



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Commerce, Community,  
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DIVISION OF INSURANCE

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## BULLETIN B 15-09

**TO: All INSURERS TRANSACTING HEALTH CARE INSURANCE IN ALASKA**

**RE: DEFINITION OF SMALL EMPLOYER AND LARGE EMPLOYER FOR PURPOSES OF MEDICAL LOSS RATIO REPORTING AND REBATE REQUIREMENTS UNDER 45 C.F.R. PART 158**

On September 19, 2011, the division issued Bulletin B 11-09 which provided "that for purposes of the medical loss ratio reporting and rebate requirements under 45 C.F.R. Part 158 only, the division will use the federal regulation definitions of small employer and large employer." This federal regulation defines small employer and large employer in the same manner given under the Patient Protection and Affordable Care Act (PPACA) and the Public Health Service Act (PHSA). Both of these federal acts, at the time, defined an employer "having an average of at least 1 but not more than 100 employees on business days during the preceding calendar year" as a small employer, and an employer "having an average of at least 101 employees on business days during the preceding calendar year" as a large employer.

On October 7, 2015, the President of the United States signed into law the "Protecting Affordable Coverage for Employees Act" (PACE). PACE amends the PPACA and PHSA definitions to define employers "having an average of at least 1 but not more than 50 employees on business days during the preceding calendar year" as small employers, and employers "having an average of at least 51 employees on business days during the preceding calendar year" as large employers.

As a result of PACE, the definitions which were referenced in Bulletin B 11-09 have changed. **Therefore, for purposes of the medical loss ratio (MLR) reporting and rebate requirements under 45 C.F.R. Part 158 only, the division will use the federal regulation definitions of small employer and large employer as amended by PACE.** Accordingly, group plans with 51 or more employees will need to meet the 85% MLR.

The Alaska definitions of small employer and large employer under AS 21.54.500 continue to apply for purposes of compliance with applicable Alaska laws and regulations.

If you have questions regarding relating to this bulletin, please contact Jake Lauten by phone, (907) 465-5471, or by e-mail at [Jacob.Lauten@alaska.gov](mailto:Jacob.Lauten@alaska.gov).

Bulletin B 15-09 supersedes Bulletin B 11-09.

Dated October 16, 2015



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Lori Wing-Heier  
Director