

SHOP Marketplace Employee Minimum Participation Rate

In most states, if you want to participate in the Small Business Health Options Program (SHOP) Marketplace, 70% of your eligible employees must enroll in the plan(s) you offer. This percentage is different in these states:

| State | SHOP Marketplace minimum participation rate |
|----------------------|---|
| Iowa | 75% |
| Kentucky | 75% |
| Louisiana | 75% |
| Nevada | 75% |
| New Hampshire | 75% |
| New Jersey | 75% |
| South Dakota | 75% |
| Tennessee | 50% |
| Texas | 75% |

In most states, you can get coverage through the SHOP Marketplace without having to meet this minimum participation requirement from November 15 – December 15 each year. This allows employers who don't meet the required participation level to offer a SHOP Marketplace plan.

Upon renewal in 12 months, if you choose to enroll in the same health plan, you'll need to meet the SHOP Marketplace's minimum participation rate in your state.

How the minimum participation rate is calculated

Participation rates in the SHOP Marketplace are calculated by dividing the number of employees enrolling in SHOP Marketplace coverage and those with other coverage (like insurance from another job, insurance through individual private insurance, another person's/spouse's job, Medicare, Medicaid, TRICARE, VA health care programs, and Indian Health Service) by the total number of employees offered SHOP Marketplace coverage.

Don't include non-employees (owner, spouse of owner, COBRA enrollees, and retirees) in this calculation.



You can use the SHOP Minimum Participation Rate Calculator at [HealthCare.gov/small-businesses/shop-calculators-mpr](https://www.healthcare.gov/small-businesses/shop-calculators-mpr) to see how many of your employees must accept your coverage offer. If you don't reach the required minimum participation rate, you have 3 options:

- 1. Update your coverage offer and try to enroll again.** For example, you can change the coverage you offer, or increase the amount you contribute to your employees' premiums to increase participation. You'll start the enrollment process over using the information from your initial application. If you decide to wait to enroll, you can reapply at any time during the year.
- 2. Enroll between November 15 - December 15.** During this one month period each year, the minimum participation requirement doesn't apply.
- 3. Withdraw your offer of coverage.** If you didn't meet the minimum participation rate when you applied, you can withdraw your offer and wait to offer coverage another time during the year when you think you'll have more employee participation.

You have the right to get the information in this product in an alternate format. You also have the right to file a complaint if you feel you've been discriminated against. Visit <https://www.cms.gov/About-CMS/Agency-Information/Aboutwebsite/CMSNondiscriminationNotice.html>, or call the Marketplace Call Center at 1-800-318-2596 for more information. TTY users should call 1-855-889-4325.

