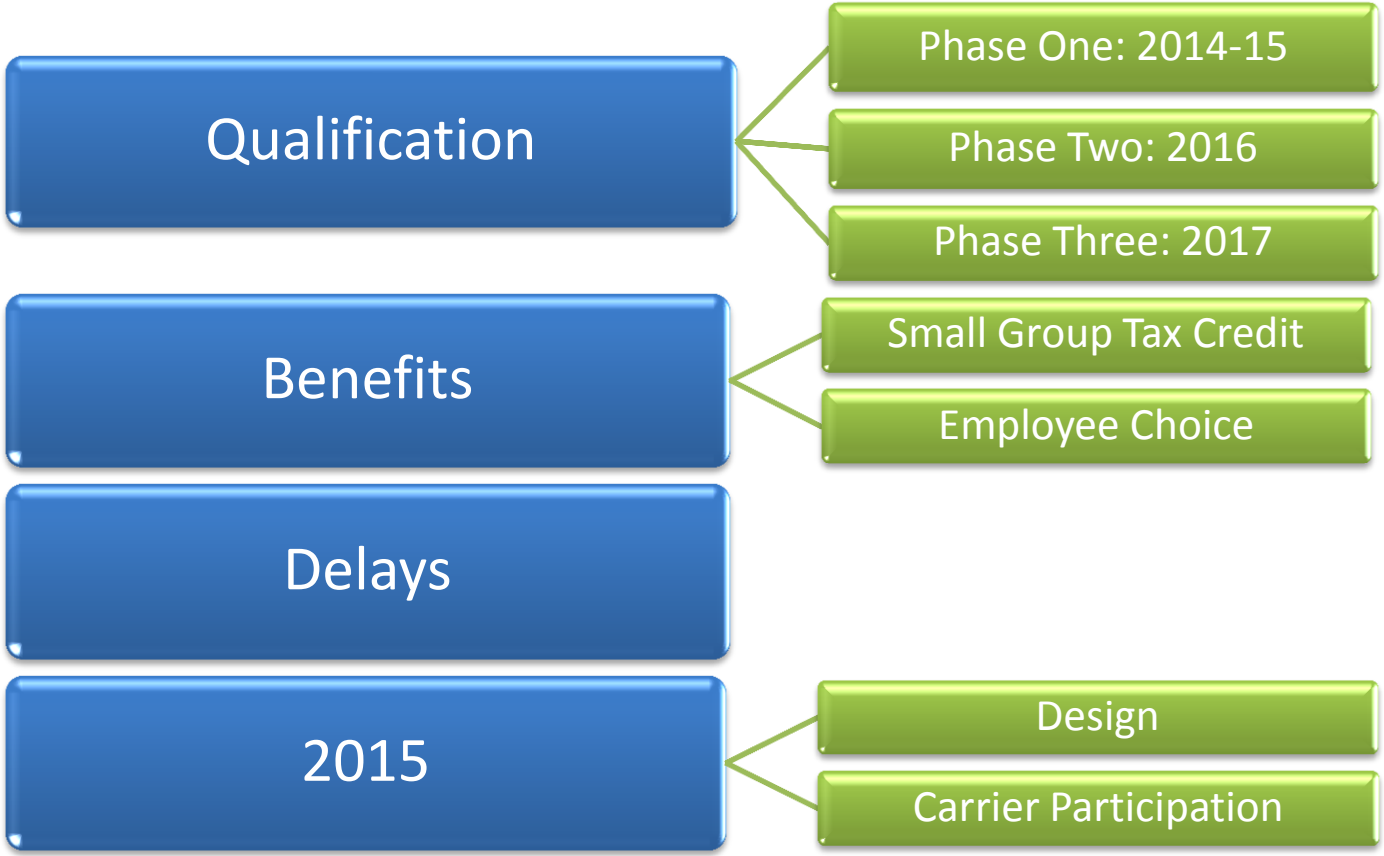
Module XII

SHOP EXCHANGE

SHOP Exchange



The SHOP Exchange

Employee Choice

Employee Choice Delayed until 2015

A few problems…

What will the SHOP exchange look like?

