



October 27, 2022

Dear DC Councilmember,

As a collective voice, we, the undersigned oppose the Professional Employer Organization (PEO) Registration Act (B24-0305) as introduced and any version that exempts PEOs from the Affordable Care Act's (ACA) small business protections.

Exempting PEOs from the ACA protections threatens to harm District employers, their employees, and residents who rely on the local ACA market for quality, affordable health insurance. The PEO Registration Act creates a loophole that would allow plans to be sold without pre-existing condition protections, the essential health benefit requirements, and prohibitions on discriminatory pricing – this includes charging higher premiums for women, employees in certain industries, people with preexisting conditions, older workers – and worse, eliminate protections from redlining where Black and Brown communities are shut out of private health insurance altogether. These are just a few examples of critical ACA protections that will be lost when an exemption in the District's ACA marketplace is created for PEOs. Any loophole will hurt employers, employees, residents, and patients in the District.

Additionally, exempting PEOs from the District's ACA marketplace will create an uneven playing field that will adversely impact DC small businesses and their employees and reduce the plan choices available to small businesses. The PEO exemption will also make providing health insurance exorbitantly expensive and burdensome – a step backward in the efforts to make healthcare coverage affordable. For these reasons and more, all small businesses must be in one risk pool to keep the market stable and premiums low and affordable.

Our organizations are committed to working with you to expand access to quality, affordable health coverage. The District should be building on its hugely successful implementation of the ACA, which has

resulted in near-universal coverage, with more than 96% of residents covered. Fully or partially exempting Professional Employer Organizations from the District's ACA marketplace will undermine the District's success and cause many to become uninsured.

Exempting PEOs from ACA protections will cause irreparable harm to those we have pledged a commitment to serve. We take seriously our responsibility to make life better for the residents and small businesses in the District of Columbia by advocating for better health benefits and expressing concern when efforts to restrict and dismantle benefits emerge as with this legislation. **We oppose the PEO Registration Act.**

We welcome the opportunity to speak with you as well.

Sincerely

The Collective Voices In Opposition to PEO Registration Bill

The Leukemia & Lymphoma Society
American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association
American Lung Association
Care First Blue Cross Blue Shield
Cystic Fibrosis Foundation
DC Appleseed
DC Chamber of Commerce
District of Columbia Primary Care Association
Epilepsy Foundation
Greater DC Hispanic Chamber of Commerce
Hemophilia Association of the Capital Area
Hemophilia Federation of America
Kaiser Permanente
Medical Society of the District of Columbia
National Organization for Rare Disorders
Restaurant Association of Washington
The AIDS Institute
Whitman-Walker Health