



MARYLAND HEALTH CONNECTION
Small Business Health Options Program (SHOP)

Reference Manual

2016
Version 3.0

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1 Introduction

On March 23, 2010, the Patient Protection and Affordable Care Act (Pub. L. 111-148), as amended by the Health Care and Education Reconciliation Act, Pub. L. 111-152, the “ACA”) was signed into law. A key provision of the law requires all states to participate in health insurance exchanges beginning January 1, 2014. A health insurance exchange is a marketplace to help individuals, families and small businesses shop for coverage through easy comparison of available plan options based on price, benefits and services, and quality.

In an October 9, 2012 letter to Secretary of Health and Human Services Kathleen Sebelius, Governor Martin O’Malley formally declared the State of Maryland’s intention to establish a state-based health insurance marketplace as a requirement for certification in January 2013. In December 2012, the State of Maryland received conditional approval to operate Maryland Health Connection (MHC) through the Maryland Health Benefit Exchange (MHBE).

MHBE is responsible for the development and operation of a Small Business Health Options Program (SHOP) that includes these required functions:

- Certification of SHOP Qualified Health Plans (QHPs)¹
- Determination of Employer Eligibility to Purchase SHOP QHPs²
- Support for Employee Open Enrollment and Special Enrollment³
- Performance of Premium Aggregation, Billing and Collections⁴

The Maryland Health Benefit Exchange Act of 2012 established a Maryland SHOP for employers with 50 or fewer employees⁵ and allowed for an Employee Choice benefit model as defined by the ACA, in addition to the current market model. The Maryland Health Progress Act of 2013 further defined Maryland SHOP rules for employer premium contributions.⁶ SHOP was implemented through three phases, which included implementation of broker-assisted employer and employee choice coverage models, employer and employee portals, and the full automation of the SHOP.

MHBE provided Maryland's small businesses access to the Small Business Health Care Tax Credit and SHOP certified health plans through implementation of the Maryland SHOP in April 2014. For the 2014 plan year, the Maryland SHOP used SHOP authorized brokers to connect small businesses with tax-credit-eligible plans offered by participating carriers. Each of the participating carriers were certified by MHBE to offer SHOP plans via existing enrollment channels. Small businesses could also purchase certified Stand-Alone Dental Plans through existing carrier procedures. For the 2014 plan year, the SHOP only offered the Employer Choice benefit model, as defined by the ACA.

¹ 45 C.F.R. § 155.705(a), referencing 45 C.F.R. Subpart K (Exchange Functions Certification of Qualified Health Plans); 45 C.F.R. § 155.705(b)(5) (QHP Certification)

² 45 C.F.R. §155.710(b)

³ 45 C.F.R. § 155.725(e) (annual employee open enrollment period); (g) (newly qualified employees); (j)(special enrollment periods)

⁴ 45 C.F.R. §155.705(b)(4)(i)

⁵ Maryland law defines “small employer” to mean “an employer that, during the preceding calendar year, employed an average of not more than: (i) 50 employees for plan years that begin before January 1, 2016; and (ii) 100 employees for plan years that begin on or after January 1, 2016, or another number of employees as provided under federal law. (emphasis added)” Md. Code Ann., Ins. § 31-101(z)(1); Maryland Insurance Administration, Bulletin 15-27, <http://insurance.maryland.gov/Insurer/Documents/bulletins/15-27-definition-of-small-employer.pdf>.

⁶ Maryland HB 228 (2012)

Effective January 1, 2015, MHBE expanded the Maryland SHOP program to include the Employee Choice model for plan selection. MHBE partnered with select Third Party Administrators (referred to as SHOP Administrators) to provide technical and operational solutions to implement the Employee and Employer Choice Models and to provide the administration of the SHOP. MHBE solicited responses to a competitive Request for Proposals (RFP)⁷, and subsequently selected and contracted with three SHOP Administrators to provide administrative services for the Maryland SHOP. By leveraging the experience and technology of Maryland SHOP Administrators, small employers in the State have the choice of using the health insurance shopping and administration process that best meets their needs.

1.1 Purpose

MHBE established a SHOP to provide Maryland small businesses with options for quality affordable health insurance for its employees. The operational and technological framework for the Maryland SHOP allows for contracted SHOP Administrators to provide MHBE with important administrative functions, including: supporting employers and employees as they compare and select QHPs and Qualified Dental Plans (QDPs); administering enrollment and eligibility determinations and changes; providing premium aggregation; and facilitating premium billing, calculation, payment and collections.⁸

1.2 Small Business Health Options Program

The Maryland SHOP is a program of Maryland Health Connection, a marketplace that enables small businesses and their employees to compare and shop for QHPs and QDPs. Contracted SHOP Administrators provide technical and operational solutions to implement SHOP for Maryland. The benefits of the SHOP for employers and employees are summarized below:

EMPLOYERS CAN:

- Offer employees choices of insurance companies and qualified medical and dental plans;
- Continue to use producers;
- Use online tools to help predict costs;
- Qualify for tax credits, in some cases;
- Use simple, online administration tools for adding or dropping coverage and handling billing and payments; and
- Access support by phone and online.

EMPLOYEES CAN:

- Choose health plans that suit their needs;
- Make meaningful comparisons between plans using online tools;
- Enroll online; and
- Manage their accounts online.

⁷ Solicitation No. MDM0031015647 (July 3, 2014, as amended)

⁸ 45 C.F.R. § 155.705(b)(4)(ii) ("The SHOP may establish one or more standard processes for premium calculation, premium payment, and premium collection.").

1.3 Scope

This manual: (i) contains information regarding the laws, regulations, policies and procedures that apply to the Maryland SHOP; (ii) describes the service interactions, assumptions, activities, constraints, process flow, and data elements for the Maryland SHOP; (iii) does not provide technical interface specifications describing technical aspects of the integration, including systems, technical integration mechanisms, or other technical considerations; and (iv) is intended for use by contracted SHOP Administrators, SHOP-authorized carriers and SHOP-authorized producers.

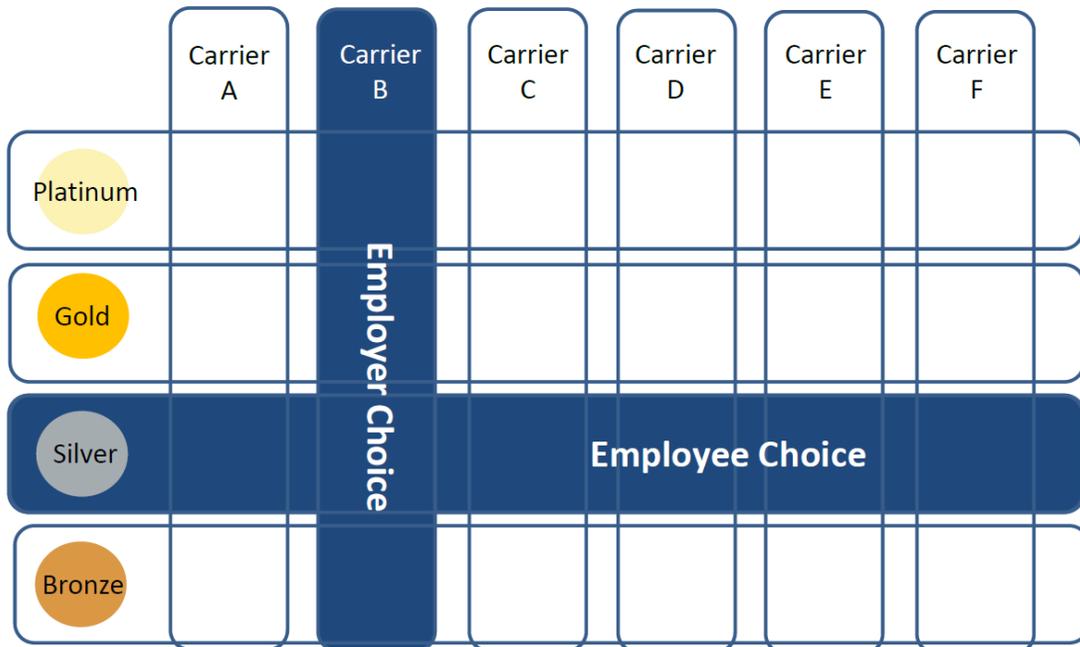
1.4 Coverage Models

Small businesses that purchase coverage through the SHOP have the option of choosing between two benefit coverage models for their employees:⁹

