



April 23, 2015

Dear Representatives Guthrie, Cardenas, Mullin, and Sinema:

On behalf of the National Small Business Association, I would like to thank you for your leadership in crafting the *Protecting Affordable Coverage for Employees Act of 2015 (H.R. 1624)*. As the nation's oldest nonpartisan small business advocacy group, NSBA reaches more than 65,000 small businesses nation-wide, and reducing the high cost of health care on small businesses remains a top priority for NSBA. We are pleased to support this measure's efforts to give flexibility to both states and small-to-medium-sized businesses in managing health care costs.

Under the Patient Protection and Affordable Care Act (PPACA), rules governing small group health insurance plans will begin to cover groups of up to 100 employees in 2016. Previously governed by state law, small group rules have generally applied to employers with fewer than 50 employees. Your legislation wisely gives states back the flexibility to decide whether to increase the small group size from 50 to 100 employees.

We are concerned about the current PPACA requirements, since actuarial studies suggest that many companies will see a significant increase in premiums once the small group size goes to 100 employees, particularly for companies that employ younger, healthier workforces. These premium spikes are likely to cause many of those companies to curtail coverage, drop coverage, or shift to a self-insurance option. Once those younger, healthier lives leave the small group fully-insured pool, premiums will rise further for those that remain.

Thank you for your foresight and commitment to keeping further increases in health premiums to a minimum. We look forward to working with you to help insure the passage of this important legislation.

Yours truly,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is fluid and cursive, with a long horizontal stroke at the end.

Todd McCracken
President and CEO