

September 2, 2015

The Honorable John Boehner
Speaker
U.S. House of Representatives

The Honorable Mitch McConnell
Majority Leader
United States Senate

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

The Honorable Harry Reid
Minority Leader
United States Senate

Dear Bipartisan Leaders,

As employer organizations representing the interests of millions of businesses of every size, sector, and region, we write to urge your swift action by mid-September to pass the *Protecting Affordable Coverage for Employers (PACE) Act* (H.R. 1624 / S. 1099). This legislation would allow states to keep the current definition of a small group market as 50 and fewer employees, or expand the group size if the market conditions necessitate the change. Removing the *Affordable Care Act's* mandated expansion and returning to the historical role of state determination will mitigate dramatic premium increases and allow small employers to keep their health plans.

To minimize disruption to small employers, it is imperative the *PACE Act* be enacted this September. Not only will states need time to make and implement decisions regarding the size of the market, but brokers and businesses also need time to communicate information with and enroll employees. Brokers and employers need to have final rates and product information by late September, as about one-third of mid-sized employers renew their coverage in January. To renew or begin new plans in January, businesses traditionally shop for coverage options in September and October to get the best deals. These employers must make their final coverage decisions in October so that they can prepare employee communications and open enrollment materials. They then conduct open enrollment in advance of the effective date so employees can select a health plan – similar to open enrollment for federal employees and other large employers. It is critical to enact this legislation now to allow employers time for this process to unfold.

We are pleased to see that support for the *PACE Act* has grown tremendously since its introduction this spring. The House of Representatives has over 200 bipartisan cosponsors, and the Senate has nearly 30 bipartisan cosponsors. It is clear Members of Congress have recognized that time is of the essence to avoid significant disruption and much higher premiums for the small and mid-size groups.

Thank you for your continued attention to this urgent matter. We look forward to working with you to move the bipartisan *PACE Act* forward by mid-September to protect small and mid-sized employers and their employees.

Sincerely,

