



# SHOP Marketplace

## Health Insurance for Small Businesses

*An Overview for 2016 Coverage for Assistors*

# 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

# Benefits of the SHOP Marketplace

- **Convenience and choice:**
  - Complete a group enrollment at any point during the year
  - Browse, compare, apply, and enroll in SHOP Marketplace health and dental plans on HealthCare.gov
  - Offer one or multiple plans
  - Receive one bill and make one premium payment a month
- **Control over spending:**
  - Employers decide which plan(s) to offer qualified employees and how much they want to contribute to health and dental insurance premiums
- **Access to tax credits:**
  - When you offer coverage through the SHOP Marketplace, you may be eligible for a tax credit worth up to 50% of your contributions to premiums (35% for tax exempt employers)
- **Many ways to get help:**
  - Information and assistance are available, including through HealthCare.gov, the SHOP Call Center, agents and brokers registered with the SHOP Marketplace, and through navigators

# 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/>

# Options for the Self-Employed

**Self-employed individuals are not eligible to enroll through the SHOP Marketplace unless they have at least one employee who enrolls**

Self-employed individuals with no employees may be able to enroll in coverage through the Health Insurance Marketplace for Individuals & Families on HealthCare.gov

## **Health Insurance Marketplace for Individuals & Families:**

- Premium tax credits may be available, depending on annual household income
- Individuals generally must enroll during Open Enrollment period, unless they have a life event, such as getting married or having a child
- Open Enrollment for 2016 is November 1, 2015 — January 31, 2016

# SHOP Marketplace Minimum Participation Requirement

In most states, 70% of a group's employees offered coverage must accept the offer of SHOP Marketplace coverage or be enrolled in other types of coverage for a group to participate in the SHOP Marketplace

- Unless the group enrolls between **November 15 and December 15** when no Minimum Participation Rate (MPR) applies

## What's New?

For 2016 coverage and beyond, the SHOP Marketplace MPR requirement has changed—making it easier for employers to enroll in SHOP Marketplace coverage

## Here's an example:

### 2015 Participation Requirement

Employees **are not counted** toward the MPR if they have coverage through another job, another person's job, or a government program (e.g., Medicare, TRICARE).

### 2016 Participation Requirement

Employees with non-SHOP Marketplace coverage, such as through a spouse or government program, **will be counted** toward the MPR.

# 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 for 2016:**

- 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

From **November 15<sup>th</sup>- December 15<sup>th</sup>**, eligible small employers can enroll in SHOP Marketplace coverage **without** meeting the MPR requirement

# 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					

# See Plans & Prices on HealthCare.gov

- 1. Browse** available SHOP Marketplace health and dental plans before choosing coverage
  - Save time with the application process by becoming familiar with coverage options before you get started
  - See plan and pricing options that are available in your area without creating an account
- 2. Generate estimates** for customized premium and out-of-pocket plan costs
  - Choose coverage that is affordable for both employers and employees
- 3. Compare plans** based on product network type, coverage category, insurance company, premium, deductible, and out-of-pocket maximum
  - Make an informed decision that fits employers' and employees' budget and coverage needs

# How to Enroll in the SHOP Marketplace: Employers

## **Enroll on their own**

1. Select the “Small Businesses” tab on the top of HealthCare.gov and then the green “For Employers” button
2. Select your state from the drop-down menu and click “Apply Now”
3. Create a HealthCare.gov account
4. Complete a SHOP Marketplace application
5. Select coverage, contribution, and make an offer to employees
6. Track employee participation and submit enrollment
7. Submit initial premium payment

# How to Enroll in the SHOP Marketplace: Employees

## Enroll online through HealthCare.gov

1. Receive an email from the SHOP Marketplace that includes the employer's offer of coverage and a participation code
2. Create a HealthCare.gov account and log in
3. Select "Visit Employee Marketplace"
4. Confirm eligibility by entering the participation code included in your offer email
5. Review your coverage offer; if the employer is offering you a choice of plans, select a plan, and add dependents if applicable

**NOTE:** If an employee does not sign up for SHOP Marketplace coverage during the initial enrollment period, he/she can only enroll due to a life-changing event, such as having or adopting a child or getting married, or wait until the annual renewal period for the employer.