- **Employer Choice** – Small employers select a menu of QHPs across metal levels offered by one SHOP-participating insurance carrier (or holding company). Employees may choose from among the QHPs selected by the employer.
- **Employee Choice** – Small employers select one metal level of coverage. Employees may choose any QHP offered by any of the SHOP-participating insurance carriers within that metal level.

Based on additional plan models presented in the CMS 2017 Final Payment Rule¹⁰, the Maryland SHOP may consider additional models in the future.

Figure 1 – SHOP Choice Model



⁹ Md Code Ann., Ins. § 31-111(c); 45 C.F.R. § 155.705(b).

¹⁰ 81 FR 12204.

1.5 Minimum Participation Rule¹¹

Employers must have a minimum employee participation rate of at least 75 percent in the SHOP in order to purchase insurance through the SHOP Marketplace.¹² This rate is based on the rate of employee participation in the SHOP, not on the rate of employee participation in any particular QHP or QHPs of any particular issuer.

Employees covered under other private group health plans or public health care programs, including Medicare, Medicaid and CHAMPUS, are not included in the minimum participation calculation. Employees who are under the age of 26 and who are covered under their parent's health benefit plan are not counted either. Employees with individual coverage, including Individual Marketplace coverage, and COBRA members, must be included in minimum participation rate calculations.

Additionally, under the Insurance Article, 15-1206(c)(2), Annotated Code of Maryland, a carrier may not impose a requirement for minimum participation by the eligible employees of a small employer that is greater than 75% for a single plan or group of plans offered by one QHP carrier. A carrier may not impose a minimum participation rate at all for a small employer group that has selected the "employee choice" option.¹³ In addition, the minimum participation rate requirement is waived between November 15th and December 15th each year, meaning there is no minimum participation requirement during that period.¹⁴

1.6 Counting Employees

Pursuant to Insurance Article § 31-101(z)(1), Annotated Code of Maryland and MIA Bulletin 15-27 dated October 8, 2015, a Maryland small business with 50 or fewer employees or full-time employee equivalents is qualified to offer health insurance to its employees through the SHOP.¹⁵ Pursuant to Insurance Article § 31-101(z)(2)(iii), Annotated Code of Maryland, the number of employees of an employer shall be determined by adding:

1. The number of full-time employees; and
2. The number of full-time-equivalent employees, which shall be calculated for a particular month by dividing the aggregate number of hours of service of employees who are not full-time employees for the month by 120.

Employees generally must be common-law employees. When calculating FTEs for SHOP eligibility, business owners and family members, including spouses, of business owners who work for the business are not included in the calculation.¹⁶

¹¹ 45 C.F.R. § 155.705(b)(10) (SHOP must authorize a uniform group participation rate for the offering of insurance through the SHOP, based on the rate of employee participation in the SHOP, not on the rate of employee participation in any particular QHP or QHPs of any particular issuer); 45 C.F.R. § 155.700(b) (defining "group participation rate" to mean the minimum percentage of all eligible individuals or employees of an employer that must be enrolled).

¹² Board of Trustees action December 11, 2012. See <http://www.marylandhbe.com/wp-content/uploads/2015/06/December-11-2012-----Board-Meeting-Minutes.pdf>.

¹³ Md. Code Ann., Ins. § 15-1206(c)(5).

¹⁴ Md. Code Ann., Ins. § 15-1206(c)(6).

¹⁵ Md. Code Ann., Ins. § 31-101(z)(1) defines "small employer" for purposes of Title 31. Under State law, a "qualified employer" – one that may offer its employees insurance through the Exchange -- is "a small employer that elects to make its full-time employees and, at the option of the employer, some or all of its part-time employees eligible for one or more qualified health plans offered through the SHOP Exchange, provided that the employer: (1) has its principal place of business in the State and elects to provide coverage through the SHOP Exchange to all of its eligible employees, wherever employed; or (2) elects to provide coverage through the SHOP Exchange to all of its eligible employees who are principally employed in the State."

¹⁶ Once a business is deemed eligible, however, business owners and spouses of business owners may participate in the SHOP plan.

However, it is up to the employer to determine whether or not health insurance benefits are extended to part-time employees as well as full-time employees. Table 1 provides examples of how to count employees for the purpose of determining SHOP eligibility.

Table 1 – Employee Count Example – Calculation based on a four-week month

Employer Profile	Number of Employees	Disposition
An accounting company with 120 full-time employees (30+ hours per week)	120	Large group/not SHOP eligible
A paving company with 20 full-time employees and 20 part-time employees that average 60 hours each per month	30	Small group/SHOP eligible
A restaurant with 10 full-time employees and 60 part-time employees that average 60 hours each per month	40	Small group/SHOP eligible

1.7 Rating Methodology

Carriers must submit SHOP QHP and QDP rates to the Maryland Insurance Administration (MIA) for approval according to the time schedule established by the MIA.¹⁷ If the SHOP carrier chooses to adjust the rate after the initial rate and form filing approval, SHOP rate changes may be submitted no less than quarterly to MIA and the carrier should notify the Maryland SHOP at the time the rate is approved by MIA.¹⁸ MIA Bulletin 14-20, dated August 27, 2014, requires carriers to use a per-member rating premium for small employers offering Employee Choice through the SHOP exchange or offering multiple QHPs through a single carrier. Allowable factors for determining premium for the 2016 Plan year are region, age, tobacco usage, and family composition.¹⁹ Carriers are prohibited from varying rates for a qualified employer during the employer's plan year.²⁰ Carriers must also comply with MIA's small group composite rating requirements for multiple plans, including those within MIA Bulletin 15-34, issued on December 30, 2015.²¹

1.8 Employer Contribution

Employers are not required to contribute toward their employees' premium payments in accordance with Insurance Article § 31-111(e)(1), Annotated Code of Maryland; however, only employers that contribute as least 50 percent of the total premium cost are eligible for the small business health care tax credit. Employers are not required to contribute toward an employee's dependent premium payments in order to qualify for the small business health care tax credit.

¹⁷ See MIA Bulletin 15-33 dated December 10, 2015 at http://insurance.maryland.gov/Insurer/Documents/bulletins/15-33_2017-ACA-Rate-Form-Filing-Deadlines-and-Substitution-Rules.pdf.

¹⁸ 45 CFR 155.705(b)(6); COMAR 31.10.01.03(A).

¹⁹ See MIA Bulletin 15-01 dated January 9, 2015 and relevant preceding MIA bulletins at <http://insurance.maryland.gov/Pages/newscenter/Bulletins.aspx>.

