



MEMO OF SUPPORT
S.8457 (Cooney) / A.8763 (Hunter)
Relates to the definition of “small group”
for purposes of health insurance policies and contracts

MACNY – The Manufacturers Association and The Manufacturers Alliance of New York support S.8457 (Cooney)/A.8763 (Hunter), which would amend the definition of “small group” under the Insurance Law to mean employers with fifty employees or fewer.

In 2016, changes to the Insurance Law took effect amending the definition of “small group” from 1-50 employees to 1-100 employees. These changes were made in the FY 2013-14 Budget to conform with federal requirements under the Affordable Care Act. The federal requirement was rescinded by the Obama Administration in 2015, however New York’s definition of small group has remained, and for employers with 51-100 employees, or “mid-sized” employers, this change has led to increased premium rates, higher deductibles, and higher co-pays as well as fewer policy choices.

Small group plan premiums are based on the average health cost of all small firms within that market, as opposed to the health risks of the specific company. This pushes mid-sized companies into pools considered riskier, and leads to higher premiums for mid-sized companies that subsidize smaller, less healthy, groups. Because small group insurance rates are legally only allowed to be based on age, family composition, geography and tobacco use, mid-sized employers are also restricted from being offered better rates based on factors that would otherwise benefit them, such as lower utilization rates.

All but three states have lowered the small group maximum back to 50 employees, with Colorado most recently making the change for 2026.

Lowering the small group threshold would make health insurance more affordable for both employers and employees, incentivize hiring, and help smaller manufacturers attract and retain skilled workers.

For these reasons, MACNY and the Manufactures Alliance of New York support S.8457 (Cooney)/A.8763 (Hunter).

ABOUT MACNY: [MACNY, The Manufacturers Association](#), is a 113-year-old non-profit organization representing manufacturers and other non-industrial service providers throughout Central New York. With a commitment to enhancing economic development and workforce opportunities, MACNY serves as an advocate for manufacturers, offering a wide array of programs and services to help businesses grow and thrive in a competitive global market.

ABOUT THE MANUFACTURERS ALLIANCE OF NEW YORK: The Manufacturers Alliance of New York is a statewide organization comprised of nine manufacturing associations, united to advocate for the manufacturing community in Albany and Washington.