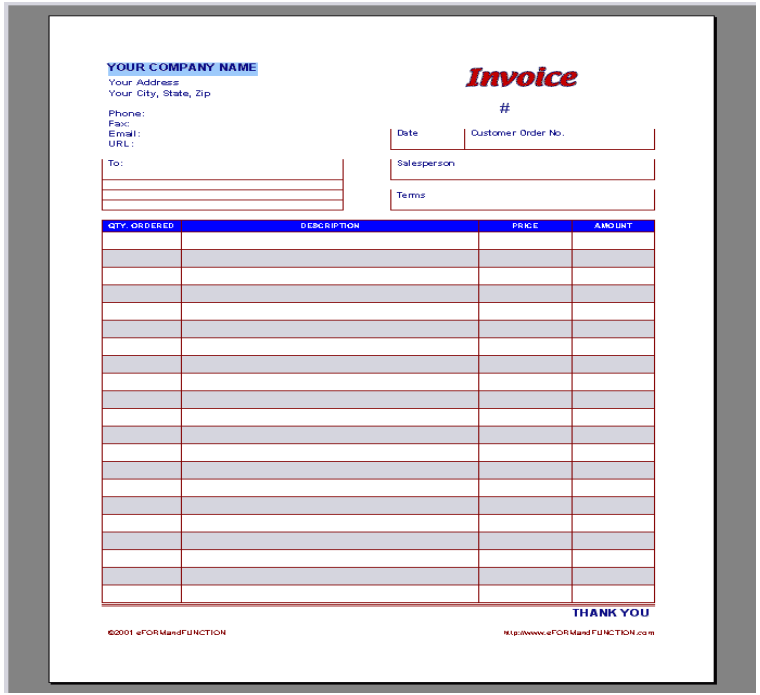
Multiple options from multiple carriers. A few problems…

1. Enrollment meetings

What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service


YOUR COMPANY NAME
Your Address
Your City, State, Zip

Phone:
Fax:
Email:
URL:

Invoice

#

Date | Customer Order No.

To:

Salesperson

Terms

QTY. ORDERED	DESCRIPTION	PRICE	AMOUNT

THANK YOU

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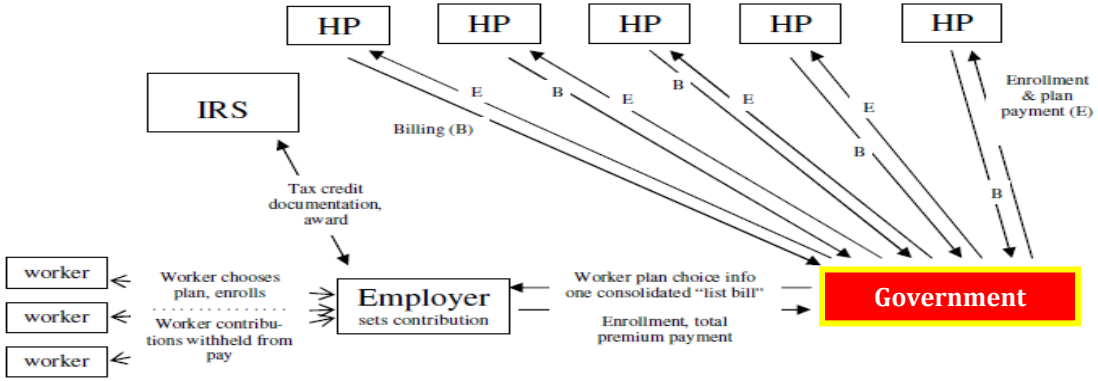
What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments

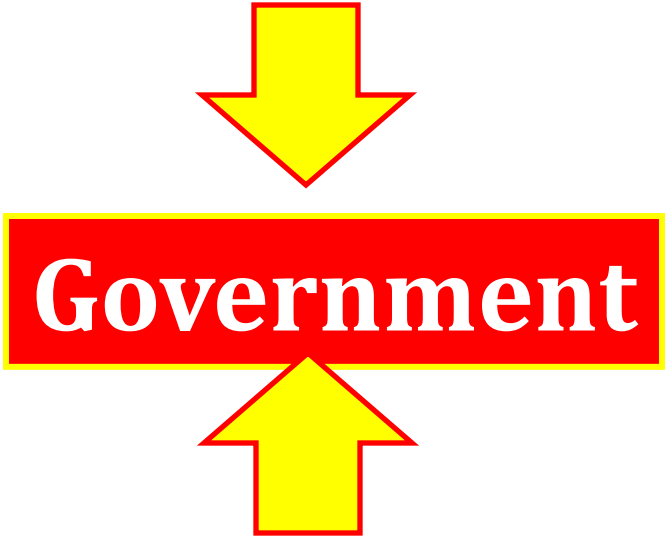
Exhibit 2: Employer One-Stop SHOP Exchange
(to make employee choice work for the employer)



What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork



What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork
5. Premium Increases

What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork
5. Premium Increases
6. Composite Rating

What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork
5. Premium Increases
6. Composite Rating
7. New Hires

What will the SHOP exchange look like?

Multiple options from multiple carriers. A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork
5. Premium Increases
6. Composite Rating
7. New Hires
8. Too Many Choices

What will the SHOP exchange look like?

Multiple options from multiple carriers.
A few problems…

1. Enrollment Meetings
2. Customer Service
3. Billing & Enrollments
4. New Business Paperwork
5. Premium Increases
6. Composite Rating
7. New Hires
8. Too Many Choices
9. The Private Market Can Do It Better

…for all groups not receiving a tax credit.

The SHOP Exchange will be ugly

Will the SHOP exchange be successful?

