



# OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

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## **BULLETIN 15-EX-3**

**TO:** All Health Insurers Actively Marketing  
ACA Group Health Products in Georgia

**FROM:** Ralph T. Hudgens  
Insurance & Safety Fire Commissioner

**DATE:** November 6, 2015

**RE:** Small Employer Definition and Counting Methodology – Protecting Affordable Coverage for  
Employees Act (“PACE Act”)

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On Wednesday, October 7, 2015, President Obama signed H.R. 1624, the Pace Act. With the enactment of the PACE Act, federal law that would have increased the number of employees in the definition of “small group” to 100 or less has been repealed.

In order to avoid confusion and to ensure continuity of the small group market, this Bulletin confirms that the small employer definition is 1-50 employees (in accordance with the PACE Act) and the counting methodology for grouping purposes is limited to full time equivalent employees. For participation rate purposes insurers will continue to utilize eligible employees. See Ga. Reg. 120-2-10-.12(1)(d).

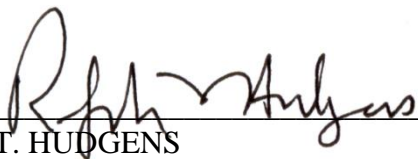
### **Rate Filing**

Most insurers that filed small group rate changes did so prior to the enactment of the PACE Act, with the expectation that small group size would be 1-100 and that the federal counting methodology would apply both on and off the SHOP exchange. As a consequence, the current small group rate filings may no longer reflect an insurer's experience and, as such, insurers may wish to re-file their 2016 rates. Insurers are NOT required to re-file rates or to make any changes to currently approved rates. However, if you wish to make changes to your small group rates, then please submit a new rate filing into SERFF, identify the relevant previously approved filing, and provide an explanation of proposed changes to the filing. Georgia law allows the Commissioner's Office 90 days to review filings, but we will review small group rate filings such as these as soon as possible.

For plans offered in the SHOP exchange, or in cases where the rate change exceeds the federal 10% rate review threshold, federal law requires filing of rates with CCIIO. CCIIO will not allow any new rate filings for the

first quarter of 2016 despite the significant federal law change. See Q2 from CCIIO FAQ, October 19, 2015.<sup>1</sup> While Georgia law would allow for the filing of rates in these categories, federal rate review requirements may prevent such a filing from taking effect.

If you have any questions regarding this Bulletin, please contact us in writing at the Office of Insurance and Safety Fire Commissioner, Insurance Product Review Division, Suite 602, West Tower, Floyd Building, 2 Martin Luther King, Jr. Drive, Atlanta, Georgia 30334. You may send email correspondence to either [tcarswell@oci.ga.gov](mailto:tcarswell@oci.ga.gov) or [twiner@oci.ga.gov](mailto:twiner@oci.ga.gov).



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<sup>1</sup> The Department understands that CCIIO may also prohibit off-SHOP first quarter rate changes. The Department will clarify this issue during rate review process.