State Corporation Commission
2016 Fiscal Impact Statement

1. **Bill Number:** HB58

   House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

   Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron:** Byron

3. **Committee:** Passed Both Houses

4. **Title:** Health benefit plans; large and small employers.

5. **Summary:** Health benefit plans; large and small employers. Deletes provisions that as of January 1, 2016, changed the definition of a "large employer," for purposes of a group health plan or health insurance coverage, from an employer who employed an average of more than 50 employees to an employer who employed more than 100 employees during the preceding calendar year. The definition of "small employer" is correspondingly revised to include employers who employ an average of 50 or fewer employees, which prior to January 1, 2016, was the threshold for delineating large employers from small employers. The measure has an emergency clause. The measure is a recommendation of the Health Insurance Reform Commission.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

8. **Fiscal implications:** None on the State Corporation Commission

9. **Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

10. **Technical amendment necessary:** No

11. **Other comments:** The federal Protecting Affordable Care Coverage for Employees (PACE) law, enacted in 2015, amended the small employer group definition as contained in the Affordable Care Act (ACA). As of January 1, 2016, the ACA required that groups of between 51 and 100 employees be considered small employer groups. In PACE, states were granted the option to continue to treat groups sized 51 to 100 as large employer groups. House Bill 55, in accordance with the federal PACE legislation, revises Virginia's definition of small group employers to groups of 50 or fewer employees. The legislation has the support of insurance industry representatives.

    House Bill 58 has an emergency clause.

Date: 01/20/16/V. Tompkins
cc: Secretary of Health and Human Resources