

SHOP Marketplace

Health Insurance for Small Businesses

Tips for Assisting Clients in 2017

What is the SHOP Marketplace?

The Small Business Health Options Program = SHOP Marketplace

- Each SHOP Marketplace is a Health Insurance MarketplaceSM 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 and enroll in small group market coverage
- Small employers who offer coverage through a SHOP Marketplace may be eligible for the Small Business Health Care Tax Credit which 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 new 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, per state
- Renew coverage online, on your own or with an agent or broker

- **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 employers offer and purchase coverage through the SHOP Marketplace, they may be eligible for a tax credit worth up to 50% of their contributions to premiums (35% for tax exempt employers)

- **Many ways to get help:**

- Information and assistance are available through HealthCare.gov and the SHOP Call Center

Which Employers can Participate in a SHOP Marketplace?

To be eligible to purchase coverage in the SHOP Marketplace, 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 to count full-time employees and full-time equivalent employees: <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 MarketplaceSM for Individuals & Families on HealthCare.gov

Health Insurance MarketplaceSM for Individuals & Families:

- Premium tax credits may be available, depending on annual household income
- Individuals generally must enroll during the Open Enrollment period, unless they have a life event, such as getting married or having a child
- Open Enrollment for 2017 is November 1, 2016 - January 31, 2017

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 qualified health 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

Employees with Non-SHOP Coverage Count Towards a Group's Minimum Participation Rate

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

Use the SHOP Marketplace **Minimum Participation Rate (MPR) Calculator** to help you determine if a small group you are working with will meet the MPR for a particular state:

<https://www.healthcare.gov/small-businesses/shop-calculators-mpr/>

Calculating the Minimum Participation Rate

Here's how the SHOP Marketplace MPR is calculated:

$$\text{MPR} = \frac{\# \text{ of Full-time Employees **Enrolling** in SHOP Coverage or Other Qualified Coverage}}{\# \text{ of Full-time Employees **Offered** SHOP Marketplace Coverage}}$$

Here's an example:

- If 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 MPR, so 4 additional employees must accept the employer's offer of SHOP Marketplace coverage or be enrolled in other types of qualified health coverage, before the employer can enroll

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

Health & Dental Coverage Options in the SHOP Marketplace

- Employers may offer their qualified 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 and/or dental plan as the qualified employee
 - If a qualified employee is offered both health and dental coverage and enrolls in both, dependents will be able to enroll in either the health or dental coverage the employee picks, or in both

How the SHOP Marketplace Works: Different Plans for Different Budgets

- **SHOP Marketplace health plans are available in four plan categories: Bronze, Silver, Gold, and Platinum**
 - Categories generally reflect how much enrollees pay for premiums, deductibles, copayments, and the total amount they'd expect to have to spend out-of-pocket for the year
 - Example:**
 - Platinum health plans may be expected to cover 90% of the total cost of covering essential health benefits, but the monthly premium will generally be the highest compared to plans in the other categories
 - All plans cover “essential health benefits,” but can differ by provider network, prescription drug formularies, or additional benefits offered, among other things
 - Plans cannot charge higher premiums for enrollees based on high medical costs or pre-existing medical conditions, raise premiums because an enrollee needs care, or charge women more than men based on gender

Plan Category	Total cost of care paid by the plan (on average)	Total cost of care paid by the employee (on average)
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

How the SHOP Marketplace Works: Different Plans for Different Budgets

- **SHOP Marketplace dental plans are available in two plan categories: High and Low**
 - Categories generally reflect how much enrollees pay for premiums, deductibles, copayments, and the total amount they'd expect to pay out-of-pocket for the year
 - **High** dental plans have generally higher premiums but lower copayments and deductibles compared to low dental plans. So you'll generally pay more every month, but less when you go to the dentist
 - **Low** dental plans generally have lower premiums but higher copayments and deductibles compared to high dental plans. So you'll generally pay less every month, but more when you go to the dentist

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
 - Qualified employees choose any plan across insurance companies within the selected plan category
3. And, in some states, a choice of plans offered by a single health insurance company the employer chooses
 - Qualified employees choose any plan across coverage categories offered by the selected health insurance company

Employee Choice by Plan Category

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

Employee Choice by Insurance Company

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

Employee Choice: Offering Employers Flexibility & Control (Continued)

Employer 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** even when offering multiple plans with different health insurance companies, per state
- Employer sets choice limits to control health care costs

How to Pay SHOP Marketplace Premiums

QUALIFIED EMPLOYEES
generally pay SHOP Marketplace premiums to their employer through a payroll deduction or upfront (unless their employer is paying their entire premium)



EMPLOYER
receives one monthly bill from the SHOP Marketplace in each state, even if employees are enrolled in different plans with different insurance companies



EMPLOYER
pays SHOP Marketplace premiums using one of the following options:
- Online
- Phone
- Mail



SHOP MARKETPLACE
disburses employer's premium payment to the insurance company(ies) upon receipt

NOTE: The SHOP Marketplace must receive the initial premium payment by the 20th of the month for coverage to begin on the 1st of the following month.

