



Update on SHOP Marketplaces for Small Businesses

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When people think about the Affordable Care Act, they often picture the [10.2 million Americans](#) who now have the health and financial security that come with having access to quality and affordable coverage through the individual Health Insurance Marketplace. What some may forget is that the Affordable Care Act is also helping our nation's small businesses provide health coverage to their employees.

Prior to the Affordable Care Act, small business owners struggled to keep up with the ever-rising cost of health insurance for themselves and their employees. Historically, small businesses have been charged [10 to 18 percent more](#) for the same benefits compared to large employers, and were often presented with a limited number of choices to offer employees. Small businesses employing women, workers with a high-cost illness or injury, or employees with pre-existing conditions faced even higher insurance rates, making it all the more difficult to provide access to coverage. Meanwhile, larger companies that have hundreds or even thousands of employees benefited from the ability to use their size to get a better deal for their workers.

The Small Business Health Options Program (SHOP) Marketplaces, established under the Affordable Care Act, provide small employers with a new and innovative opportunity to address these concerns, offering them a choice of high-quality health and dental plans for their employees. SHOP Marketplaces offer flexibility, choice, and, in most states, the convenience of online application and account management.

Eligible employers can begin participating in the SHOP Marketplaces at any time during the year, and unlike the individual Marketplaces, are not limited to a single open enrollment period. Employers with fewer than 25 full-time-equivalent employees may qualify for a [Small Business Health Care Tax Credit](#) worth up to 50 percent of their contributions to premium costs. Since 2014, the tax credit has generally been available only for plans purchased through SHOP Marketplaces.

On November 15th, 2014 we launched the HealthCare.gov portal for 33 states to enroll in SHOP Marketplaces. As of May 2015, approximately 85,000 Americans have 2015 coverage through SHOP Marketplaces with about 10,700 small employers participating in SHOP Marketplaces. These totals do not include employers that began coverage in 2014 and have not yet renewed their coverage through HealthCare.gov for 2015.

More than 500 businesses have enrolled each month using HealthCare.gov since November 2014. Because employers may begin participating in SHOP Marketplaces at any point during the year,

additional employers and their employees are expected to enroll each month through the end of 2015.

As with all new products, it will require time to educate businesses about all the features of SHOP Marketplaces. As we continue our outreach efforts to the small business community and continue to work with agents and brokers, we expect that SHOP Marketplace enrollment will continue to increase.

Last fall, we announced new online enrollment capability in the SHOP Marketplace, allowing businesses, on their own or working through their insurance agent or broker, to sign up for coverage using HealthCare.gov. We have also been working with our federal partners to educate small employers about the coverage options and tax credits available through the SHOP Marketplaces through webinars, seminars, and in-person events. CMS is holding small business roundtable meetings across the country, sending out SHOP Marketplace news, reminders and tips by e-mail through HealthCare.gov, and working with small business organizations, agents and brokers who understand small businesses' needs to help boost SHOP Marketplace coverage throughout the country.

We look forward to continuing to meet the needs of small businesses and continuing to provide their employees access to a broad choice of high quality, affordable health care.

