

U.S. House and Senate Notification

Friday, May 31, 2013

To: Congressional Health Staff

From: Lauren Aronson
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS finalizes Small Business Health Options Program (SHOP) rule and application

Today, the Centers for Medicare & Medicaid Services (CMS) released a Small Business Health Options Program (SHOP) final rule and the application that provides small employers with easy-to-understand access to health insurance options for their employees.

Beginning on October 1, 2013, small employers will be able to choose from a range of coverage options through the SHOP for their employees for coverage beginning on January 1, 2014. The SHOP will offer a single point of entry for employers and their employees to apply for coverage, and if eligible, the employer may qualify for a tax credit worth up to 50 percent of the employer's premium contribution.

CMS has also finalized the SHOP applications that employers and their employees will use to apply for coverage in the SHOP starting on October 1. The applications released today reflect feedback from small businesses and other key stakeholders received during the two public comment periods. These applications are simpler than existing small group market insurance applications. The employee and employer paper applications are two and three pages respectively, and the online application is dynamic in nature so that applicants only answer questions relevant to their situation.

Additionally, in a final rule released today, CMS finalized a previously proposed transitional policy. In 2014, SHOPs will have the flexibility to decide whether employers can let their employees choose from a number of plans, or can offer their employees one plan that the employer chooses. The Federally-facilitated SHOP will allow employers to choose one plan from a range of plans to offer their employees in 2014. In 2015 onward, all SHOPs will allow small businesses to let their employees choose coverage from a number of plans.

SHOP Rule (CMS-9964-F2) can be found here: http://www.ofr.gov/OFRUpload/OFRData/2013-13149_PI.pdf

Later today, the SHOP application can be found here:

[http://www.cms.gov/ccio/Resources/Forms-Reports-and-Other-Resources/index.html#Affordable Insurance Exchanges](http://www.cms.gov/ccio/Resources/Forms-Reports-and-Other-Resources/index.html#AffordableInsuranceExchanges)