



March 4, 2015

The Honorable Sylvia Burwell  
Secretary, U.S. Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Secretary Burwell:

As a representative of the 28 million small businesses in America, Small Business Majority urges the U.S. Department of Health and Human Services to implement the expansion of the small group market, and the Small Business Health Options Program (SHOP), to small firms with 50-99 employees on time, in accordance with the healthcare law. Expanding the small group market next year will increase the size of the insurance pool, which benefits the healthcare system overall. What's more, it expands the number of lives eligible for the small business health insurance marketplaces, which is good for businesses and the success of SHOP.

We believe delaying the 2016 transition of the small group market would be detrimental to SHOP and small businesses looking forward to this option. We know from our research that many small business owners struggle to offer health insurance to their employees due to cost. In fact, Small Business Majority's scientific [opinion polling](#) found the majority of small business owners provide insurance to at least some of their employees, but of those who don't offer it, 70% say it's because they can't afford it. Additionally, according to a study by the President's Council of Economic Advisors, small businesses have paid [18% more](#) on average for health coverage than large companies in the past and usually received fewer comprehensive benefits. Small businesses have been waiting for decades for something to help bring down their costs, and the 2016 expansion to small firms with 50-99 employees will help more small businesses find affordable health coverage.

Some have said that requiring 50-99 employer firms to offer coverage next year would be harmful to those businesses; however, 96% of businesses with more than 50 employees already offer health insurance to their employees. Allowing these businesses to enter the small group market in 2016 can offer a wealth of benefits, both to firms that already offer health insurance and those shopping for coverage for the first time. These employers will no longer be charged more for insurance based on the gender or health status of their workers, and new limits will be in place to control how much more a business can be charged for its older workers. Additionally, employers will have peace of mind knowing each insurance plan in the small group market covers all essential health benefits. This means small employers and their workers will no longer have to worry about reading the fine print in their health insurance plans to find out if they are covered for basic benefits, such as emergency room visits.

What's more, this expansion has the potential to bring a wave of growth next year to the small business marketplaces, which is crucial for the success of SHOP. As many of these businesses already offer health insurance benefits to their employees, these firms have a higher incidence of both employer and employee familiarity with health insurance. These will be firms that have more time and human resources to engage in SHOP, as opposed to businesses with less than 50 employees.

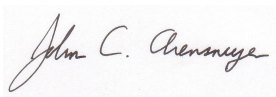
We'll also see more broker involvement in SHOP as firms of this size are more likely to utilize the help of agents. These firms mean more to a broker's book of business and their incomes.

Additionally, we believe there is no legal basis to delay expansion of the small group market, as the Affordable Care Act clearly requires this feature. The Department needs to move forward with the law as it stands, and ensure expansion of the small group is implemented in 2016.

We want all small businesses to be able to enjoy affordable and comprehensive health insurance coverage, and an expanded small group market can help small businesses achieve that.

We urge you to ensure the small group expansion moves forward in 2016 in order to help more small employers afford to offer health insurance to their employees.

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer". The signature is written in a cursive style and is positioned above the printed name.

**John Arensmeyer,  
Founder & CEO**