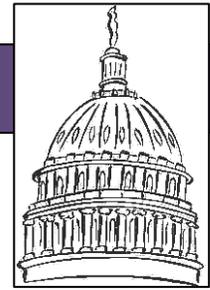




Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM **Update #18** **June, 2013**

Final SHOP Regulations

HHS has issued final regulations further amending Small Business Health Options Program (SHOP) rules to include a transitional policy for the “employee-choice” model in federally facilitated SHOPs (FF-SHOPs) and state-operated SHOPs, and to align the SHOP special enrollment periods with the requirements under HIPAA portability. HHS has posted a SHOP application for employers that cannot apply online or are not working with a broker, and an application for their employees.

Delay of Employee Choice and Premium Aggregation: The final regulations the mandatory implementation of the SHOP “employee-choice” model for one year, which gives employees a choice among all qualified health plans (QHPs) at the metal level chosen by the employer (bronze, silver, gold, or platinum). For plan years beginning before January 1, 2015, FF-SHOPs will not offer an employee-choice option. This means employers will select a single QHP for their employees; state-operated SHOPs may, but are not required to, offer an employee-choice option.

Alignment of Special Enrollment Periods: The final regulations establish a SHOP special enrollment period of 30 days to be consistent with HIPAA’s special enrollment rules, for most triggering events , i.e., a qualified individual or dependent losing minimum essential coverage, a qualified individual gaining a dependent or becoming a dependent through marriage, birth, or adoption. For the triggering event of loss of Medicaid/CHIP eligibility or becoming eligible for premium assistance under Medicaid/CHIP, however, the final regulations maintain a 60-day special enrollment period.

Linking of FFE and FF-SHOP Certification Requirements: The preamble to the final regulations also addresses QHP certification requirements that links federally facilitated Exchange (FFE) and FF-SHOP participation. HHS declined to revisit, for 2014, rules requiring insurers with greater than 20% small group market share to offer at least one silver-level QHP and one gold-level QHP through the FF-SHOP.

For 2014, the small business health care tax credit will be tied to SHOP participation, so small employers who want the credit will be beholden to SHOPs despite the lack of its central feature for choice of QHP options for employees of small employers.

For more information on the regulations and applications please visit the links below:

[Regulations](#)

[Employer Application](#)

[Employee Application](#)

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