and health care expenses out of their own pockets. As CEO of the Tennessee REALTORS®, I have personally witnessed the many challenges and struggles of our members as they search for health plans with adequate medical provider networks and reasonable deductibles and co-pays.

Based on our member experience, REALTORS® urge Congress to work together and pass legislation that allows small businesses and self-employed individuals to obtain comprehensive and affordable coverage through an Association Health Plan (AHP). An AHP is an employment-based health plan that offers the same type of health coverage provided by large employers and unions. While we support the Affordable Care Act (ACA), we also advocate for giving people the choice to select the health coverage that best meets their needs. By allowing small businesses and self-employed individuals to access AHPs, we can help ensure that more Americans have the flexibility to choose affordable, high-quality health coverage options, fostering a healthier and more productive workforce.

REALTOR® Health Coverage Challenges

For decades, NAR has been working with Congress to offer a range of comprehensive and affordable health coverage options to its members.¹ While the ACA helped,² 15 percent of NAR members remain uninsured, with the majority citing premiums and deductibles as too expensive.³ Most other NAR members today

¹ For example, NAR has supported legislation to allow bona fide trade associations to create AHPs, including the Small Business Health Fairness Act of 2003; the Small Business Health Fairness Act of 2005; the Marketplace Modernization and Affordability Act of 2006; the Small Business Health Options Program Act in 2008; and the Small Business Health Fairness Act of 2017. Most recently, NAR and many other trade associations have expressed support for Chairman Walberg’s Association Health Plans Act.

² Before the ACA, NAR surveys consistently showed that 28-33 percent of REALTORS® were uninsured.

³ NAR Research Division, 2023 Health Insurance Survey (Nov. 2023).

obtain their health coverage through their spouse’s employer-based health plan or Medicare,⁴ while 12 percent opt to buy coverage from the ACA’s “individual” insurance marketplaces.⁵

The ACA’s individual market offers comprehensive health coverage of medical services which can be affordable if subsidized by the federal government.⁶ However, most ACA plans have high deductibles that must be met before a policyholder can begin enjoying their health coverage. For example, in 2024, the deductible for the most popular “silver” level individual market plan averaged \$5,200 for single coverage and \$11,000 for family coverage.⁷ ACA’s cost-sharing reduction subsidies are intended to help defray the out-of-pocket costs due to the deductibles. However, two-thirds of NAR members do not qualify for these subsidies and the other third may or may not qualify depending on how much real estate business they transact each year.⁸

While NAR members have benefitted from many ACA provisions, including the protections for pre-existing conditions, the ACA also created financial burdens and uncertainties, leaving many NAR members with little choice but to either go without health coverage altogether or pay at least \$11,000 for a family before accessing their health coverage under an ACA plan.

Another challenge with obtaining coverage in the ACA individual, and “small group,” market is the limited number of medical providers in ACA plan networks. According to the experts, ACA individual and small group market plans primarily have “narrow

⁴ *Id.*

⁵ *Id.*

⁶ In 2020, Congress increased the ACA’s premium subsidies for individual market plans purchased through an ACA marketplace and eliminated the income eligibility requirement. These “enhanced premium subsidies” reduced the up-front premium costs for an ACA individual market and allowed more individuals to access a premium subsidy. As the Centers for Medicare & Medicaid Services (CMS) reported, “four out of five enrollees [in a subsidized ‘individual’ market plan were] able to find a plan for \$10 or less [per] month after premium tax credits, and over 50% [were] able to find a Silver plan for \$10 or less.” See CMS Newsroom, *American Rescue Plan and the Marketplace*, March 12, 2021. Importantly, these “enhanced premium subsidies” expire at the end of 2025 unless extended by Congress.

⁷ See Kaiser Family Foundation, *Deductibles in ACA Marketplace Plans*, Dec. 22, 2023 at <https://www.kff.org/private-insurance/issue-brief/deductibles-in-aca-marketplace-plans/>.

⁸ NAR Research Division, 2023 Health Insurance Survey (Nov. 2023).

networks,”⁹ while employment-based plans, which include AHPs, have much broader provider networks.¹⁰

How Association Health Plans (AHPs) Can Help

Federal law currently limits self-employed individuals and most small employers to the ACA’s individual and small group insurance markets, where, as discussed above, out-of-pocket costs are significantly higher and access to medical providers is limited. By adding an AHP option that offers the same health coverage as large employers and unions, Congress could help provide both small businesses and the self-employed with a choice, empowering them to shop around and decide which health coverage option fits best: AHPs, ACA plans, or other alternatives.

For decades, large employers and unions have enjoyed high-quality, low-cost health coverage because they bring larger and more sustainable risk pools to the negotiating table with commercial insurance companies. Larger risk pools are attractive to insurers because the healthcare utilization of healthier workers participating in the plan is more predictable and helps balance out the higher medical utilization of a few. This, in turn, helps insurers better manage healthcare spending for all plan participants and translates into better coverage and lower costs for the employees.

