

SHOP Marketplace

Health Insurance for Small Businesses

Employer Open Door Forum July 2016

What is the SHOP Marketplace?

The Small Business Health Options Program = SHOP Marketplace

- Part of the Health Insurance Marketplace created by the Affordable Care Act (ACA)
- Offers small employers (generally those with 1-50 full-time employees) a choice of quality health and dental plans provided by private insurance companies
- States may choose to allow employers with 1-100 full-time employees to participate in the SHOP Marketplace
- Small employers who offer coverage through the SHOP Marketplace may be eligible for the Small Business Health Care Tax Credit that may be worth up to 50% of their contributions to premiums (up to 35% for tax-exempt employers)
- Works with health insurance reforms to help spur competition based on price and quality

What does the ACA offer employers?

SHOP Marketplace

Health Insurance for Small Businesses



Better coverage



Easy enrollment & account management



Flexibility & choice



A break on cost



Assistance & support

Which employers can participate in the SHOP Marketplace?

To be eligible to purchase coverage in the SHOP Marketplace, small employers must:

- 1 Be a “small employer” (generally, a small employer has 1-50 employees).
- 2 Offer coverage to all full-time employees (those working 30 or more hours per week, on average)
- 3 Have at least one employee enrolling in coverage
- 4 Have a principal business address or eligible employee worksite in the state in which coverage is offered

Use the SHOP FTE Calculator on HealthCare.gov for help counting full-time employees and FTEs for purposes of SHOP Marketplace eligibility:

<https://www.healthcare.gov/shop-calculators-fte/>

SHOP Marketplace employer participation requirements

At least 1 employee enroll



Average of 1-50 full-time and FTE employees



Part-time staff are included, but seasonal workers are not

Offer coverage to all full time employees

100%

Have 70%* of current employees who are offered coverage participate



*Percentage varies by state; requirement does not apply between November 15 and December 15

Calculating the Minimum Participation Rate

For coverage beginning in 2016 and beyond, here's how the SHOP Marketplace MPR is calculated:

$$\text{MPR} = \frac{\text{Number of Employees **Enrolling** in Coverage}}{\text{Number of Employees **Offered** SHOP Marketplace Coverage}}$$

Here's an example:

- An employer offers coverage to 10 full-time employees, and 2 have coverage through a spouse's employer, and 1 is covered by Medicare
- 70% of 10 employees = 7 employees
- 3 employees have other coverage that counts towards the rate, so 4 additional employees must accept the employer's offer of SHOP Marketplace coverage before the employer can enroll

Health & Dental Coverage Options in the SHOP Marketplace

- Starting in 2016, employers may offer their employees one of three options through the SHOP Marketplace:
 1. Only health coverage
 2. Only dental coverage
 3. Both health and dental coverage
 - If a qualified employee is offered both health and dental coverage, he/she may choose to enroll in both health and dental coverage, only health coverage, or only dental coverage
- Employers may also offer health and dental coverage to their employees' dependents
 - Dependents must enroll in the same health or dental plan as the qualified employee
 - If a employee is offered both health and dental coverage, dependents will be able to enroll in either the health or dental coverage the employee picks, or in both

Employee Choice: Offering Employers Flexibility & Control

Employers can offer qualified employees:

1. A single health or dental plan
2. A choice of plans within a plan category the employer chooses
 - Employees choose any plan within the selected coverage category

Advantages of offering qualified employees a choice of plans:

- They can choose plans that best fit their coverage needs
- Employer does not have to predict their health care needs
- Employer receives and pays just **one monthly bill** per account, even when offering multiple plans with different health insurance companies
- Employer sets choice limits to control health care costs

EXAMPLE	Issuer A	Issuer B	Issuer C	Issuer D	Issuer E
Platinum					
Gold					
Silver	✓	✓	✓	✓	✓
Bronze					