²⁰ 45 C.F.R. § 156.210(a).

²¹ Available at http://insurance.maryland.gov/Insurer/Documents/bulletins/15-34_Maryland_Sm_Group_Health_Composite_Premiums_for_Multiple_Plans.pdf

Per Insurance Article § 31-111(e)(2)(i), Annotated Code of Maryland, a qualified employer that chooses to contribute toward employees' premium payments does so by selecting a reference plan²² on which the contributions will be based and by selecting one of the following contribution methods:

- **Percent contribution** – In this method, the employer pays a fixed percentage of the premium of the reference plan based on the coverage level selected by the member and the member's job classification; or
- **Employees pay the same amount** – In this method, the employer uses the employer-selected reference plan to determine a set amount that employees will pay toward their total monthly premium based on designated employee tiers. Each employee within a tier pays the same monthly dollar amount. The employer pays the balance of the premium.

1.9 Tax Credits for Small Employers

The federal small business health care tax credits are available to qualified employers that purchase Maryland plans through Maryland SHOP via its contracted SHOP Administrators. A qualified small employer may claim the tax credit for any two consecutive taxable years beginning in 2014. The credit will provide up to a 50% subsidy of the employer contribution to employee premiums for qualifying non-tax-exempt small businesses and up to 35% for qualifying tax-exempt small businesses. An employer may qualify for a tax credit if it has fewer than 25 full-time-equivalent employees, pays less than a \$50,000 (adjusted annually for inflation) average annual wage (excluding the wages of owners and their families), and contributes at least 50% of each employee's insurance premium. Additional information regarding the small business health care tax credit can be found by visiting <http://www.irs.gov>.

1.10 Businesses with Out-of-State Employees

Pursuant to Insurance Article § 31-101(q)(1), Annotated Code of Maryland, and 45 CFR §155.710(b)(3), a qualified employer with employees that live or work out-of-state may:

- Choose a carrier with a national network so employees in any state can select their plans through Maryland SHOP and still be covered where they live or work; and
- Become qualified to purchase on the SHOP in the state in which the employer has its principal place of business or in each state where its employees are principally employed by the employer if the business meets all requirements to participate in the state's SHOP Marketplace. For the purposes of calculating minimum participation and eligibility for participation in SHOP as described in Sections 2.2 and 2.3 above, respectively, employee participation rates are calculated using the number of qualified employees in each state.

1.11 SHOP Open Enrollment

Small employers are permitted to apply for coverage at any time during the year. A qualified employer may change its participation in the SHOP for the next plan year during a standard election period to be determined by the SHOP prior to the completion of the employer's plan year, but before the annual employee open enrollment period described below. During this annual

²² A reference plan, under the Employer Choice model, is a qualified health plan that is offered by the carrier or insurance holding company system selected by the qualified employer and among the qualified plans of the carrier or insurance holding company system selected by the qualified employer; or, under the Employee Choice model, is a qualified plan offered by any carrier at the metal level selected by the qualified employer. Insurance Article § 31-111(e)(2)(ii), Annotated Code of Maryland.

employer election period, the qualified employer may change the method by which the qualified employer makes QHPs available to qualified employees (i.e. benefit coverage model), the employer's contribution toward the premium cost of coverage, the metal level of coverage offered to qualified employees, and the particular QHP or QHPs offered to qualified employees.

Insurance Article § 15-1208.2, Annotated Code of Maryland, also requires carriers to establish a standardized annual employee open enrollment period of at least 30 days for each small employer participating in the SHOP. The annual open enrollment period must occur prior to the end of the small employer's plan year. During the annual open enrollment period, each eligible employee of the small employer must be permitted to enroll in a health benefit plan offered by the small employer, discontinue enrollment in a health benefit plan offered by the small employer, or change enrollment from one health benefit plan offered by the small employer to a different health benefit plan offered by the small employer.

1.12 Use of TPAs as SHOP Administrator

MHBE recognizes the key role Third Party Administrators (TPAs) play in the sale, enrollment and financial administration of small group health plans. The electronic data processing capabilities of TPAs in Maryland are sophisticated, and health insurance carriers, producers and employers in the state rely on TPAs to perform many administrative functions. Additionally, while the Maryland SHOP offers a robust selection of medical and dental plans, TPAs in Maryland typically provide benefits administration beyond the scope of medical and dental coverage, such as life and disability insurance, and payroll management. MHBE contracts with TPAs²³ to administer Maryland SHOP which will provide value-added services to the MHBE, insurance companies and employers in connecting to the Maryland SHOP exchange.

The advantages to this approach are numerous. With TPAs, MHBE achieves the following:

- Leverages the existing employer/insurance agent relationship and experiences of multiple full-service TPAs;
- Creates marketplace choices for employers to shop for health coverage;
- Allows TPAs to continue to provide one-stop shop services to employers for all their benefit administration needs (e.g., payroll services, life and disability insurance); and
- Reduces the number of staff the MHBE will need to manage billing, collections, payments and financial reconciliations.

By leveraging the experience and technology of Maryland's TPAs, the MHBE expects to achieve the following:

- Meet the requirements of the ACA as it pertains to SHOP set-up and management (45 CFR 155 Subpart H);
- Encourage small businesses to purchase coverage through SHOP while giving them a choice of administrative processes to meet their needs;
- Provide minimum disruption to the current small group health insurance market while promoting innovation;
- Leverage the knowledge and expertise of current market players for key technical and business functions;

²³ If there is more than one TPA serving as a SHOP Administrator, the employer may select the TPA on their own or with the assistance of a broker.

- Allow producers to continue using familiar TPA systems as they advise small businesses on diverse insurance options and other benefits; and
- Provide a SHOP solution that satisfies the needs of employers, employees and health plans in an efficient and consumer friendly manner.

2 SHOP Processes

2.1 Carrier Authorization

For benefit years 2015 and 2016, any willing licensed insurance carrier including insurers, non-profit health service plans, health maintenance organizations (HMOs), and dental plan organizations will be authorized to offer qualified plans through Maryland Health Connection as long as the carrier meets federal requirements and market participation rules established under Maryland law.

MHBE, in collaboration with the Maryland Insurance Administration (MIA) and the Maryland Health Care Commission (MHCC), has designed a multi-step process to authorize carriers and to certify benefit designs for participation in the Maryland SHOP. By completing all steps, carriers can offer qualified plans to individuals and/or small businesses that purchase through Maryland Health Connection. Refer to Carrier Reference Manual for additional information.

