

From: [Cathy Merz](#)
To: [HOLMAN Jeannette * DCBS](#)
Subject: Small Group Expansion Comments
Date: Sunday, October 11, 2015 5:10:30 PM

Jeannette,

I am an agent in Portland and deal exclusively with employer groups between 1-100 employees. I have been in the business for over 15 years. Expanding the small group market to 99 is a bad idea all around. If Oregon has the opportunity to keep the small group market segment at 1-50 I would encourage you to do so.

For simplicity sake, I have listed three areas of concern for me and my clients below:

Plan Design:

Groups Over 50 and under 100 often need more flexible plan designs than the small group market can afford. The small group market has been forced to narrow their plan selection due to the ACA and ACA constraints (metal tiers, AV calculation, 10 essential benefits, maximums on out of pockets, etc). These plan changes have severely limited what an employer can choose in terms of plan design and will most certainly limit a large employer over 50 if they are lumped in as small group.

Rating and Rate Banding:

The change from 5 year rate bands to three year age bands in the small group market since 2014 has created instability for the smaller employer. Those groups that have moved to an ACA compatible plan have seen large increases due to the compression of these age bands.

In addition, almost the entire small group market in Oregon has opted to stay on a grand mothered or Keep Your Plan since late 2013; 60-75% of my groups have chosen the Keep My Plan route and delayed the effects of the Small Employer changes due to the

rate impact. The small market has yet to see how moving all these plans onto ACA compatible plans will effect rating pools.

Expanding the market to include even more employer groups who will be moving off of more liberally rated contracts or even more experienced rated contracts will be disruptive.

Dual Categorization as a “Small Employer” and an Applicable Large Employer”:

Finally, the ACA already is imposing time consuming and cost prohibitive tracking and regulations when it categorizes the 50-99 employers as applicable large employers ALE’s. Further telling this market segment that they are now small group for rating purposes is very confusing and absurd. It cannot and should not be both ways.

I encourage Oregon to take this opportunity to correct one of the flaws in the ACA and allow these employers to remain where they are at in their large group market segment. Don’t let several months of thinking they would be large group stop you from doing the right thing. Far too many provisions of the ACA have been implemented because people felt we were too far along to turn back. Please turn back and let the employers between 50-99 remain where they are at.

Thanks for your time and consideration.

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