



Let States decide their own Small Group Definitions!

In every state, small employers are defined as either groups of 1-50 or 2-50 employees. However, beginning January 1, 2016, the definition of small employers will change from groups of up to 50 employees to include groups of up to 100 employees. This change is mandated as part of the Patient Protection and Affordable Care Act (PPACA). The law provides for states to implement the transition to 100-employees before 2016, yet not a single state has acted to do this. The combination of the new compliance requirements and the regulations for the new group size is expected to cause dramatic change to the insurance policies of these medium sized employers.

Bipartisan, bicameral legislation has been introduced that would give states the option to define their small group size, rather than the one-size fits-all national standard definition. Senators Tim Scott (R-SC) and Jeanne Shaheen (D-NH) introduced [S. 1099](#), and Representatives Brett Guthrie (R-KY-2) and Tony Cardenas (D-CA-29) introduced [H.R. 1624](#), legislation that would replace the pending national standard for small group definition with an option for state discretion.

Expanding the definition without any transition will adversely impact choice for medium-sized employers. Many employers will lose the coverage that they have had in the past because insurers do not participate in the small group market in their state. As 90 percent of employers in the 50-99 market already provide insurance, the loss of their existing insurer will mean, at best, less choice and competition among insurers in that market segment, and at worst could mean that if their insurer is no longer offering coverage to their group due to the new market size definition, that some employers will choose to drop coverage if another affordable option is not available. Beneficiaries on these plans would also face increased premiums because of the new rating rules, Essential Health Benefits (EHBs), and minimum actuarial value and cost sharing requirements. It is estimated that two-thirds of plan beneficiaries in the 51-99 employee-groups will face premium increases by an average of 18 percent in 2016. Other changes to the plans could result in further premium increases, which may cause some employers to drop coverage or self-insure.

Take Action today! Please urge your Senators to cosponsor S. 1099 and your member of Congress to cosponsor H.R. 1624! With plan design and pricing already underway, Congress needs to act now to prevent this change.