

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

BULLETIN NO.: 15-2015

TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, FRATERNAL BENEFIT SOCIETIES, FARMERS' MUTUAL AID ASSOCIATIONS OR COMPANIES, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PRODUCER AND COMPANY TRADE ASSOCIATIONS AND OTHER INTERESTED PARTIES.

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: DEFINITION OF SMALL EMPLOYER UNDER THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (ACA)

DATE: OCTOBER 8, 2015

On October 7, 2015, the President of the United States signed into law, the "Protecting Affordable Coverage of Employees Act" ("PACE"). PACE amends the ACA and Public Health Service Act (PHS) to define employers with fifty-one (51) to one-hundred (100) employees as "large" employers, however, PACE permits a State to maintain its current definition of what constitutes a "small group" in the small group health market.

The Arkansas Insurance Department (AID) will continue to follow the definition of a small employer group previously announced in AID Bulletin # 3-2012, "Definition of Small Employer Group For Medical Loss Ratio Purposes," as to what constitutes a small group for application under the ACA. AID Bulletin # 3-2012 adopted the Arkansas small group definition in Ark. Code Ann. § 23-86-303(34) which defines a small employer as having at least two (2) but no more than fifty (50) employees. AID Bulletin # 3-2012 further provided that a small group issuer however is allowed or permitted to use one (1) to one-hundred (100) employees for purposes of determining medical loss ratio (MLR) for small group health insurance.

For any questions regarding this Bulletin, please contact Booth Rand at 501-371-2820.

A handwritten signature in black ink, appearing to read "Allen Kerr", written over a horizontal line.

ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

10/8/2015  
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DATE