AHPs would provide the same options to employees of many small businesses and self-employed individuals by allowing them to group together to create larger and more sustainable risk pools. These larger, more sustainable risk pools would help them to achieve large employer coverage terms and prices, including lower deductibles¹¹ and broader provider networks, relative to ACA individual and small group plans.

⁹ See Avalere Health, *Plans With More Restrictive Networks Comprise 73% of Exchange Market*, Nov. 30, 2017 at <https://avalere.com/press-releases/plans-with-more-restrictive-networks-comprise-73-of-exchange-market>.

¹⁰ The Congressional Budget Office (CBO) has explained that “individual” market plans have narrower provider networks than employment-based plans. See Congressional Budget Office, *A Public Option for Health Insurance in the Nongroup Marketplaces: Key Design Considerations and Implications*, April 2021, page 7-8 at <https://www.cbo.gov/system/files/2021-04/57020-Public-Option.pdf>.

¹¹ According to the Kaiser Family Foundation, the average deductible for a “large group” market plan, including AHPs, was \$1,787 for single coverage and about \$4,000 for family coverage in 2024). See Kaiser Family Foundation, *2024 Employer Health Benefits Survey*, Oct. 9, 2024 at <https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2024-Annual-Survey-Summary-of-Findings.pdf>.

THE REALTOR® AHP Experience

In 2019, the Tennessee REALTORS®, along with several other state and local REALTOR® associations, established an AHP to offer a higher quality, lower-cost coverage option to our members. REALTOR® AHPs offered our members:

1. **Comprehensive health coverage**, including coverage for pre-existing conditions and voluntary coverage of all ten of the ACA's "essential health benefits."
2. **Affordable high-quality coverage** with lower premiums and deductibles. For example, participants of the Tennessee REALTOR® plan saved 30-40 percent.
3. **Broader coverage options and networks** so participants could choose and keep their own doctors year after year.

According to our data and experience, REALTOR® AHPs did not adversely affect ACA insurance markets. Most NAR members are older with mixed healthcare utilization, and many obtained their health coverage outside of the ACA risk pools. Therefore, joining our AHP could not impact the ACA because our members were never part of ACA pools in the first place. Even for those who were part of the ACA market before enrolling in our AHP, we observed no adverse impact. REALTOR® AHPs offered comprehensive coverage with broad provider networks and lower deductibles, attracting older members from the ACA market, many of whom had serious pre-existing conditions and other major medical needs. For more detail on REALTOR® experiences with AHPs, see Appendix A below.

Unfortunately, a federal district court overturned the U.S. Department of Labor's (DOL) rule that allowed REALTOR® AHPs. It was devastating. We had invested considerable time and resources in establishing an AHP, putting our reputation on the line, and we were thrilled that we had succeeded in helping our members. However, when the court overturned the DOL rule, our members felt like a rug had been pulled from under them.

Since then, our members have continually asked why our association cannot offer affordable and comprehensive health coverage. I have personally fielded hundreds of phone calls, emails, and in-person inquiries from our members, sharing their major medical needs and expressing their concerns about the loss of essential health care that they cannot access elsewhere.

As leaders of a REALTOR® association, my fellow Leadership Team and I not only have a fiduciary responsibility to our members, but we also care deeply about their health and well-being, as well as that of their families. We cannot go through this again.

We urge Congress to stand up and lead. Our members need legislation that ensures all small businesses and self-employed individuals can access affordable and comprehensive health coverage through an AHP.

Recommendations:

- 1. Permanently Restore Access to AHPs:** NAR strongly supports the enactment of Chairman Walberg’s Association Health Plans Act. Congress must permanently restore the ability for small businesses and self-employed individuals to access comprehensive and affordable health coverage through AHPs.
- 2. Consider AHP Data:** REALTOR® plans and other AHPs provide an important base of actuarial experience and data to help assess the validity of assertions about AHPs contributing to “adverse selection” or only offering “skinny plans.” We disagree with these assertions, and we urge policymakers to consider our data as Congress develops legislation.
- 3. Update Regulatory Authority for Independent Contractors:** In the 21st century, more U.S. workers are moving away from traditional jobs (where they traditionally worked for an employer) to becoming self-employed with no employees.¹² The 50-year-old Employee Retirement Income Security Act (ERISA) and DOL’s case-by-case approach to applying rules for self-employed individuals have not kept pace with the shift to a gig economy. Not recognizing that these self-employed individuals are part of the workforce means ignoring that we now live in a competitive, global economy that no longer relies on traditional jobs. We need to update and clarify the rules to support the gig economy and bring back affordable health coverage options for self-employed individuals with no employees.¹³ Regulatory reforms should also not dilute or compromise the ability of workers to be classified as independent contractors and support the self-employed.

Conclusion

Thank you for the opportunity to testify. I would be happy to answer your questions.

¹² See Small Business Trends, Key Trends at Sole Proprietorships Over the Past 30 Years (Dec. 2015) at <https://smallbiztrends.com/2014/09/key-trends-sole-proprietorships-past-30-years.html>.

