

ACA COMPLIANCE BULLETIN

ONLINE ENROLLMENT TO END IN SHOP EXCHANGES

HIGHLIGHTS

- CMS plans to end online enrollment in FF-SHOPs beginning in 2018.
- Employers would still be able to obtain an eligibility determination through www.HealthCare.gov.
- State-based SHOPs can continue to provide online enrollment or adopt the direct enrollment approach.

IMPORTANT DATES

January 1, 2018

CMS plans to issue regulations ending online enrollment in FF-SHOPs, effective in 2018.

November 15, 2017

Employers can sign up online for SHOP coverage taking effect in 2017 until Nov. 15, 2017.

OVERVIEW

On May 15, 2017, the Centers for Medicare and Medicaid Services (CMS) [announced](#) significant changes to the Small Business Health Options Program (SHOP) Exchanges under the Affordable Care Act (ACA). Under these changes:

- ✓ Employers would be able to obtain an eligibility determination for SHOP participation through www.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 Exchange, instead of enrolling online at www.HealthCare.gov.

CMS plans to issue regulations implementing these changes, effective Jan. 1, 2018.

ACTION STEPS

These changes apply in **federally facilitated SHOPs (FF-SHOPs)** and state-based SHOPs using the federal platform. State-based SHOPs could continue to provide online enrollment or adopt the federal direct enrollment approach.

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SHOP Exchanges

The ACA required each state to establish an online competitive marketplace, called an Exchange, where individuals and small businesses may purchase health insurance, beginning in 2014. The SHOP is the Exchange component for small businesses.

Online enrollment in FF-SHOPs was previously delayed until Nov. 15, 2014, as a result of problems with implementation. Prior to Nov. 15, 2014, employers had been required to use a direct enrollment process, using an agent, broker or insurer to enroll their employees in FF-SHOP coverage for 2014 (similar to how most small employers previously got insurance).

Once regulations are issued and finalized, the changes announced by CMS will end online enrollment in FF-SHOPs.

Many state-based SHOP Exchanges chose to offer online enrollment earlier than the FF-SHOP, in 2014.

Ending Online Enrollment in FF-SHOPs

The changes announced by CMS will effectively end online enrollment in FF-SHOPs. Under the intended approach, however, employers would still obtain a determination of eligibility for SHOP participation by going to www.HealthCare.gov, which allows eligible employers to access the Small Business Health Care Tax Credit.

According to CMS, these changes are being made 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 noted that insurance company and agent/broker participation, as well as overall enrollment in the FF-SHOP Exchanges, has been lower than anticipated and, at its current pace, is unlikely to reach expectations.

Impact for Employers Currently Using the SHOP Exchange

Employers can sign up for SHOP coverage taking effect in 2017 on www.HealthCare.gov until Nov. 15, 2017. In addition, employers that have enrolled in SHOP coverage for the 2017 plan year would be able to continue using www.HealthCare.gov in 2018 for enrollment and premium payment, until their current plan year ends and it's time to renew.

States operating state-based SHOPs would be able to provide online enrollment, or could opt to direct small employers to insurance companies and SHOP-registered agents and brokers to directly enroll in SHOP plans.