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BULLETIN NO. 2015-028

TO: EVERY INSURER, NONPROFIT HEALTH CARE PLAN, HEALTH MAINTENANCE ORGANIZATION AND PRE-PAID DENTAL PLAN, TRANSACTING BUSINESS IN NEW MEXICO

FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE

DATE: OCTOBER 27, 2015

RE: DEFINITION OF "SMALL GROUP" UNDER PACE ACT

This Bulletin is issued pursuant to Section 59A-2-8 NMSA 1978 of the New Mexico Insurance Code, 13.1.2 *et seq.* NMAC

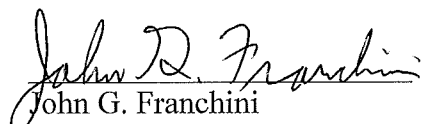
On October 7, 2015, President Obama signed H.R. 1624, the Protecting Affordable Coverage for Employees Act (PACE Act). With the enactment of the PACE Act, the size of a "small group" for the purposes of health insurance in New Mexico will remain at 50 or fewer. The PACE Act retains the 50 employee limit in the federal definition, and removes the trigger date originally included in the Affordable Care Act which would have caused the limit to be increased to 100. With the PACE Act signed into law, the New Mexico Office of Superintendent of Insurance (NM OSI) is not required to expand its definition of "small group" and will, therefore, keep the limit at 50.

NM OSI will not accept adjustments to already approved rates for 2016. The small group risk pool must follow the state definition of small group market. Therefore, all future small group rate filings should only include experience and projections for group policies covering employers with 50 or fewer employees.

Please note that in N. M. S. A. 1978, § 59A-23C-3(N) as used in the Small Group Rate and Renewability Act Definitions, "small employer" means any person, firm, corporation, partnership or association actively engaged in business who, on at least fifty percent of its working days during either of the two preceding years, employed no less than two and no more than fifty eligible employees.

ISSUED at Santa Fe, New Mexico on October 27, 2015.

OFFICE OF NEW MEXICO SUPERINTENDENT OF INSURANCE


John G. Franchini
Superintendent of Insurance