The Small Business Health Care Tax Credit

Some small businesses can claim up to

50%

of their premium contributions with the Small Business Health Care Tax Credit

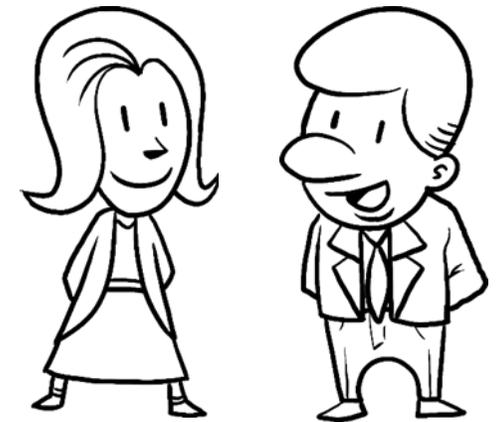


To qualify for the tax credit, employers must:

- Have < 25 FTE employees (based on a 40 hour work week)
- Pay average wages of less than \$50,000 per year (adjusted for inflation starting in 2014) per FTE
- Contribute half of employee health insurance premiums under a qualifying arrangement

Get Help with the SHOP Marketplace

Work with an Agent or Broker



What is a Health Insurance Agent or Broker?

- Health insurance agents and brokers are professionals who are experts in the health insurance field
- They are licensed by the state(s) they practice in and can be representatives of insurance companies
- Agents and brokers assist small employers and individuals apply for and enroll in for health and dental insurance

How Agents and Brokers Can Help



Getting Help In the SHOP Marketplace

- Through HealthCare.gov, employers can search for SHOP Marketplace registered agents and brokers in their area
 - Employers can search for new or their existing broker by name or National Producer Number (NPN)
- To assist with a SHOP Marketplace enrollment, agents and brokers must be authorized to work on an employer's behalf
 - To authorize an agent or broker to work on your behalf, log into your account on Healthcare.gov and select the "Get Assistance" Tab
 - Once you find an agent/broker in your area, select "Authorize"
- Once authorized, the SHOP Marketplace Agent/Broker Portal can help agents and brokers:
 - Manage clients' accounts
 - Assist employers with their application and enrollment
 - Monitor clients' premium payments and enrollment statuses

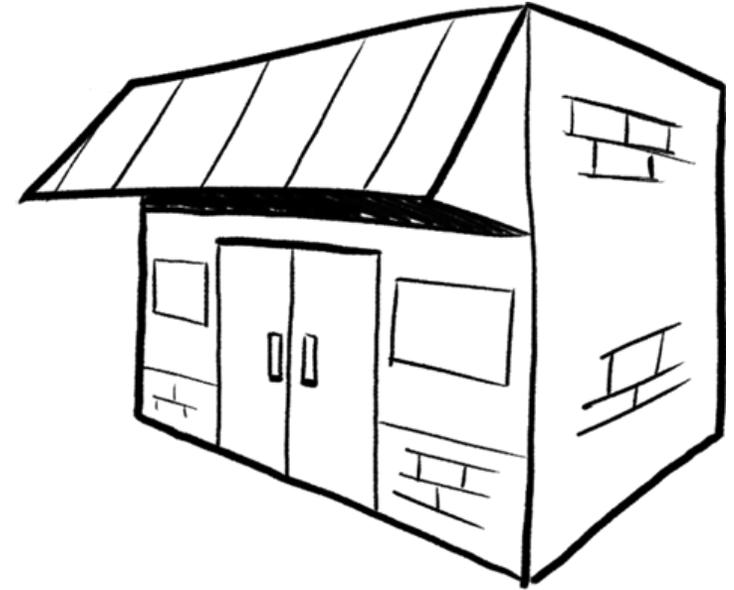
Ways to Find an Agent or Broker

Need the help of an agent or broker?

Here's how you can find one:

- Log into your account on HealthCare.gov
- Visit Find Local Help at <https://localhelp.healthcare.gov/#intro> to find an agent/broker in your area

SHOP Marketplace FAQ's



Myth Buster #1

Myth: Small businesses may enroll in the SHOP Marketplace solely during the open enrollment period between November and January each year.

