

SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP)

Maryland Small Business Health Options Program

Maryland Health Connection offers health insurance options specifically for small business and their employees through the Small Business Health Options Program (SHOP).

With the assistance of a SHOP-authorized producer, including an insurance carrier's captive producer, small businesses can purchase a SHOP-Certified Qualified Health Plan (QHP) and/or a SHOP-Certified Qualified Dental Plan (QDP).

Small employers who provide health insurance to their employees may qualify for federal tax credits to lower costs on employee health benefits. SHOP through Maryland Health Connection is the only place to purchase plans for the purpose of qualifying for the Federal Health Tax Credit.

What is SHOP?

SHOP specifically uses SHOP-authorized producers to connect small businesses with the tax credit-eligible plans offered by participating carriers. Each participating carrier has been certified by the Maryland Health Benefit Exchange to offer SHOP plans. Small businesses may also purchase standalone dental plans.



When does it start?

SHOP began on April 1, 2014, with the first effective date of June 2014. SHOP has no specific open enrollment period, so you can sign up at any time after April 1, 2014.



May I work with an insurance producer to purchase health insurance through SHOP?

Yes. Under SHOP, small businesses are required to use a SHOP-authorized producer to assist you with your enrollment in a SHOP-authorized health plan.

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

SHOP is for Maryland businesses with one to 50 full-time equivalent employees. If you do not have at least one common-law 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 for coverage?

Health plans are 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 copayments, on average.

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

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

Maryland pools small businesses together, so you get the purchasing power of a larger group, which means reduced premium costs and lower administrative expenses. For 2014 plans, you can offer your employees a choice of multiple health plans from one



carrier. In 2015, you also will have the option to offer multiple carrier plans at one specific metal level.

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 pays up to 50 percent of premium costs. In order to claim the Small Business Health Tax Credit, small businesses must receive a Maryland Health Connection eligibility determination.

You may find more information at the IRS website:

irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers