

# SHOP for Small Groups in 2015



## Updates for the new plan year

For 2015, the Small business Health Options Program (SHOP) platform manages more processes and information. As a result, the involvement of insurance carriers has been reduced. Understanding how it will work this year will help you work with employers to decide if they should purchase coverage through SHOP or directly from Independence Blue Cross (Independence).

Like last year, groups may still only offer one plan option to all employees. However, the application and setup processes are now managed entirely through SHOP instead of by insurance carriers. This means certain Independence benefits are no longer available. Independence will continue to provide member identification cards, process member claims, and provide member services to answer questions.

## Employer tax credit qualification

The primary reason to purchase a plan through SHOP is if an employer is eligible for the Small Business Health Care Tax Credit. To be eligible, employers must:

- have fewer than **25** full-time equivalent employees
- pay them an average wage of less than **\$50,000** a year
- pay at least **half** of employee health insurance premiums

Please be aware that the amount of qualifying tax credit gradually decreases as the group size gets closer to 25 employees, and as the average salary increases.

The amount of qualifying tax credit gradually decreases as the group size approaches 25 employees, and as the average salary increases. Because eligibility can only be determined by the IRS, Independence cannot provide guidance on this matter. To help determine eligibility, brokers and employers may visit the [IRS website](#), or the group may consult with its legal and/or tax advisor.

## Comparison of Benefits between On-Exchange (SHOP) and Off-exchange (direct) plan designs

| Benefit           | On-exchange                       | Off-exchange                      |
|-------------------|-----------------------------------|-----------------------------------|
| Pediatric Dental  | NOT included                      | Included                          |
| Pediatric Vision  | Included                          | Included                          |
| Adult Dental      | NOT included                      | NOT Included*                     |
| Adult Vision      | Included<br>(Exam/Glasses/Frames) | Included<br>(Exam/Glasses/Frames) |
| Elective Abortion | NOT covered                       | Covered                           |

\*Note: IBC PPO and DHMO Adult buy-ups are available off the exchange. Adult DHMO is available as a rider to Keystone medical plans. Adult PPO Dental can be purchased with any medical plan.

### Factors to consider

Even if an employer group qualifies for the Small Business Health Care Tax Credit, each employer's situation should be carefully considered to determine an employer's health care coverage should be purchased through the SHOP.

Our Keystone Health Plan East HMO plans available through SHOP cover employees within our five-county service area, but can no longer be extended to any employees and/or dependents who temporarily reside outside our service area because Guest Membership is not available through SHOP.

Employers looking to offer coverage to employees residing outside Independence's five-county service area should consider a plan that includes a provider network that gives employees access to doctors and hospitals in their area. In that case, our Personal Choice® PPO, which includes the Blue-Card® program, may best serve their needs.

Because SHOP is a federal-based marketplace, all plans must adhere to the federal mandate that dependents are covered to age 26. The Pennsylvania law allowing groups to provide dependent coverage through age 30 on a parent's health plan is not available through SHOP-based plans.

Finally, keep in mind that separate COBRA and Medicare group plan setup are not available through SHOP.

## Steps for new business and renewal groups

Employers currently offering coverage through SHOP are required to re-enroll in a plan in 2015 upon their renewal date, even if they are not looking to change their coverage.

To purchase or renew a plan through SHOP, you must use the new online process a minimum of 15 days prior to the effective date. For example, for a plan with effective date of July 1, 2015, applications are due June 15, 2015.

## More information

If you have questions about SHOP, call the SHOP Small Employer Call Center at **1-800-706-7893** (TTY: 711) Monday through Friday, 9 a.m. – 7 p.m. EST. To get started enrolling your customers in coverage, [click here](#). ([www.healthcare.gov/small-businesses/employers](http://www.healthcare.gov/small-businesses/employers)).



Independence Blue Cross is an independent licensee of the Blue Cross Blue Shield Association

<sup>(11/13)</sup> For more information contact your independent broker Total Benefit Solutions Inc

**BROKER  
COMMUNICATION**

(215)355-2121 <http://www.totalbenefits.net>