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Title: The Future of the SHOP: CMS Intends to Allow Small Businesses in SHOs Using HealthCare.gov More Flexibility when Enrolling in Healthcare Coverage

The Small Business Health Options Program (SHOP) Marketplaces were created to make it easier for small employers to provide health coverage to employees. However, insurance company and agent/broker participation, as well as overall enrollment in the Federally-facilitated SHOP Marketplaces has been lower than anticipated and, at its current pace, is unlikely to reach expectations. In states where the Centers for Medicare & Medicaid Services (CMS) operates a Federally-facilitated SHOP Marketplace, and in states with a State-based SHOP on the Federal platform, as of January 2017, approximately 7,600 employers had active SHOP coverage, covering nearly 39,000 individuals. Nationwide (including both Federally-facilitated and State-based SHOP Marketplaces), as of January 2017, approximately 27,000 employers have active coverage through SHOP Marketplaces, covering nearly 230,000 individuals. These numbers fall significantly short of the Congressional Budget Office (CBO) estimate that 4 million people nationwide would enroll in coverage through the SHOP Marketplaces by 2017.¹

CMS will be exploring a more efficient implementation of the Federally-facilitated SHOP Marketplaces in order to promote insurance company and agent/broker participation and make it easier for small employers to offer SHOP plans to their employees, while maintaining access to the Small Business Health Care Tax Credit. CMS intends to propose rulemaking that would change how small employers and employees in SHOs using HealthCare.gov enroll in SHOP plans taking effect on or after January 1, 2018. Under the approach CMS intends to propose, instead of enrolling online at HealthCare.gov, employers would enroll directly with an insurance company offering SHOP plans, or with the assistance of an agent or broker registered with the Federally-facilitated SHOP. Under the intended approach, employers would still obtain a determination of eligibility by going to HealthCare.gov. Employers that have enrolled in SHOP coverage for plan years that began in 2017 would be able to continue using HealthCare.gov in 2018 for enrollment and premium payment, until their current plan year ends and it's time to renew. Employers can sign up for SHOP coverage taking effect in 2017 on HealthCare.gov until November 15, 2017. Under the approach CMS intends to propose, it is anticipated that states operating State-based SHOP Marketplaces would be able to provide for online enrollment, or could opt to direct small employers to insurance companies and SHOP-registered agents and brokers to directly enroll in SHOP plans.

CMS anticipates that the changes it intends to propose for 2018 would reduce burden on insurance companies, consumers, and American taxpayers, and make SHOP plans more readily available to those small businesses that need affordable health insurance options.

¹ <http://www.gao.gov/assets/670/666873.pdf>