Employer Options for Premium Contributions

Contribution methods available through the SHOP Marketplace:

- Fixed percentage
- Reference Plan Contribution

Fixed Percentage: Employer chooses a fixed percentage to contribute to employees and (if applicable) dependents' monthly premiums before any applicable tobacco surcharge is applied. Employer offering a single plan must use this method.

Example: Jane is 25 and her plan premium is \$200, John is 60 and his plan premium is \$300. The fixed percentage is 80%. The employer will pay \$160 toward Jane's plan premium and \$240 toward John's plan premium



	Jane	John
Plan Premium	\$200	\$300
Fixed Percentage	80%	
Employer Contribution	\$160	\$240

**premium prices reflected here do not include any applicable tobacco surcharge*

Employer Options for Premium Contributions (continued)

Reference Plan Contribution: When an employer decides to offer their employees a choice of plans, they can select to calculate premiums based off of a fixed contribution or they can select one plan to base their premium contribution off of (“reference plan”). The amount the employer decides to contribute towards all of his/her employee contributions will be based off of this reference plan regardless of the plan the employee chooses. If dependent coverage is offered, the employer can choose a different contribution amount. The employer’s contribution is calculated based on an enrollee’s premium before any applicable tobacco surcharge is applied.

Example: If the reference plan premium is \$100 for an employee and the employer’s contribution is 50%, the employer will pay \$50 toward the employee’s plan premium—even if the employee chooses a plan other than the reference plan



Reference Plan	\$100
Percentage	50%
Employer Contribution	\$50

**premium estimates do not include any applicable tobacco surcharge*

Contribution Comparison

Fixed Percentage

EMPLOYEE	PLAN A	PLAN B	PLAN C
Jane Doe (25)	\$ 200 <u>x 80%</u> \$160	\$250 <u>x 80%</u> \$200	\$275 <u>x 80%</u> \$220
John Doe (60)	\$300 <u>x 80%</u> \$240	\$350 <u>x 80%</u> \$280	\$375 <u>x 80%</u> \$300

Reference Plan Contribution

EMPLOYEE	PLAN A	PLAN B (Reference)	PLAN C
Jane Doe (25)	\$ 200 \$200 ←	\$250 <u>x 80%</u> \$200 →	\$275 \$200
John Doe (60)	\$300 \$280 ←	\$350 <u>x 80%</u> \$280 →	\$375 \$280

- Assume an 80% employer contribution for both examples
- In the fixed percentage, employer contributions vary by plan and enrollee age
- Assume the employer chooses Plan B as a reference plan
- Employer contribution is constant across plans (but still varies for each enrollee based on age)

What is the Small Business Health Care Tax Credit?

- The Small Business Health Care Tax Credit is generally only available to employers who have purchased coverage through a SHOP Marketplace
- Small employers may be able 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

What's New in the SHOP Marketplace for 2017?

- **Greater Visibility of Agents/Brokers Registered with the SHOP Marketplace**
 - Agents/brokers registered with the SHOP Marketplace will no longer have to create a separate profile within the SHOP Agent/Broker Portal.
 - After signing the SHOP Marketplace Privacy and Security Agreement on the MLMS, agents and brokers will automatically be searchable to employers at HealthCare.gov seeking help with SHOP Marketplace enrollment.
 - Agents and brokers may edit their searchable profile information through the MLMS.
- **New Employee Choice Option**
 - In some states, employers will have the ability to offer their employees and, if applicable, dependents a choice of health and dental plans by insurance company.

What's New in the SHOP Marketplace for 2017? (Continued)

- **Premium Breakdown by Employee and Dependent**
 - Users will be able to see premium breakdowns by employee and dependent throughout the enrollment process.
 - Previously premium amounts were only listed as total employer and employee amounts.
- **Address Standardization**
 - When entering employer and employee addresses on the SHOP user interface, the system will suggest a standard address format.
 - Users may accept or edit the suggested format.

SHOP Marketplace Agent/Broker Portal

- To access and assist clients through the SHOP Marketplace Agent/ Broker Portal, visit <https://healthcare.gov/marketplace/small-businesses/agent> and enter your user ID and password.
- Then select the “Log In” button.