Step #1 -Complete MHBE Participation Intent Form

Step #2 -Complete Carrier Application Package

Step #3 -Submit Benefit Designs, Forms and Rates to the MIA for Review/Approval

Step #4 -Submit Plan Certification Information to MHBE via SERFF

Step #5 -Participate in the MHCC Quality & Maryland RELICC Process

Table 2 – 2015 SHOP-Authorized Carriers

MEDICAL CARRIERS		DENTAL CARRIERS	
Parent Company	Licensed Entity	Parent Company	Licensed Entity
Aetna	Aetna Health, Inc. Aetna Life Insurance Co	CareFirst	CareFirst of Maryland Inc. Group Hospitalization and Medical Services Inc.
CareFirst	CareFirst Blue Choice, Inc. CareFirst of Maryland Inc. Group Hospitalization and Medical Services Inc.	DentaQuest	DentaQuest Mid-Atlantic
Coventry	Coventry Health and Life Ins, Co. Coventry Health Care of DE, Inc.	Dominion Dental	Dominion Dental Services
Evergreen	Evergreen Health Cooperative		
Kaiser	Kaiser Foundation Health Plan of the Mid-Atlantic States		
UnitedHealthcare	MAMSI Life and Health Optimum Choice, Inc. UnitedHealthcare Insurance Co UnitedHealthcare of the Mid-Atlantic		

Table 3 – 2016 SHOP-Authorized Carriers

MEDICAL CARRIERS		DENTAL CARRIERS	
Parent Company	Licensed Entity	Parent Company	Licensed Entity
Aetna	Aetna Health, Inc. Aetna Life Insurance Co	DentaQuest	DentaQuest Mid-Atlantic
CareFirst	CareFirst Blue Choice, Inc. CareFirst of Maryland Inc. Group Hospitalization and Medical Services Inc.	Dominion Dental	Dominion Dental Services
Evergreen	Evergreen Health Cooperative		
Kaiser	Kaiser Foundation Health Plan of the Mid-Atlantic States		
UnitedHealthcare	MAMSI Life and Health Optimum Choice, Inc. UnitedHealthcare Insurance Co UnitedHealthcare of the Mid-Atlantic		

2.2 Plan Certification

Upon MIA approval of carrier Rate and Form filings for the small group market, carriers must submit the following federal Center for Consumer Information and Insurance Oversight (CCIIO) templates into their respective binders on the System for Electronic Rate and Form Filing (SERFF) portal. Refer to the Plan Certification Guide for additional information.

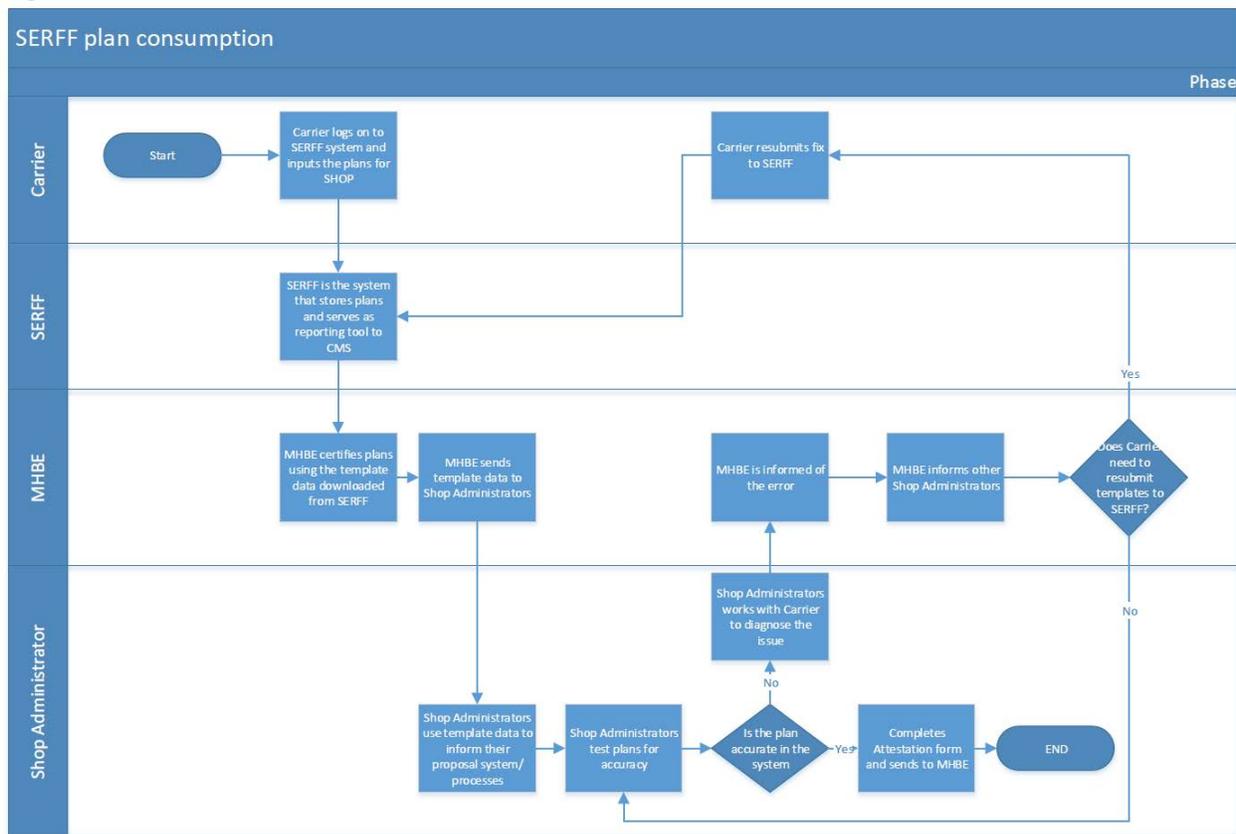
- Plan and Benefits
- Prescription Drugs
- Networks
- Service Areas
- Rate Data
- Network Access Plan
- Rating Business Rules
- Part I: Unified Rate Review
- Part III: Actuarial Memorandum
- Partial County Service Area (If applicable)
- Program Attestations for State Based Marketplace (SBM) Issuers (For 2015)
- Summary of Benefits and Coverage Forms (SBC)

Upon template upload into the SERFF portal, MHBE Plan Services will review and certify plans for sale through Maryland Health Connection. SHOP participating carriers will receive a certification notice indicating their plan has been certified or denied certification.

Upon certification, MHBE Plan Services will deliver a carrier's submissions to the appropriate SHOP Administrator(s). Carriers and SHOP Administrators will triage template errors in

collaboration with Plan Services. The SHOP Administrator will attest to the accuracy of data loaded into their respective systems. A copy of the attestation form to be used is attached in Appendix E.

Figure 2 – Plan Certification Process Flow



2.3 Employer and Employee Applications

An employer seeking to participate in the SHOP must submit to a SHOP Administrator a SHOP Employer Eligibility Application (see Appendix B – SHOP Employer Eligibility Application). Upon receipt of a new Employer Eligibility Application, the SHOP Administrator will determine the employer’s eligibility based upon the information contained within the application and any supporting documentation submitted by the employer (see Section 4.6 below for more information regarding eligibility determinations).

After determining an employer’s eligibility, the SHOP Administrator will provide to the employer an Employer Eligibility Notice (see Appendix F – Notices) stating whether the employer’s application is approved or denied, or if the SHOP requires additional information from the employer to make a determination. If an employer’s application for coverage is found to be inconsistent with information through the SHOP’s verification process, an employer will have the opportunity to present satisfactory documentary evidence to support the employer’s application or resolve the inconsistency. If the employer does not cure the inconsistency, the SHOP Administrator will notify the employer that it is not eligible to participate based on the application submitted.²⁴

²⁴ 45 C.F.R. 155.715(c)-(e)

If an employer is determined to be a qualified employer eligible for participation in the SHOP, the employer will be notified of its approval and instructed, either directly or through its broker, to elect: (i) an initial open enrollment period during which qualified employees may choose health coverage; (ii) the coverage the employer wishes to offer based on coverage model selection; and (iii) the contribution, if any, the employer wishes to make toward its employees' premium payments.

