

SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP)

A new option for health coverage for Maryland's small businesses and their employees

Starting in January 2014, small employers in Maryland will have a new way to find and purchase health insurance coverage—with more carrier options. The **Small Business Health Options Program (SHOP)**, offers new health insurance options specifically for small businesses and their employees.

Small employers who provide health insurance to their employees may qualify for federal tax credits to lower costs on employee health benefits. SHOP will be the only place where you can access these credits beginning 2014.

What is SHOP?

The Small Business Health Options Program or SHOP, enables small businesses and



their employees to compare and select from a variety of qualified health plans that suit their needs and budgets. SHOP is a program

of Maryland Health Connection, the state's new online health insurance marketplace.

When does it start?

SHOP opens January 1, 2014.

The health coverage you purchase for your employees can begin any time after March 1, 2014. SHOP has no specific open enrollment period, so you can sign up at any time after January 1, 2014.



May I work with an insurance agent or third party administrator (TPA) to purchase health insurance through SHOP?

Yes. A Maryland Health Connection authorized producer or certified third party benefit administrator (TPA) can help you select and purchase health insurance for your employees.

I am self-employed. Can I purchase health coverage for myself through SHOP?

The SHOP program is for Maryland businesses with one to 50 full-time equivalent employees. If you do not have at least one employee, you are not eligible for SHOP. However, if you are a legal resident of Maryland, you are eligible to purchase health insurance through the individual marketplace at Maryland Health Connection.



As a small business owner, am I required to provide health insurance to my employees?

Small employers with 50 or fewer full-time equivalent employees are not required to provide health insurance to their employees under the Affordable Care Act. However, offering health coverage is a good way to keep your workers healthy, happy and productive. It also helps your company compete with others for the best candidates.

What are the plan levels of coverage?

Health plans will be organized into four levels—bronze, silver, gold and platinum—to make it easier for both you and your employees to compare plans. Each plan shows how much the insurance company pays and how much employees contribute through co-payments, on average.

Before enrolling in a plan, your employees will be able to see what their premiums, deductibles and out-of-pocket costs will be.

What's the advantage of arranging for my employee's health insurance through Maryland Health Connection?

By pooling small businesses in Maryland together, you get the purchasing power of a larger group, which means reduced premium costs and lower administrative expenses. The "employee choice" model allows small businesses to offer multiple carriers to their employees as opposed to just one.



SHOP also allows you and your employees to do side-by-side comparisons of health plans, their benefits, premiums and quality.

How much will my employee's plan pay?		
PLAN LEVEL	INSURANCE COMPANY COVERS (on average)	YOUR EMPLOYEE'S COPAY (on average)
Bronze	60% of health care costs	40% of health care costs
Silver	70% of health care costs	30% of health care costs
Gold	80% of health care costs	20% of health care costs
Platinum	90% of health care costs	10% of health care costs

How do the tax credits work?

Federal tax credits are available now to help small businesses cover the cost of providing health coverage for employees. Starting in 2014, the tax credit will pay up to 50 percent of premium costs. See the Health Care Tax Credits for Small Business fact sheet on MarylandHealthConnection.gov for more information.