
September 8, 2015

The Honorable John Boehner
Speaker of the U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
-204H, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
H-107, The Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Democratic Whip
-148F, The Capitol
Washington, D.C. 20515

Dear Speaker Boehner, Leader Pelosi, Leader McCarthy and Whip Hoyer:

On behalf of the membership of the National Association of Insurance Commissioners (NAIC), we write today in strong support of the Protecting Affordable Coverage for Employees Act (H.R. 1624/S. 1099), which would allow the states to continue defining the small group health insurance market as employers with 1-50 employees.

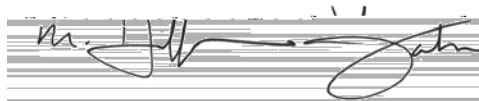
As you know, section 1304(b) of the Patient Protection and Affordable Care Act (ACA) changes the federal definition of the small group market to include employers with 1-100 employees. That states, however, have been allowed to continue defining the small group market as employers with 1-50 employees until January 1, 2014. H.R. 1624/S. 1099 would allow states to continue to define their health insurance markets that reflect the unique characteristics and needs of their residents. Without this legislation, states would be forced to conform to the federal definition of the small group market, which would eliminate the ability of states to tailor their health insurance markets to their residents.

The U.S. Department of Health and Human Services has offered a transition option by publishing guidance that they will not enforce certain small group market regulations for existing health plans provided by employers with 51-100 employees if the plan is renewed on or before October 1, 2016, effectively staving off the new regulations until October 1, 2017. The NAIC surveyed the states and the District of Columbia, and most responded that they will be utilizing this transition option. Nevertheless, we believe a more comprehensive fix provided by this legislation is necessary to preserve coverage options for existing and new purchasers and ensure stability for the future.

And, we encourage Congress to act quickly. Most small employers shop for coverage annually to ensure the best price for themselves and their employees, but they need final rates and product information by late September in order to make these decisions and carry on with the preparing of employee communications and open enrollment materials and the actual conducting of open enrollment in advance of the effective date. Those employers who may be new entrants into the market in 2016 also need to know what will be available to them. Quick action would avoid unnecessary confusion and disruption as we move into 2016.

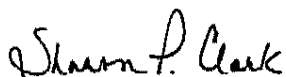
For these reasons, the NAIC strongly supports immediate passage of H.R. 1624.

Sincerely,



Monica J. Lindeen
NAIC President
Commissioner
Montana Office of the Commissioner of Securities
and Insurance, State Auditor

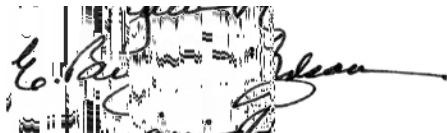
John M. Huff
NAIC President Elect
Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration



Sharon P. Clark
NAIC Vice President
Commissioner
Kentucky Department of Insurance



Ted Nickel
NAIC Secretary/Treasurer
Commissioner
Wisconsin Office of the Commissioner of
Insurance



Senator E. Benjamin Nelson
NAIC Chief Executive Officer