

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lt. Governor



AL REDMER, JR.  
Commissioner

NANCY GRODIN  
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
1-800-492-6116 TTY: 1-800-735-2258  
www.insurance.maryland.gov

**BULLETIN 15-27**

**To:** Insurers, Nonprofit Health Service Plans, Health Maintenance Organizations and Dental Plan Organizations Participating in the Small Group or Large Group Markets in Maryland

**Re:** Definition of Small Employer—NOT Expanding to 100 Lives on or after January 1, 2016

**Date:** October 8, 2015

The purpose of this Bulletin is to clarify the effect of President Obama's signing of H.R. 1624, the *Protecting Affordable Coverage for Employees Act* on the definition of small employer in Maryland law, with regard to health benefit plans sold on and off the SHOP Exchange and stand-alone dental contracts sold on the SHOP Exchange.

Maryland Senate Bill 556, Chapter 363, of the Acts of 2015 changed the definition of small employer, found in § 31-101(z) of the Insurance Article, to read:

“(z)(1) ‘Small employer’ means an employer that, during the preceding calendar year, employed an average of not more than:

(i) 50 employees for plan years that begin before January 1, 2016; and

(ii) 100 employees for plan years that begin on or after January 1, 2016, *or another number of employees or date as provided under federal law.*” (emphasis supplied)

H.R. 1624 changed the definition of small employer in federal law back to the 50 life limit. Since Maryland law has been drafted to follow the federal law, for plan years that begin on or after January 1, 2016, small employers will be those that during the preceding calendar year employed an average of not more than 50 employees.

Questions about this Bulletin may be directed to the Life/Health Section of the Maryland Insurance Administration at 410-468-2170.

**signature on original**

Brenda A. Wilson  
Associate Commissioner  
Life and Health