Pursuant to 45 CFR §157.205(c),(e), employers are required to inform newly qualified employees that they are being offered coverage through the SHOP and inform them about how to complete their SHOP enrollment. For each annual enrollment, qualified employers and carriers must allow qualified employees an open enrollment period to enroll in, discontinue, or change QHP coverage before the end of the employer's plan year.²⁵ Qualified employers and carriers must also provide - to each employee who becomes newly qualified outside of the initial or annual open enrollment period - an open enrollment period beginning on the first day the employee becomes a qualified employee, and ending no sooner than 15 days prior to the date that any applicable employee waiting period longer than 45 days would end if the employee made a plan selection on the first day of eligibility.²⁶

During each initial, annual, and newly qualified employee's open enrollment period, an employee offered and seeking to enroll in coverage must complete an Employee Eligibility Application (see Appendix D - SHOP Employee Eligibility Application). The employer or broker, if applicable, should collect all Employee Eligibility Applications and submit them to their SHOP Administrator. Following receipt of an Employee Eligibility Application during an appropriate enrollment period, the SHOP Administrator will validate employee information, determine each employee's eligibility, and send an Employee Eligibility Notice (see Appendix F – Notices) to the employee stating whether the employee's participation is approved or denied, or if the SHOP requires additional information from the employee to make an eligibility determination.

If an employee's application for coverage is found to be deficient or inconsistent with information collected from third-party data sources through the SHOP's verification process, an employee must present to SHOP satisfactory documentary evidence to support the employee's application or resolve the inconsistency within 30 days of the date on which the SHOP sends notice to the employee regarding the inability of the SHOP to substantiate his or her employment status. If the SHOP does not receive from the employee satisfactory documentary evidence to cure the deficiency or inconsistency within the 30-day eligibility adjustment period, the employee shall be notified by the SHOP of its denial of eligibility and of the employee's right to appeal such determination (see Section 4.7 below for more information regarding appeals).²⁷

Following collection of applications and a favorable determination of eligibility, the SHOP Administrator will facilitate submission of the employer group and employee information required for enrollment along with a binder payment for the initial premium payment to the respective carrier(s). The SHOP Administrator will use existing carrier arrangements and protocols to provide group setup information to the carrier. Group setup information will not be sent to the carrier unless there is enrollment with the carrier. After receiving group setup information from the SHOP Administrator, the carrier will enroll each qualified employee into his or her selected plan and will send acknowledgment of enrollment to the SHOP Administrator through existing arrangements and protocols.

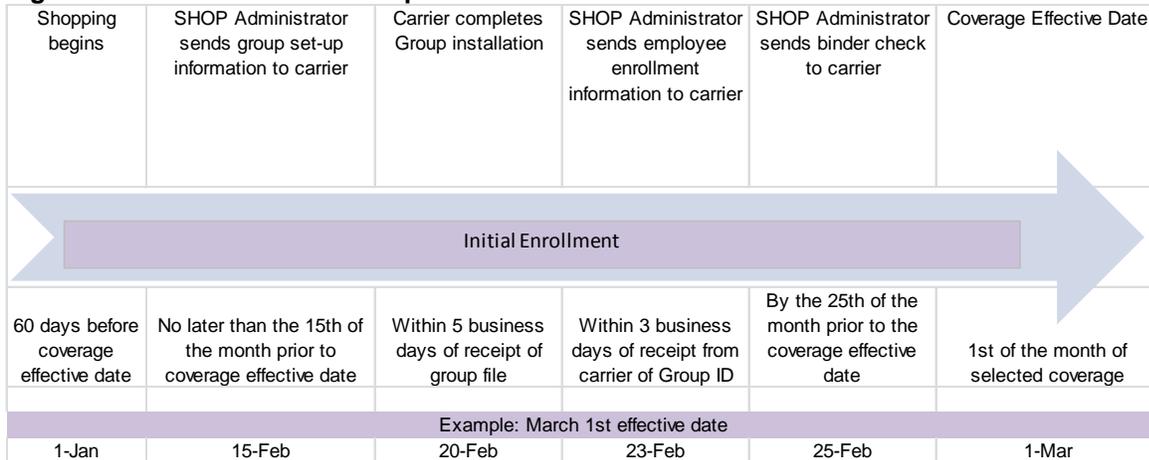
²⁵ Md. Insurance Code Ann. 15-1208.2(b)

²⁶ Md. Insurance Code Ann. 15-1208.2(c) 45 C.F.R. 155.725(g)(1)

²⁷ 45 C.F.R. §155.715(d)(iv)(B)(2)&155.715(f)

For the duration of the employer’s participation in the SHOP, any update to group-level information must be provided to both the SHOP Administrator and carrier.

Figure 3 – Initial Enrollment Required Timeline



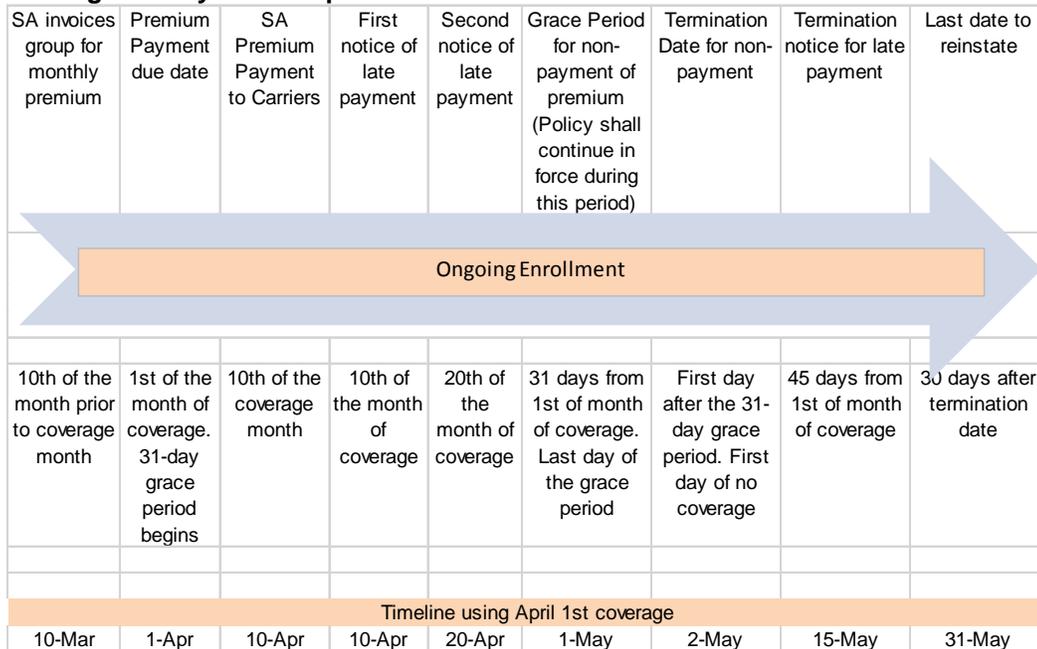
2.4 Billing and Payment

Federal regulations (45 C.F.R. §155.705(b)(4)(i)) require the Maryland SHOP to perform the following functions related to premium payment administration:

- Provide each qualified employer with a bill on a monthly basis that identifies the employer contribution, the employee contribution, and the total amount that is due to the QHP issuers from the qualified employer;
- Collect from each employer the total amount due and make payments to QHP issuers in the SHOP for all enrollees; and
- Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium aggregation program for each benefit year for at least 10 years.

The SHOP Administrator will perform these functions according to the required timeline set forth below.

