



Health Care Reform **Bulletin**

Online Enrollment in Federal SHOP Exchanges Available in 2015

Provided by Clarke & Company Benefits, LLC

Quick Facts

- On Oct. 8, 2014, HHS announced that online enrollment will be available in FF-SHOPs beginning **Nov. 15, 2014**.
- This is the first time online enrollment will be available in FF-SHOPs due to a delay for 2014.
- Prior to Nov. 15, 2014, employers have been required to use direct enrollment to enroll employees in SHOP coverage.
- Estimated premium information for 2015 is also expected to be available in Nov. 2014.

For the first time, online enrollment will be available in the federal SHOP Exchanges beginning Nov. 15, 2014.

Beginning in 2014, the Affordable Care Act (ACA) established the **Small Business Health Options Program (SHOP) Exchange**—an online competitive marketplace that small employers can use to provide health insurance options for their employees.

On Oct. 8, 2014, the Department of Health and Human Services (HHS) [announced](#) that online enrollment will be available in the SHOP Exchanges operated by HHS (federally-facilitated SHOPs, or FF-SHOPs) beginning **Nov. 15, 2014**. As a result, for the 2015 plan year, eligible employers can complete an application, choose coverage and enroll themselves, or they can work with an agent or broker.

This is the first time that online enrollment will be available in the FF-SHOPs, due to a [delay](#) announced in Nov. 2014. Prior to Nov. 15, 2014, employers have been required to use “direct enrollment” with an agent, broker or insurer to enroll their employees in FF-SHOP coverage for 2014. States that operate their own SHOP Exchanges were still permitted to offer online enrollment.

Overview of SHOP Enrollment

Small employers with up to 50 employees are eligible to participate in the SHOP Exchanges. In

2016, the maximum number of employees will increase to 100. Beginning in 2017, states may allow businesses with more than 100 employees to participate. CMS provided a [SHOP Full-time Equivalent Employee Calculator](#) to help employers determine if they are eligible for SHOP coverage based on their employee count.

Unlike the individual Exchange enrollment process, small employers can enroll through the SHOP on a monthly basis throughout the year. Therefore, some states are phasing in SHOP application and enrollment periods.

Delay for Online Enrollment in FF-SHOPs

The FF-SHOP opened on Oct. 1, 2013, when small employers could start the application process and get an overview of available plans and premiums in their area. However, on Nov. 27, 2013, HHS [announced](#) that **online enrollment in the FF-SHOPs would not be available until November 2014**.

For 2014, small employers have been required to enroll their employees in coverage through a process called “direct enrollment,” similar to how most small employers have gotten insurance in the past. Through this process, small employers enroll in qualified health plan (QHP) coverage through an agent, broker or



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directly with an insurer offering a certified SHOP plan.

When using direct enrollment for 2014, small employers filled out a paper application to enroll in coverage through the FF-SHOP. An agent, broker or insurer could help an employer fill out the paper application and send it in to the FF-SHOP. Alternatively, employers were able to fill out and mail in the application form themselves, or get help through the toll-free SHOP Employer Call Center at 1-800-706-7893.

Although employers were unable to purchase coverage online, they could go to HealthCare.gov to get information on plan options, including which insurance companies offer SHOP QHPs in their area. CMS has provided information on [2014 plans and premium estimates](#).

This change to “direct enrollment” in states with an FF-SHOP Exchange did not affect the process for getting SHOP coverage in states running their own SHOP Exchange.

Availability of Online Enrollment

Once online enrollment in the FF-SHOPs becomes available on Nov. 15, 2014, eligible employers will be able to choose coverage, complete an application and enroll online through HealthCare.gov. Employers may also work with an agent or broker to complete the enrollment process.

CMS has provided information on [2014 plans and premium estimates](#). Estimated premium information for 2015 is expected to be available in Nov. 2014.

CMS has also provided a [SHOP Tax Credit Estimator](#) to help employers determine whether they are eligible for a tax credit and, if so, the amount of the tax credit. Beginning in 2014, the Small Business Tax Credit covers up to 50 percent of an eligible employer’s premium contributions. However, the tax credit will only be available for coverage purchased through a SHOP Exchange, and may only be claimed by an employer for two consecutive taxable years.

Previous FF-SHOP Feature Delays

The ACA requires each SHOP to allow employers the option to offer employees all QHPs at a level of coverage chosen by the employer—bronze, silver, gold or platinum. This is called the “employee choice model.” Under the employee choice model, the employer chooses a level of coverage and a contribution amount, and employees then select any QHP at that level.

On June 4, 2013, HHS released a [final rule](#) to implement a transition policy that **delayed implementation of the employee choice model as a requirement for all SHOPs for one year, until 2015**. State-run SHOPs could—but were not required to—give employers the option to offer employees a choice of QHPs at a single level of coverage. However, for 2014 plan years, the FF-SHOP did not give employers this option. Instead, employers were required to choose a single QHP to offer to their qualified employees.

On May 16, 2014, HHS issued a [final rule](#) that would allow state Insurance Commissioners to recommend delaying the employee choice model for their state’s SHOP for an additional year, until 2016, in certain circumstances. On June 10, 2014, HHS released a [list of FF-SHOP states](#) where the employee choice model would be further delayed. In total, **18 states with an FF-SHOP will not be providing the employee choice model in 2015**. Employers in these states will be able to offer employees a single health plan and a single dental plan through the SHOP Exchange.

The 2012 final rule also included a premium aggregation function for the SHOP that is designed to assist employers whose employees are enrolled in multiple QHPs. Because this function is not necessary in 2014 for SHOPs that delay implementation of the employee choice model, the final rule makes the premium aggregation function optional for state SHOPs for plan years beginning before Jan. 1, 2015. The FF-SHOP will perform the premium aggregation function only in plan years beginning on or after Jan. 1, 2015.