# What is the Small Business Health Care Tax Credit?

- The Small Business Health Care Tax Credit is generally only available when coverage is obtained through the SHOP Marketplace
- The SHOP Marketplace gives eligible small employers ability to get back a portion of their premium contributions through the tax credit
  - The tax credit may be worth up to 50% of eligible employers' premium contributions (up to 35% for tax-exempt employers)
- To qualify for the tax credit, employers must:
  1. Have employees enrolled in SHOP Marketplace health or dental plan(s)
  2. Have fewer than 25 FTEs (based on a 40 hour work week)
  3. Pay average wages of less than around \$50,000 per year per FTE, adjusted annually for inflation
  4. Contribute at least 50% toward employee-only premium costs
  5. File for the tax credit with IRS

# How Assisters Can Help

- Help employers shop for plans on See Plans & Prices
- Help employers determine if they're eligible for the SHOP Marketplace using these tools on HealthCare.gov:
  - Full-time Equivalent Employee Calculator
  - Minimum Participation Rate Calculator
  - Small Business Health Care Tax Credit Estimator
- Make sure employers have the information they need to complete their SHOP Marketplace application:
  - Business information, including their Federal Employer Identification Number (EIN)
  - Employee Information: First and last name, date of hire, date of birth, home address, email address and Social Security Number (SSN)
  - Dependent information (if applicable)

## How Assistors Can Help

- Help employers get organized. Employers will need to decide the following:
  - How and when to offer coverage
    - When do they want their coverage to go into effect?
  - What would they like to offer their employees
    - Do they want to offer health coverage, dental coverage, or both?
    - Do they plan to offer coverage to their employee's dependents?
    - Do they want to offer a single health and/or dental plan? Or, do they want to offer a choice of health and/or dental plans?
    - What can they afford to contribute?
- Remember: Enrollments must be submitted by the 15<sup>th</sup> of the month for coverage to go into effect the 1<sup>st</sup> day of the next month.

# Need More Information? Watch the SHOP Marketplace Enrollment Videos

- For Employers:

[https://www.youtube.com/watch?v=XS\\_SZHGKr5w](https://www.youtube.com/watch?v=XS_SZHGKr5w)

- For Employees:

<https://www.youtube.com/watch?v=NxwVE0Xg1Og&feature=youtu.be>

# SHOP Marketplace Tools for Employers

SHOP Tool	Functionality & Value
<b>1. FTE Calculator</b>	Helps employers determine if they may be a small employer for purposes of SHOP Marketplace eligibility by counting their full-time and FTE employees
<b>2. MPR Calculator</b>	Helps employers determine if they meet the minimum participation requirements to enroll in the SHOP Marketplace
<b>3. Tax Credit Estimator</b>	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/>

# SHOP Marketplace Resources

- **Assister Guide to Helping Employers Enroll**

[marketplace.cms.gov/technical-assistance-resources/logo-and-infographics/assisters-guide-help-employers-enroll-shop.pdf](https://marketplace.cms.gov/technical-assistance-resources/logo-and-infographics/assisters-guide-help-employers-enroll-shop.pdf)

- **Top Questions About the SHOP Marketplace**

[healthcare.gov/small-businesses/get-answers](https://healthcare.gov/small-businesses/get-answers)

- **Information on the Small Business Health Care Tax Credit**

[irs.gov/Affordable-Care-Act](https://irs.gov/Affordable-Care-Act)

- **Affordable Care 101 Webinar: What the Healthcare Law Means for Small Employers**

[bit.ly/AffordableCare101](https://bit.ly/AffordableCare101)

- **How to Enroll in the SHOP Marketplace**

[healthcare.gov/small-businesses/provide-shop-coverage/enroll-in-shop/](https://healthcare.gov/small-businesses/provide-shop-coverage/enroll-in-shop/)

- **Detailed Instructions on How to Enroll for Employees**

[marketplace.cms.gov/outreach-and-education/enroll-in-shop-employees.pdf](https://marketplace.cms.gov/outreach-and-education/enroll-in-shop-employees.pdf)

- **Detailed Instructions on How to Enroll for Employers**

[marketplace.cms.gov/outreach-and-education/enroll-in-shop.pdf](https://marketplace.cms.gov/outreach-and-education/enroll-in-shop.pdf)

- **SHOP Call Center** 1-800-706-7893 (TTY: 711) Available Monday – Friday, 9am – 7pm ET