

February 18, 2015

The Honorable Sylvia Burwell
Secretary, U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Burwell:

As employer organizations, we urge you to issue a two-year delay of the expansion of the small group market definition as soon as possible. The undersigned entities represent the interests of millions of businesses of every size, sector, and region. It is in the interest of these employers and their employees that we encourage the Department of Health and Human Services (HHS) to consider the harm of expanding the definition of small group market under the Affordable Care Act in 2016 and delay this expansion for three critically important reasons. We urge HHS to immediately delay this expansion to:

1. Preserve the intended timeline in the ACA that afforded businesses subject to the employer responsibility requirements of two initial years of offering coverage in the large group market before being subject to the more extensive benefit and rating requirements in the small group market;
2. Protect the ability of employers to select from a broader array of coverage options; and
3. Mitigate the dramatic premium increases that will occur with the expansion.

Preserve Intended Timeline

With the one-year delay of the employer shared responsibility provision for all employers, in addition to the transition relief afforded to businesses with between 51-99 full-time equivalent (FTEs) employees for 2015, failing to delay the expansion of the small group market will cause significant premium increases and market disruption.

Under the implementation timeline as drafted and enacted, the ACA

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small group definition expansion until 2018 to ease the premium increases and mitigate the burden to the smallest employers subject to 4980H

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