CMS.gov | Enterprise Portal
Centers for Medicare & Medicaid Services

Home | About CMS | Newsroom | Archive | Help & FAQs | Email | Print

Health Care Quality Improvement System | Provider Resources

Welcome to CMS Enterprise Portal

User ID

Password

Log In | Cancel

[Forgot Password?](#)
[Forgot User ID?](#)
Need an account? Click the link - [New user registration](#)

Home | CMS.gov | Enterprise Portal | A federal government website managed by the Centers for Medicare & Medicaid Services
7500 Security Boulevard, Baltimore, MD 21244

Working with Clients in the SHOP Marketplace

- Employers can authorize an agent or broker registered with the SHOP Marketplace to work on their behalf in the SHOP Marketplace. To authorize an agent or broker, the employers should:
 - Create an account and verify their identity at HealthCare.gov
 - Search for an agent or broker by name, NPN, or location and select the “Authorize” button.
 - Once an employer sends an authorization to an agent or broker, the agent or broker can log into his or her SHOP Marketplace Agent/Broker Portal account and accept the authorization
- Once authorized, agents and brokers may complete the entire application on behalf of their clients.
- Through the SHOP Marketplace Agent/Broker Portal, agents and brokers registered with the SHOP Marketplace can:
 - Assist employers with their applications and enrollments
 - View clients’ premium payments and enrollment statuses
 - Manage clients’ accounts, including adding/removing employees and dependents from coverage
 - Satisfy requirements to receive compensation for enrollments

Getting Help in the SHOP Marketplace

- The SHOP Call Center is open and available to assist agents and brokers in the SHOP Marketplace, when needed.
- There are a number of things agents and brokers can do 24/7, without the assistance of a SHOP Call Center Representative.
- After authorized by an employer, an agent/broker can log-into the SHOP Agent/Broker Portal to:
 - Complete a proposal for your clients
 - Create an enrollment and track employee participation
 - Modify a client's account (e.g., report a change in circumstance) after coverage has been effectuated
 - Monitor client's payment history to ensure groups are not terminated for non-payment of premium

What Can the SHOP Call Center Help Me With?

- General inquiries related to SHOP Marketplace eligibility, policies, and procedures
- Complex cases, such as:
 - Difficulty logging into, or establishing an authorization through the SHOP Marketplace Agent/Broker Portal
 - Difficulty accessing or questions related to an employer or employee application or enrollment
- Employers and employees with an offer of SHOP Marketplace coverage may also call the SHOP Call Center for assistance.

How to Contact the SHOP Call Center

If you have questions about the SHOP Marketplace or how to assist your clients, the SHOP Call Center is available to assist you.

- Contact the SHOP Call Center at: 1-800-706-7893 (TTY: 711)
 - Open Monday through Friday, 9:00 AM to 7:00 PM ET
 - Closed New Year's Day, Martin Luther King Day, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving and the day after, and Christmas
- The SHOP Call Center is busiest from the 13th to the 15th of the month. For shorter wait times, call earlier or later in the month.
- Select Option 2 when contacting the SHOP Call Center to be connected with a Call Center Representative.

SHOP Marketplace Tools

SHOP Tool	Functionality & Value
2. FTE Calculator	Helps employers determine if they may be a small employer for purposes of SHOP Marketplace eligibility helping them count their full-time and FTE employees
3. MPR Calculator	Helps employers determine if they meet the minimum participation requirement in their state needed to enroll in a 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/>

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
- **Agent/Broker Essentials: Information on the SHOP Marketplace**
healthcare.gov/small-businesses/for-agents-and-brokers
- **SHOP Marketplace Agent/Broker Portal (for SHOP-registered Agents/Brokers)**
healthcare.gov/marketplace/small-businesses/agent
- **SHOP Marketplace Registration Information for Agents and Brokers**
cms.gov/ccio/programs-and-initiatives/health-insurance-marketplaces/a-b-resources.html
- **Working with an Agent or Broker in the SHOP Marketplace**
<http://go.hc.gov/shop-videos>
- **Connect with the SHOP Marketplace on LinkedIn**
go.hc.gov/shop

SHOP Marketplace Resources

(continued)

- **Using Agents and Brokers in the SHOP Marketplace**
healthcare.gov/small-businesses/provide-shop-coverage/using-insurance-agents-and-brokers/
- **Detailed Instructions on How to Enroll for Employers**
<https://marketplace.cms.gov/outreach-and-education/enroll-in-shop-employers-2016.pdf>
- **How to Enroll in the SHOP Marketplace - Employees**
marketplace.cms.gov/outreach-and-education/enroll-in-shop-employees-2016.pdf
- **Detailed Instructions on How to Enroll for Employees**
<https://marketplace.cms.gov/outreach-and-education/shop-employee-enrollment-user-guide.pdf>
- **What Employees Should Know About the SHOP Marketplace**
marketplace.cms.gov/outreach-and-education/employees-should-know-about-shop-2016.pdf
- **ACA Rules, Guidance, Agent and Broker Resource Page**
cms.gov/ccio/programs-and-initiatives/health-insurance-marketplaces/a-b-resources.html
- **SHOP Call Center** 1-800-706-7893 (TTY: 711) Available Monday – Friday, 9am – 7pm ET