

**Update on Affordable Care Act:
Repeal of small group market mandate for some employers**

Last week the President signed the PACE Act, which repealed part of the Affordable Care Act (ACA) that required employers with 51-100 employees to shop for insurance in the small group market effective January 1, 2016. With this repeal, it is up to the states to determine whether they want to require employers of this size to shop in the small group market or allow them to continue to seek their own insurance options, which often is cheaper for these employers as the small group market is heavily regulated and less flexible.

Please note that this change does not alter the minimum coverage requirements or the employer mandate itself. It solely allows employers of 51-100 employees to have more options when shopping for insurance options and states can still decide to make these employers shop in the small group market, but are no longer required to make that determination.

We have looked into what our regional states have done and so far only one state has already mandated that employers with 51-100 employees will be required to shop in the small group market, which is New York. Our other member states have not forced that mandate yet and at this time we do not expect any of them to require this change. That being said, some states are still reviewing that option (Connecticut and Vermont) and may still make the decision to continue on their path of merging these employers into the small group market.

If you have any questions, please contact Jeff Keller, Director of Legislative & Regulatory Affairs for NRLA, at either jkeller@nrla.org or 518.880.6376.