

BROKER *Connection*

SPECIAL EDITION

October 13, 2015

PACE Act Impacts the Definition of Small Groups

On Oct. 1, 2015, the *Protecting Affordable Coverage for Employees (PACE) Act* was passed by both the House and the Senate and sent to the president to sign.

This bill would amend the Affordable Care Act (ACA) to include employers with 51 to 100 employees as large employers for purposes of health insurance markets. States have the option to treat these employers as small employers. Currently under the ACA, employers with 51 to 100 employees are defined as small employers, but before Jan. 1, 2016, states have the option to treat them as large employers.

Under the ACA, health insurance offered in the small group market must meet certain requirements that do not apply to the large group market. This includes adjusted community rating, no medical underwriting and the requirement to cover all ten categories of essential health benefits.

If this bill becomes law, each state will have to determine whether it wants to default to the revised Federal definition of Small Business (1 to 50) or move to a 1 to 100 definition. The outcome should be known this month.

UnitedHealthcare is monitoring the process and once we know the outcome of this bill, we will quickly communicate our plans to support our customers and new business.

For more information, please contact your UnitedHealthcare representative.