Figure 4 – Billing and Payment Required Timeline



2.5 Reconciliation

SHOP Administrators will reconcile enrollment information and employer participation information with carriers on a monthly basis.²⁸ Reconciliation may be performed electronically or by comparing invoices, cash discrepancies, enrollment files, and enrollment and participation discrepancies. Discrepancies will be resolved between the carriers and SHOP Administrators. The reconciliation process may differ based on the carrier/SHOP Administrator agreement.

2.6 Eligibility, Enrollment and Notices

An employer is a qualified employer eligible to purchase coverage through the Maryland SHOP if such employer:

1. Is a small employer²⁹;
2. Elects to offer, at a minimum, all full-time employees coverage in a QHP through a SHOP; and
3. Either:
 - a. Has its principal business address in the Exchange service area and offers coverage to all its full-time employees through that SHOP; or
 - b. Offers coverage to each eligible employee through the SHOP serving that employee's primary worksite.³⁰

SHOP Administrators will review application forms to determine eligibility for participation in the SHOP and send notices of eligibility as described in Section 4.3 below. Notices will be provided

²⁸ See 45 C.F.R. §155.720 (g).

²⁹ See Md. Code Ann., Ins. § 31-101(z)(1)

³⁰ Md. Code Ann., Ins. § 31-101(q); 45 C.F.R. §155.710 (b).

electronically or, at the election of the employer or employee, via standard mail. Copies of payment notices may also be sent to agents and brokers, at the employer's request.

The SHOP Administrator will generate the following required notices³¹:

1. **Employer Eligibility Determination Notice**³²: Employers and their brokers will receive a SHOP Employer Eligibility approval or denial notice after they have completed the Maryland SHOP Employer Eligibility Application.
2. **Employee Eligibility Determination Notice**³³: Employees will receive a SHOP Employee Eligibility approval or denial notice after their employer has extended an offer of coverage and the employee has filled out the SHOP Employee Eligibility Application.
3. **Employee Termination Notice**³⁴: Employers will receive the SHOP Employee Termination notice when an employee chooses to voluntarily terminate their SHOP coverage.
4. **Employer Withdrawal Notice**³⁵: Employees will receive the SHOP Employer Withdrawal notice when an employer withdraws their offer of SHOP coverage during the group enrollment period and any time within the coverage year.
5. **Annual Employer Election Period Notice**³⁶: Beginning in 2016, employers will receive the SHOP Annual Employer Election Period notice when it is time to renew their SHOP coverage.
6. **Annual Employee Open Enrollment Period Notice**³⁷: Beginning in 2016, employees will receive the SHOP Annual Employee Open Enrollment Period notice when it is time to renew their SHOP coverage.

Sample notices can be found in Appendix F.

Additional information regarding qualified employer required notices and issuer required notices can be found below.

Pursuant to 45 CFR §157.205(c),(e), a qualified employer must inform each qualified employee (including employees hired outside of the initial or annual open enrollment periods for the employer group) that he or she is being offered coverage and how to enroll in health insurance coverage through the SHOP.

Pursuant to 45 CFR §157.205(f), a qualified employer must provide the SHOP with information about dependents or employees whose eligibility status of coverage purchased through the employer in the SHOP has changed, including newly eligible dependents and employees and loss of qualified employee status.

In accordance with applicable federal regulations 45 CFR §§155.735(g)(1)-(3), unless State law allows otherwise, the SHOP is required to send a notice of termination of coverage and/or enrollment to an employer and/or employee if the employer or employee loses eligibility or fails to pay premiums. Under 156.285(d)(1)&(2), if a QHP issuer terminates an enrollee's coverage or enrollment, the QHP issuer must notify the qualified employer and the enrollee of the termination. Such notice must include the termination effective date and reason for termination, and must be

³¹ In addition, qualified employers participating in the SHOP must disseminate information to its qualified employees about the process to enroll in a QHP through the SHOP, including information regarding enrollment periods as described in 45 CFR §155.725 for employees hired outside of the initial or annual open enrollment period under 45 CFR §157.205(e)(2).

³² See 45 C.F.R. §155.715(e).

³³ See 45 C.F.R. §155.715(f).

³⁴ See 45 C.F.R. §155.720(h).

³⁵ See 45 C.F.R. §155.715(g).

³⁶ See 45 C.F.R. §155.725(d).

³⁷ See 45 C.F.R. §155.725(f).

sent within 3 business days if an electronic notice is sent, and within 5 business days if a mailed hard copy notice is sent. When a primary subscriber and his or her dependents live at the same address, a separate termination notice need not be sent to each dependent at that address, provided that the notice sent to each primary subscriber at that address contains all required information about the termination for the primary subscriber and his or her dependents at that address. An enrollee may lose eligibility because a qualified employer has lost its eligibility.

Unless State law allows the QHP alone to send the termination notices specified in 45 CFR §§155.735(g)(1)-(2), the SHOP must also send a notice of termination of coverage and/or enrollment to an employer and/or employee if the employer or employee loses eligibility or fails to pay premiums.

Pursuant to 45 CFR §155.720(e)(1), for plan years beginning before January 1, 2017, the SHOP must ensure that a QHP issuer notifies a qualified employee enrolled in a QHP through the SHOP of the effective date of his or her coverage. Pursuant to 45 CFR §155.720(e)(2), for plan years beginning on or after January 1, 2017, the SHOP must ensure that a QHP issuer notifies an enrollee in a QHP through the SHOP of the effective date of his or her coverage.

2.7 Appeals

In accordance with 45 CFR §155.740 and Interim Procedures for SHOP Qualified Employer and Qualified Employee Eligibility Appeals approved by the Board of Trustees on December 17, 2013, an employer or employee may appeal a notice of denial of eligibility or a failure of the Maryland SHOP to make an eligibility determination in a timely manner. MHBE will handle the processing of all appeals. Notices of the right to appeal a denial of eligibility will be written and include the reason for the denial of eligibility, a citation to the applicable regulations, and the procedure by which the employer or employee may request an appeal of the denial of eligibility.

MHBE will allow an employer or employee to request an appeal within 90 days from the date of the notice of denial of eligibility. Upon receipt of a valid appeal request, MHBE will send timely acknowledgement to the employer, or employer and employee if an employee is appealing, of the receipt of the appeal request which will include an explanation of the appeals process and instructions for submitting additional evidence required for consideration. Upon receipt of an appeal request that is not valid because it fails to meet appeal requirements, MHBE will promptly and without undue delay send written notice to the appealing employer or employee that the appeal request has not been accepted, the nature of the defect in the appeal request, and an explanation that the employer or employee may cure the defect and resubmit the appeal request.

Appeal decisions will be based solely on the eligibility requirements for the SHOP under 45 CFR §155.710 and any supporting documentation provided by the appealing employer or employee. Appeal decisions will also comply with the standards set forth in 45 C.F.R. §155.545, and will be effective retroactively on the date the incorrect eligibility determination was made if the decision finds the employer or employee eligible, or effective as of the date of the notice of the appeal decision if eligibility is denied. MHBE will issue written notice of the appeal decision to the employer, or to the employer and employee if an employee is appealing, within 90 days of the date the appeal request is received. A copy of the appeal decision will be provided to the SHOP Administrator. The SHOP Administrator will be responsible for communicating the appeal decision to the broker and/or carrier within three business days.

2.8 Reporting

MHBE is required to report SHOP activity to the federal Centers for Medicare & Medicaid Services (CMS) and key stakeholders. Table 3 identifies reporting requirements. Reporting templates can be found in Appendix G.