- Employers claiming the small group tax credit were expected to make up a significant share of the initial enrollment in the SHOP exchange
- Far fewer employers claimed the tax credit than the government originally hoped or anticipated
- Carrier participation may be low. Carriers participating in the individual exchange are not required to participate in the SHOP.
- Employers do not seem to be interested in the employee choice component, which, next to the small group tax credit, is the SHOP's primary selling point.

Marketplace Carriers Must Participate in SHOP

***Linking Issuer Participation in the FFE with Participation in a FF-SHOP* (§155.200)**
We propose a QHP certification standard specific to the FFE that would permit an FFE to certify a QHP in the individual market of the FFE only if the QHP issuer meets one of the following conditions: (1) the issuer offers through a FF-SHOP serving that State at least one small group market QHP at the silver level and gold level of coverage; (2) the QHP issuer does not offer small group market plans in that State, but another issuer in the same issuer group offers at least one small group market QHP at the silver and gold coverage levels through a FF-SHOP serving that State; or (3) neither the issuer nor any issuer in the same issuer group offers a small group market product in the State.

Source: http://www.cms.gov/CCIIO/Resources/Files/Downloads/proposed-payment-notice-technical-summary-11-30-20.pdf

Minimum SHOP Participation: 70%

***Minimum Participation Rate in a FF-SHOP* (§155.705)**
Subject to sections 2703 and 2704 of the Public Health Service Act, which are the subject of a proposed rule published November 26, 2012, we propose here a minimum participation rate for the FF-SHOP of 70 percent, calculated based on the level of enrollment through the FF-SHOP. Because State law, regulation, and market practices vary from State to State, we also propose an option for a FF-SHOP to adopt a different minimum participation rate in a State with a FF-SHOP if there is evidence that the State law sets the rate or a higher or lower rate is customarily used by the majority of QHP issuers in that State.

Source: http://www.cms.gov/CCIIO/Resources/Files/Downloads/proposed-payment-notice-technical-summary-11-30-20.pdf

Employer Contributions Based on Reference Plan

***Methods for Employer Contributions in a FF-SHOP* (§155.705)**
We propose that FF-SHOPs would base the employer contribution methods on the cost of a reference plan chosen by the qualified employer. A qualified employer may define its contribution toward an employee's coverage as a percentage of the premium for the reference plan. We discuss the use of either composite premiums or premiums that vary with age, based on the approaches described in section III(G) of IRS Notice 2010-82 regarding allowable ways an employer may contribute to the employees' premiums and qualify for the small business premium tax credit prior to 2014.

Source: http://www.cms.gov/CCIIO/Resources/Files/Downloads/proposed-payment-notice-technical-summary-11-30-20.pdf

Employee Choice

***Employee Choice in a Federally-Facilitated SHOP (FF-SHOP)* (§155.705)**
In FF-SHOPs, we propose that qualified employers will choose a level of coverage (bronze, silver, gold, or platinum) and a contribution, and employees can then choose any QHP at that level. For a FF-SHOP, we continue to consider whether to allow a qualified employer to offer their employees only a single QHP on a transitional basis or as a permanent feature of the FF-SHOP, and we seek comment on adding an additional employer option in a FF-SHOP that would allow a qualified employer to make available to employees all QHPs at the level of coverage selected by the employer plus any QHPs at the next higher level of coverage that a QHP issuer agrees to make available under this option. We also seek comment on a transitional policy in which Federally-facilitated SHOPs would provide employers a single option: the choice of a single QHP from among those offered through SHOP.

Source: http://www.cms.gov/CCIIO/Resources/Files/Downloads/proposed-payment-notice-technical-summary-11-30-20.pdf

HUH??????

- Definitions of Full-time Employee, Small Employer, and Large Employer (§155.20)
- For the purposes of determining whether an employer is a small or large employer to determine eligibility as a qualified employer to participate in a SHOP, we propose using the full-time equivalent method used
- Proposed HHS Notice of Benefit and Payment Parameters for 2014
- Center for Consumer Information and Insurance Oversight
- 8
- in section 4980H(c)(2)(e) of the Internal Revenue Code, as added by section 1513 of the Affordable Care Act. For the purpose of determining a full-time employee for purposes of determining compliance with the Affordable Care Act requirement that qualified employers make coverage available to all full-time employees, we propose to use the method in section 4980H(c)(4) of the Internal Revenue Code, as provided in forthcoming Treasury regulations. The definitions are proposed to become effective January 1, 2016; under this proposal, we discuss a transitional enforcement policy under which HHS would, take no action if other methods allowable under State law are used. However, the definitions as proposed would be effective for operations of a FF-SHOP on October 1, 2013.

Source: http://www.cms.gov/CCIIO/Resources/Files/Downloads/proposed-payment-notice-technical-summary-11-30-20.pdf

SHOP Exchange

ANY QUESTIONS?