Small Business Health Options (SHOP) Premium Aggregation

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

Health Insurance Exchange System-Wide Meeting
May 21-23, 2012
SHOP - Premium Aggregation Services

Topics to be covered:

• What is “Premium Aggregation Service”?

• Who Provides Premium Aggregation Services?

• Premium Aggregation Service - Process Flow

• Administrative Service Components

• Conclusions
What is “Premium Aggregation Service”?

As described in 45 CFR § 155.705(b)(4),

A robust financial and administrative system:

• to allow qualified employers to receive a single monthly bill for all QHPs in which their employees are enrolled and to remit a single monthly amount to the FF-SHOP

• then aggregate premium payments from qualified employers and distribute the payments to the appropriate QHP issuers
Who Provides Premium Aggregation Services?

- FF-SHOPs will contract with a vendor(s) to provide premium aggregation services.
  - Regional vendors, or
  - National vendor
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Premium Aggregation Service - Process Flow

• Linked to the SHOP Qualified Employer/Employee Enrollment System
  – Provide the qualified employer with an itemized single invoice, with details of employer and employee premium contributions
  – Collects a single monthly payment from the qualified employer
  – Remits payment to QHP(s)
  – Facilitates payment changes during special enrollment periods and monthly reconciliations
  – Meets accounting and financial integrity standards
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Administrative Service Components

• Process employee additions and deletions

• Process dependent coverage additions and deletions

• Resolve invoice discrepancies with employer, employee and issuer(s)