

# SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP) PROPOSED STATE REGULATIONS

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# THE BIG PICTURE: SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP) REGULATIONS

**Allows the Exchange to implement the following:**

- Application process for small employers and their employees
- Process to determine eligibility to participate in the SHOP exchange once applications are received
- Establish the rules around coverage periods including initial coverage and annual open enrollments
- Establish the parameters governing special enrollment rights and periods for enrollment due to triggering events
- Delineate the timeframes for payment of coverage and grace periods associated with the payment process
- Establish the process for disenrollment or termination of coverage from a Qualified Health Plan participating in SHOP

# THE BIG PICTURE: SHOP REGULATIONS HIGHLIGHTS

- Regulations largely follow state law on the small group market and only deviate from state law in rare instances where federal law imposes requirements that do not exist in state law.
- Ensured that we are only collecting the essential information that is necessary to verify eligibility and facilitate enrollment.
- In addition to the privacy requirements, we included language that SHOP is required to keep all employee and dependent information private unless it is necessary for verification or enrollment.

# SHOP PROPOSED REGULATIONS TIMELINE

Activity	Proposed Timeline
SHOP Advisory Group Meeting	August 14
Stakeholder Webinar	August 15
August Board Meeting Stakeholder Input	August 22
Stakeholder Webinar	September 4
Board Meeting (Approval of Proposed Regulations)	September 19
SHOP Regulations Final Approval	October 1

# SHOP PROPOSED STATE REGULATIONS

## Article and Sections of the SHOP Proposed State Regulations

### Article 6. Application, Eligibility, and Enrollment Process for the SHOP

Sections:	Table of Contents:
§ 6520	Application Requirements
§ 6522	Eligibility Requirements for Enrollment in the SHOP Exchange
§ 6524	Verification Process for Enrollment in the SHOP Exchange
§ 6526	Qualified Employer Election of Coverage Periods
§ 6528	Initial and Annual Enrollment Periods for Qualified Employees
§ 6530	Special Enrollment Periods for Qualified Employees and Dependents
§ 6532	Employer Payment of Premiums
§ 6534	Coverage Effective Dates for Special Enrollment Periods
§ 6536	Coverage Effective Dates for Qualified Employees
§ 6538	Disenrollment or Termination

# APPLICATION, ELIGIBILITY & ENROLLMENT FOR THE SHOP

## Summary of SHOP Definitions added to Individual Exchange Definitions 10 CCR § 6410

### Additions for SHOP based on stakeholder feedback:

- Expanded definition of dependent to include domestic partners
- Also added non-registered domestic partners to the definition of an eligible dependent for SHOP.
  - Employers are not required to include non-registered domestic partners in their offer of coverage
  - Offer of coverage to non-registered domestic partners are subject to employer request

# APPLICATION, ELIGIBILITY & ENROLLMENT FOR THE SHOP

## Summary of § 6520 Application Requirements

### Issues addressed based on stakeholder feedback:

1. Employer imposed waiting period - resolved by Employer Attestation
2. Employee Social Security numbers on roster – resolved by requiring tax identification numbers instead
  - All employees and their dependents must provide either a Social Security number or some form of Tax ID number. Federal regulations are clear on this issue and issuers are required to provide that info in their Federal reports.
3. Removed all but essential information required to verify and enroll employees and dependents from applications.
4. Added language that requires SHOP to keep all employee and dependent information private.

# APPLICATION, ELIGIBILITY & ENROLLMENT FOR THE SHOP

## Summary of § 6522 Eligibility Requirements for Enrollment in the SHOP Exchange

### Issues addressed based on stakeholder feedback:

- Eligibility of Owner/Spouse Employer Groups – resolved. The ACA does not allow owner/spouse-only employer groups (when there are no common law employees) to enroll for coverage in SHOP.
- Question regarding the 70% participation threshold being too high – resolved by explaining that valid waivers do not count against participation.
- Added language that allows employers who do not meet participation or contribution requirements to enroll during a special enrollment period every year.



# APPLICATION, ELIGIBILITY & ENROLLMENT FOR THE SHOP

## Summary of § 6530 Special Enrollment Periods for Qualified Employees and Dependents

### Issues addressed based on stakeholder feedback:

1. Greatly expanded the triggering events to comply with recent CA law
2. All triggers allow for a 60 day window to enroll - CA law expands the enrollment window from Federal requirements which follow HIPAA special enrollment windows.