Table 4 – Required Reporting

Report Name	Reporting Party	Report Due Date
<i>Weekly Application Activity Report</i>	SHOP Administrator	Due each Friday for the last 7 days ending on Thursday
<i>Weekly Summary Report</i>	SHOP Administrator	Due each Friday for the last 7 days ending on Thursday
<i>Monthly Summary Report</i>	SHOP Administrator	Due by the 20 th of each month reporting on data from the prior month
<i>Monthly Enrollment Report</i>	SHOP Administrator and SHOP Carriers	Due by the 20 th of each month reporting on data through the current month

3 Business Rules

3.1 Premium Payments

Table 5 – Premium Payment Business Rules

Topic	Business Rule
<i>Binder Payment</i>	Binder payments are due to the carrier by the 25 th of the month prior to the coverage effective date. Per 45 CFR §156.285(c)(7)(iii), issuers participating in SHOP Marketplaces are required to effectuate SHOP coverage unless the issuer receives a cancellation prior to the coverage effective date.
<i>Carrier Payment</i>	SHOP Administrators will pay carriers, for employer groups who remitted premium payment, by the 10 th of the month of coverage. This process will follow whatever SHOP Administrator/Carrier agreements are in place. Typical payment cycles are 2-4 times per month.
<i>Employer Invoice</i>	By the 10 th of each month, the SHOP Administrators will provide each employer with an invoice containing total premium amount that is due for the following month of coverage.
<i>Invoice Payment</i>	Employers must pay 100% of the amount due. No partial payments are permitted.
<i>Employee Choice Advance Payment Beyond Binder</i>	Under the Employee Choice methodology, receipt of payment prior to coverage effective date to initiate coverage is only required for the binder payment. If a group has made binder payment and subsequently adds an employee with a separate carrier, binder payment for that employee is not required.

3.2 Eligibility

Table 6 – Eligibility Business Rules

Topic	Business Rule
<i>Qualified Employee</i>	An employee is a qualified employee eligible to enroll in coverage through a SHOP if such employee receives an offer of coverage from a qualified employer (45 CFR §155.20).
<i>Minimum Participation</i>	In accordance with 147.104(b)(1)(i)(B), employers will be exempt from minimum participation rate between November 15 and December 15 – for new group enrollments and renewals for SHOP or for plan or carrier minimum participation requirements.
<i>Minimum Participation</i>	Pursuant to Insurance Article § 15-1206(c), Annotated Code of Maryland and 45 CFR §155.705(b)(10), outside of the minimum participation waiver period, MD SHOP will enforce a participation rule of 75% of eligible employees participating in the SHOP, who are not enrolled in other qualifying coverage that excludes them from the participation count.

Topic	Business Rule
<i>Minimum Participation</i>	SHOP minimum participation rates are calculated once a year at the time of initial group submission and subsequently at the time of renewal. Numbers associated with the 75% participation rate will be rounded up.
<i>Minimum Participation</i>	In accordance with Insurance Article § 15-1206(c)(3), Annotated Code of Maryland, in applying a minimum participation requirement to determine whether the applicable percentage of participation is met, a carrier may not consider as eligible employees: (i) those who have group spousal coverage under a public or private plan of health insurance or another employer's health benefit arrangement, including Medicare, Medicaid, and CHAMPUS, that provides benefits similar to or exceeding the benefits provided under the Standard Plan; or (ii) employees who are under the age of 26 years who are covered under their parent's health benefit plan.
<i>Business Owner and Spouse</i>	When calculating FTEs for SHOP eligibility, business owners and other family members, including spouses of business owners, who work for the business are not included in the calculation. Once a business is deemed eligible, however, business owners and family members of business owners may participate in the SHOP plan.
<i>COBRA</i>	An eligible employer may provide COBRA continuation coverage through SHOP in conjunction with their legal obligations as plan sponsors under COBRA. Consistent with its obligations under COBRA, employers should notify enrollees of their eligibility to enroll in COBRA continuation coverage and are responsible for billing the COBRA enrollee for any premium amount due. The SHOP may, upon an election by a qualified employer, enter into an agreement with a qualified employer to facilitate the administration of COBRA continuation coverage.

3.3 Enrollment

Table 7 - Enrollment Business Rules

Topic	Business Rule
<i>Coverage Date</i>	Coverage start dates should be the first day of the month. Exceptions would be the birth or adoption of a child. In these instances, the effective date is the date of the birth or date of adoption or placement for adoption or placement in foster care.
<i>Group Effectuation Date and Application Receipt Date</i>	Employers that complete the enrollment process by the 15 th of the month will have group coverage effectuated on the 1st day of the following month. Employers that complete the enrollment process between the 16 th of any month and the last day of the month will have group coverage effectuated on the 1st day of the second following month.

Topic	Business Rule
<i>Special Enrollment Period</i>	<p>In accordance with Insurance Article § 15-1208.1, Annotated Code of Maryland and 45 CFR §155.725(j), qualified employees and their eligible dependents (if the qualified employer offers dependent coverage) may enroll in coverage through SHOP outside of the initial group enrollment period or the annual open period if a qualifying event is reported to the SHOP within a specified period of time.</p> <p>A Special Enrollment Period (SEP) will be provided for certain reasons which most commonly include (1) Loss of minimum essential coverage; (2) the addition of or becoming a dependent through marriage, birth, adoption, placement for adoption, or placement in foster care; or (3) Loss of eligibility for coverage under a Medicaid plan or State child health insurance plan (CHIP).</p> <p>SEPs generally last 30 days from the triggering event with the exception of when an enrollee becomes eligible for loss of eligibility for coverage under a Medicaid or CHIP plan.</p>
<i>Medicare Beneficiaries and SHOP Coverage</i>	<p>Per CMS Guidance dated Aug 1, 2014³⁸, Medicare beneficiaries whose employer purchases insurance coverage through the SHOP can be enrolled in a SHOP Qualified Health Plan. Medicare beneficiaries whose employers purchase SHOP coverage are treated the same as any other person with employer Group Health Plan coverage. The statute (Section 1882(d) of the Social Security Act) prohibits the sale or issuance of duplicate coverage to an individual with Medicare, but employer-sponsored coverage is explicitly exempted from this prohibition. SHOP coverage is sold to the employer.</p>
<i>Newly Qualified Employees: Enrollment Period and Effective Date</i>	<p>In accordance to 45 CFR §147.116, newly qualified employees will be effective on the first day of the month following the end of their waiting period established by the employer. An employer will establish a waiting period policy that will apply to newly qualified employees. Available options through the SHOP include 0, 30 and 60 days. The enrollment will be considered timely if submitted within the enrollment period of up to 30 days after the employee's effective date.</p>
<i>Waiting Period Policy</i>	<p>In accordance to 45 CFR §147.116, during the initial group enrollment process, an employer will establish a waiting period policy that will apply to newly qualified employees. Available options through the SHOP include 0, 30 and 60 days.</p>

³⁸ See CMS Guidance – Frequently Asked Questions Regarding Medicare and the Marketplace – dated August 1, 2014 (updated August 28, 2014); available at https://www.cms.gov/Medicare/Eligibility-and-Enrollment/Medicare-and-the-Marketplace/Downloads/Medicare-Marketplace_Master_FAQ_8-28-14_v2.pdf.