Truth: Qualified small businesses may enroll for health care coverage in the SHOP Marketplace at any month of the year.

- Initial group enrollments submitted by the 15th of the month may qualify for coverage beginning the first day of the next month
 - Example: SHOP Marketplace initial group enrollment submitted on December 13, 2015 may begin coverage on January 1, 2016
- Initial group enrollments submitted after the 15th of the month may qualify for coverage beginning the first day of the second following month
 - Example: SHOP Marketplace initial group enrollment submitted on December 18, 2015 may begin coverage on February 1, 2016.
- If employers don't meet the minimum participation rate (MPR) requirement, they can enroll in SHOP Marketplace coverage between November 15 and December 15 any year – *without* meeting the MPR requirement.

Myth Buster #2

- **Myth:** If I have employees or business locations in more than one state, I cannot participate in the SHOP Marketplace.
- **Truth:** Employers with business locations or employees in more than one state can still offer health and dental insurance through the SHOP Marketplace and, they have two options to do so:
 - **Option 1: Choose a single health plan for all your employees.**
 - If you choose this option, all employees in all of your business locations will be counted when calculating your minimum participation rate.
 - **Option 2: Create additional SHOP Marketplace accounts in each state where your employees work, and offer different plans in each location.** As long as your business meets all requirements to participate in the state's SHOP Marketplace, you can create an account and offer coverage even if you have just one employee in a location. You must have a business address in a location to create a SHOP Marketplace account for it.

Quick Tip: You can establish only one SHOP Marketplace account per employer identification number (EIN) in each state

Agents and Brokers are Here to Help

Thinking about Health Coverage through the SHOP Marketplace?

AGENTS & BROKERS CAN HELP



-  Select plans
-  Manage enrollment
-  Answer questions

SHOP Marketplace
Health Insurance for Small Businesses
HealthCare.gov/small-businesses

SHOP Marketplace Tools for Employers

SHOP Tool	Functionality & Value
2. FTE Calculator	Helps employers determine if they may be a small employer for purposes of SHOP Marketplace eligibility by counting their full-time and FTE employees
3. MPR Calculator	Helps employers determine if they meet the minimum participation requirements to enroll in the SHOP Marketplace
4. Tax Credit Estimator	Helps employers determine if they may be eligible for the Small Business Health Care Tax Credit, and estimate its value

Looking for the tools? Visit <https://www.healthcare.gov/small-businesses/>

Keep Up With SHOP Marketplace News

- Connect with us on LinkedIn: <https://www.linkedin.com/company/the-shop-marketplace-at-healthcare.gov?trk=prof-following-company-logo>
- Like us on Facebook: <https://www.facebook.com/Healthcare.gov>
- Follow us on Twitter:
https://twitter.com/HealthCareGov?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

SHOP Marketplace Whiteboard and Enrollment Videos:

https://www.youtube.com/playlist?list=PLaV7m2-zFKphB8T_m0dG40hUQeGLCa24c

SHOP Marketplace Resources

- **Top Questions About the SHOP Marketplace**
healthcare.gov/small-businesses/get-answers
- **Information on the Small Business Health Care Tax Credit**
irs.gov/Affordable-Care-Act
- **Affordable Care 101 Webinar: What the Healthcare Law Means for Small Employers**
bit.ly/AffordableCare101
- **How to Enroll in the SHOP Marketplace**
healthcare.gov/small-businesses/provide-shop-coverage/enroll-in-shop/
- **Detailed Instructions on How to Enroll for Employers**
marketplace.cms.gov/outreach-and-education/enroll-in-shop.pdf
- **Using Agents and Brokers in the SHOP Marketplace**
healthcare.gov/small-businesses/provide-shop-coverage/using-insurance-agents-and-brokers/
- **SHOP Call Center** 1-800-706-7893 (TTY: 711) Available Monday – Friday, 9am – 7pm ET