

SHOP Overview and Discussion

Marketplace Advisory Committee

June 9, 2016

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Advantages of SHOP

- Small Employer Health Options Program
- Marketplace-Certified Plans
- Employee Choice
- Plan Administration Assistance
- Tax Credits

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Small Employer

- At least one employee (cannot be a sole proprietor)
- No more than 50 employees
- CMS allowed states to expand the number of employees to 100, but Oregon opted to remain at 50 or less

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SHOP QHPs

- SHOP Plans are offered only by carriers participating in the Marketplace
- SHOP plans are certified as QHPs through the same process as individual plans

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Employee Choice

- One Plan, One Carrier
- Horizontal Choice
- Vertical Choice
- Full Choice

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Plan Administration Assistance

- User-friendly portal for employers and employees
 - Quotes
 - Plan selection
- Premium aggregation and distribution
- COBRA administration

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Small Business Tax Credit

- Eligibility requirements
 - 25 employees or less
 - Employer contributes at least 50% of premium
 - Average employee salary is less than \$50,000
 - Employer is approved to participate in SHOP
- Marketplace determines eligibility for SHOP, not eligibility for the Small Business Tax Credit
- IRS determines eligibility for the Small Employer Tax Credit

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Direct Enrollment SHOP in Oregon

- No Automated System
 - Cover Oregon
 - Technology solution estimated at \$13 million
 - FF-SHOP cannot accommodate composite rating
- Employers and/or Agents work directly with carriers to request quotes, choose plans, and enroll
- Modified employee choice - 2017 Proposed Oregon SHOP plans:
 - 85 Medical – 7 Carriers
 - 18 Dental – 6 Carriers

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Types of SHOPs

Direct Enrollment	Automated, State-Run
Idaho Hawaii Oregon Vermont	California Colorado Connecticut DC Kentucky Maryland Massachusetts Minnesota Mississippi New Mexico New York Rhode Island Washington Utah

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SHOP Participation: Oregon vs Nation

- Current Oregon 2016 SHOP enrollment
 - 159 groups, 977 lives
 - All groups are 25 employees or less
 - All groups are interested in Small Employer Tax Credit
- Since creation of SHOP, small group membership has steadily declined
 - Q1 2013: 195,024 lives
 - Q1 2016: 162,495 lives

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SHOP Participation: Oregon vs Nation, Cont.

- Nation-wide SHOP Experience
 - Enrollment much lower than anticipated
 - Vermont and DC have high enrollment, but do not allow small group plans to be sold off-exchange
 - CA and NY have the most enrollment in states with automated SHOPS - each have less than 4,000 groups

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SHOP Participation: Oregon vs Nation, Cont.

- Oregon has higher enrollment than some states with automated SHOPS
- Employee choice is the #1 driver to SHOP
- IRS won't provide information on how many employers receive the Small Employer Tax Credit, but anecdotal evidence suggests the number is very small

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SHOP Alternatives

- 1332 Waivers
 - Hawaii Prepaid Healthcare Act
 - Vermont
- Private small group exchanges
- Individual exchange

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Future of Small Group

What are other ways we can help small businesses or add value to the small group market?

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