¹³ The DOL has acknowledged that Supreme Court precedent gives the Department the authority to address marketplace developments and new policy and regulatory issues. See *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211 (2016); see also, *Perez v. Mortgage Bankers Ass’n*, 575 U.S. 92 (2015) and *National Cable & Telecommunications Ass’n v. Brand X Internet Services*, 545 U.S. 967 (2005).

APPENDIX A: REALTOR® AHP EXPERIENCES

Background

- The Tennessee REALTORS® established a fully insured Association Health Plan (AHP) in accordance with U.S. Department of Labor (DOL) regulations in effect for plan year 2019. The Baldwin REALTORS® in Alabama, the Greater Las Vegas Association of REALTORS®, the Kansas City Regional Association of REALTORS®, and the Nevada REALTORS® also established an AHP.
- REALTORS® AHPs covered all ten of the Affordable Care Act's (ACA's) "essential health benefits" (EHBs) through the insurance contract and through a stand-alone product that provided coverage for pediatric dental and vision (one component of the tenth EHB [pediatric services]).
- REALTORS® AHP participants averaged savings between 5 and 50 percent, depending on the state or local market. (In Tennessee, the average savings were closer to 30-40 percent.) All participants also enjoyed significantly lower deductibles and co-pays, allowing access to benefits with lower out-of-pocket costs and broader networks.

Specific Stories

- REALTOR® AHP participants were asked: (1) If the AHP health coverage goes away on account of a Federal District Court ruling overturning the DOL regulation that allowed REALTOR® AHPs, how would it affect you? and (2) Please share a short story about how your AHP has helped you and your family?
- The Tennessee REALTORS® reported that many REALTOR® participants were previously uninsured or enrolled in non-ACA-compliant plans that did not cover pre-existing conditions. Because the Tennessee REALTORS® AHP provided coverage for pre-existing conditions, these real estate agents gained access to the major medical care that they needed. One real estate broker was especially thankful for being able to provide ACA-compliant and affordable coverage to their employed staff, which was much more attractive when compared to what was available in the small group market or other alternatives. The broker noted that before AHPs, many affiliated REALTORS® were only able to obtain short-term health plans, which did not cover diseases or illnesses that happened outside of the effective date of the policy.
- The Greater Las Vegas Association of REALTORS® reported that real estate professionals between ages 55 to 64 experienced lower overall premiums, richer overall benefits, and access to a broader network. The savings in premiums for this age cohort averaged 11 percent, and out-pocket savings average 12 percent. Additionally, thanks to increased education on health savings accounts tied to the AHP options, enrollees in those plans will save \$3,600 annually.

- Prior to losing the Baldwin REALTORS® AHP, one participant explained, “If our AHP coverage goes away, it would cost more money for health insurance, and I would be less likely to use it due to higher deductibles and co-pays. What I have through the AHP is better coverage at a better price.” Another Baldwin AHP participant stated, “I would have to pay \$450 more for a “silver” plan instead of the equivalent “gold” plan I have now through the AHP.” In response to the second question, a Baldwin AHP participant also explained, “I’ve been struggling with some chronic health issues, but have been unable to afford to go to a specialist and pay for the tests. I work two jobs, and I am a caregiver to a 94-year-old woman. Even with two jobs, I could not afford useful insurance on my own without this AHP. With this insurance, I’ve made some appointments and look forward to seeing what I can do to slow down the progression of the health issues I struggle with Fibromyalgia and inflammatory arthritis.”
- A REALTOR® in the Kansas City AHP reported that as a newly self-employed individual, with a wife who recently retired, “[f]inding a long-term plan had been more difficult than I imagined... We have been making do with short-term plans, but not comfortable with the limited coverage... The KCRAR plan has solved our health insurance problem.” Another AHP participant discussed the limited marketplace options available in Kansas City and how the AHP offered by KCRAR enables the freedom to continue being a real estate professional. “This policy through KCRAR gives me the ability to step away from the uncertainty of the ACA Marketplace. The phenomenal work you have done to add major medical insurance for agents allows me to continue ... without a worry ... my career.”
- Lastly, a participant from the Nevada REALTORS® AHP relayed:

“My wife and I are currently on the Nevada REALTORS® AHP health care plan and saved about \$500 per month from our previous Obamacare plan. My wife paid the penalty for 4 years [when the individual mandate penalty tax was in effect] and had no coverage until we got an Obamacare plan. I am diabetic so going without health coverage is not an option for me as I have many doctor visits and high prescription costs. When we got coverage through the AHP, we upgraded our coverage and now have a deductible which is much lower, and the overall coverage is much better. In other words, we went from the worst plan under Obamacare to the best plan under Hometown Health for Northern Nevada and still saved money on the monthly costs. In addition, we are also able to go to the best hospital in Northern Nevada as well as have a network of local providers that were not covered under our previous plan. As we live in a remote area at Lake Tahoe, we would normally have to drive an hour or more to go to preferred providers under the previous Obamacare plan and now we can use local providers.”