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Cc: [Jill Pedersen](#)
Subject: Small Group Expansion
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Attachments: [image004.png](#)

Hello,

We have been in the health insurance industry for many years and we need to voice our opposition to the small group expansion.

Currently employer groups of over 50 are considered large group. Being an ALE, the employer is subject to:

- the Pay or Play
- Employer reporting requirements of the ACA
- Plan design flexibility
- Some rate flexibility
- 5-1 rate band

If the 50-100 market becomes small group, then they would be subject to the following:

- Pay or Play (which will be confusing because that's only for ALE employers)
- Employer reporting
- Metal plans with zero flexibility
- Rates based on demographics of the group, no other rate flexibility
- 3-1 rate band which is expected to cause very high rate increases

When we brought the small group market up to 50, that market segment had to conform to 3-1 rate banding down from 5-1. The increases were brutal.....

This market segment is going along really well right now. A disruption of this magnitude will cause hardship, confusion, possible plan cancellations, higher prices in the goods and services they offer etc.

We don't see the motivation to expand to 100. All we can see is how much it will hurt the market.

We would appreciate it if the committee would please consider aligning with the Federal government and repeal the small group expansion.

If you have any questions, please feel free to call our office... Thank you.

*Kathy Gadinis
Jill Pedersen*



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