

2/11/16

## **RECENT LEGISLATION AFFECTING SMALL EMPLOYER GROUP SIZE**

On 10/21/15, the Bureau posted advisory information concerning the PACE Act, a measure that made the Affordable Care Act (ACA) expansion of the small group health insurance market optional for states. Whereas the small group market had been slated to expand to businesses with between 51 and 100 employees effective January 1, 2016, the Federal PACE Act, upon its passage, preserved the definition of "small employer" under federal law to mean those groups with 50 or fewer employees. States were not prevented, however, from defining small employers using the upper limit of 100 employees if they chose to do so.

The advisory information posted to the Bureau's webpage on 10/21/15 further stated that Virginia law had been changed previously to define a small employer using the higher upper limit of 100 effective on January 1, 2016. Consequently, a change to redefine small groups as those employing between 1 and 50 employees would require action by the Virginia General Assembly.

The Virginia General Assembly did, in fact, take such action. On January 26, 2016, Governor McAuliffe signed House Bill 58, amending the small employer definition to employers who employ 1-50 employees. The legislation became effective immediately upon the Governor's signing of the bill.

**The purpose of this advisory is to alert all carriers that this new law is now in effect and must be followed.**

Carriers may refer to product checklists at the following link for detailed information concerning small and large employer form and rate requirements:

[http://www.scc.virginia.gov/boi/co/health/lh\\_check.aspx](http://www.scc.virginia.gov/boi/co/health/lh_check.aspx)

Carriers may refer to the link below to view the content and legislative history relating to 2016 House Bill 58:

<http://lis.virginia.gov/cgi-bin/legp604.exe?ses=161&typ=bil&val=HB58&submit=GO>