



SHOP Exchange Open for Offline Enrollment

December 27, 2013

The Small Business Health Options Program (SHOP) is a part of the healthcare reform law that is supposed to help small businesses provide affordable health insurance coverage to employees. Last month it was announced that the SHOP Exchange would be delayed until November 2014; however, this statement requires clarification as some of the core features of the SHOP are still available.

The announcement of the SHOP Exchange delay only postpones the ability for employers and employees to sign up for coverage online. SHOP plans and pricing can still be viewed online at HealthCare.gov, but employers will have to enroll in coverage through the SHOP offline with an insurance producer or directly with an insurance company.

One of the major advantages of the SHOP is that employers meeting eligibility requirements can receive tax credits, which makes it easier and more affordable for small business owners to provide coverage to employees. The maximum tax credit also increases from 35% of employer contributions to 50% of employer contributions starting in 2014. Employers must submit an application to the SHOP to qualify for the tax credits. The application can be found at <https://www.healthcare.gov/downloads/shop-employer-application.pdf>.

Employers may also call **(800) 706-7893** to complete the application over the phone. This same number can be used by insurance producers or employers that have general questions about the SHOP.

The tax credits have previously been available to eligible small businesses that provided group health insurance coverage from any insurance company, but starting in 2014 the tax credits are only available to employers that enroll employees in a plan that is available through the SHOP. Employer and employee application material for SHOP plans should be obtained from and returned to the insurance company upon completion (this is in addition to the tax credit application referenced above).

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