3.4 Termination

Table 8 – Termination Business Rules

Topic	Business Rule
<i>Group-Level Terminations</i>	In accordance with 45 CFR §156.285(d), an employer may terminate coverage for all enrollees covered by the employer group health plan. Coverage will terminate on the last day of the coverage month. Per COMAR 31.11.10.04I(2)(b) and COMAR 31.12.07.04I(2)(b), carriers are not permitted to charge premium beyond the time that they receive notice of termination (unless the termination notice is in the future). Even if the employer provides notice during the grace period, the termination occurs on the date the notice is received.
<i>Termination For Non-Payment</i>	If the SHOP does not receive payment for a group within 31 days from the first day of the coverage month, the SHOP may terminate the group's coverage for the lack of payment. The last day of coverage will be the last day of the 31-day grace period which begins on the premium due date/1 st of the coverage month. The first day of no coverage will be the day after the 31-day grace period.
<i>Claims Payment During The Grace Period</i>	During the 31-day grace period, the policy shall continue in force. Claims cannot be pended during the grace period for employees of employers that have not paid their premiums during the grace period.(COMAR 31.11.10.04(i)) and 31.12.07.04(i))
<i>Enrollee-Level Terminations</i>	Enrollee terminations are effective on the last day of the month. In most cases, coverage will end at the end of the month following the termination date. An exception would be a termination due to death. The SHOP will accept retroactive coverage terminations for employees and/or dependents if received within 30 days after the termination date, and coverage will be terminated accordingly. For terminations received after the initial 30-day retroactive period following the termination date, the SHOP will accept retroactive coverage terminations within 30 days of the notification receipt date, and coverage will terminate at the end of the month preceding the termination notification receipt date. 45 CFR §155.735(d)(2)
<i>Termination of Employee or Dependent Coverage or Enrollment</i>	In accordance with 45 CFR §156.285(d) and 45 CFR §155.735(d) and (e), employee or dependent coverage or enrollment can be terminated in conjunction with the following circumstances: (i) The employee or dependent is no longer eligible for coverage under the employer's group health plan; (ii) The employee requests that the SHOP terminate the coverage of the employee or a dependent of the employee under the employer's group health plan; (iii) The QHP in which the enrollee is enrolled terminates; terminates for a reason permitted by Insurance Article § 15-1212, Annotated Code of Maryland, is decertified as described in 45 CFR §155.1080, or its certification as a QHP is not renewed; (iv) The enrollee changes from one QHP to another during the employer's annual open enrollment period or during a special enrollment period; or (v) The enrollee's coverage is rescinded in accordance with 45 CFR §147.128

3.5 Administration

Table 9 – Administration

Topic	Business Rule
<i>TPA of Record</i>	Employers will only be allowed to switch their SHOP Administrator annually at their renewal.
<i>Broker of Record</i>	Employers will only be allowed to switch their Broker of Record annually at their renewal.
<i>Enrollment Information</i>	Carriers are required to distribute fulfillment packets to employees upon enrollment.
<i>Marketplace Identifier</i>	For IRS Form 1095-B Line 9 reporting, the marketplace identifier for Maryland will be Maryland State abbreviation MD.
<i>Rate Confirmation</i>	Carriers are required to have quarterly rates confirmed and distributed to SHOP Administrators at least 75 days prior to the effective date of the rate.

Appendix A – Glossary of Terms and Acronyms

Terms and associated acronyms used in this document.

Term	Acronym
Affordable Care Act	ACA
Center for Consumer Information & Insurance Oversight	CCIIO
Centers for Medicare & Medicaid Services	CMS
Code of Federal Regulations	CFR
Code of Maryland Regulations	COMAR
Consolidated Omnibus Budget Reconciliation Act	COBRA
Date of Birth	DOB
Maryland Health Benefit Exchange	MHBE
Maryland Health Connection	MHC
Maryland Insurance Administration	MIA
Patient Protection and Affordable Care Act or Affordable Care Act	ACA
Qualified Health Plan	QHP
Race, Ethnicity, Language, Interpreter Need and Cultural Competency	RELICC
System for Electronic Rates and Form Filing Portal	SERFF
Small Business Health Options Program	SHOP
Social Security Number	SSN
Special Enrollment Period	SEP
State-Based Marketplace	SBM
Third Party Administrator	TPA
Trading Partner	TP

Appendix B – SHOP Employer Eligibility Paper Application

Small Business Health Options Program (SHOP) Health coverage application for employers



Maryland Health Connection's Small Business Health Options Program (SHOP) is open to all eligible small business owners. It should take about **15 minutes** to complete this application for eligibility.

THINGS TO KNOW



Is my business eligible for the SHOP?

Your business or organization must:

- Have a primary business address within Maryland,
- Have at least one common-law employee,
- Have 50 or fewer full-time equivalent (FTE) employees, and
- Offer coverage through the SHOP to all full-time employees



Get help

- Online: MarylandHealthConnection.gov.
- Phone: Call our consumer support center at **1-855-642-8572**. TTY users should call **1-855-642-8573**.
- En Español: Llame a nuestro centro de asistencia al consumidor al **1-855-642-8572**. Los usuarios de TTY deben llamar al **1-855-642-8573**.
- Contact a broker.



What happens next?

You'll send this form to the address on page 3. We'll let you know if you're eligible to buy insurance for your small business and give you the information you need to compare cost and coverage options, select a plan, and complete the enrollment process.

You may also contact an insurance agent or broker or an insurance company with SHOP plans to begin the application and enrollment process. To see which companies offer SHOP plans in your area, go to MarylandHealthConnection.gov.

Your information is private.

- We'll keep your information private as required by law.
- Your answers on this form will only be used to see if your business or organization is eligible for the SHOP and, if eligible, to facilitate enrollment.
- You can learn more about how we handle your information at MarylandHealthConnection.gov.

MHC 04122614

STEP 1 Tell us about the employer offering coverage.

Employers must be located within Maryland and must offer coverage to all full-time employees (those working on average 30+ hours per week).

1. Marketplace User ID (optional) (Administrative use only)

2. Employer name*	3. Federal Employer Identification Number (EIN)*
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4. Doing business as

5. Employer type* Private sector (profit & non-profit) Church /church affiliated State/local government Foreign government
 Tribal government and tribally-owned or sponsored organizations and businesses

6. Primary business address*

7. City*	8. State*	9. Zip Code*
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10. To be eligible to participate in the SHOP, your business must:
- Have a primary business address within Maryland;
 - Have at least one common-law employee;
 - Have 50 or fewer Full Time Equivalent (FTE) employees; and
 - Offer coverage through the SHOP to all full-time employees.

I agree that all of the above apply to my business.*

STEP 2 Tell us who to contact about this application.

Primary contact

1. First name*	Middle name	Last name*	Suffix
----------------	-------------	------------	--------

2. Title*

3. Mailing address* (if different from primary business address above)

4. City*	5. State*	6. Zip Code*
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7. Phone number* <input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell	8. Second phone number* <input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell
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9. Fax number	10. Email address*	Re-enter email address*
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11. Preferred language (if not English)

12. Note: Notices and monthly invoices will be sent by the carrier.

Secondary contact (optional)

13. First name*	Middle name	Last name*	Suffix
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14. Title*

15. Mailing address* (if different from primary business address above)

16. City*	17. State*	18. Zip Code*
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19. Phone number* <input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell	20. Second phone number* <input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell
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21. Fax number	22. Email address*	Re-enter email address*
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 **NEED HELP WITH YOUR APPLICATION?** Contact a broker with questions, visit MarylandHealthConnection.gov or call us at 1-855-642-8572. TTY users should call 1-855-642-8573.

* Required Field

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STEP 3 For certified application counselors, navigators, agents, and brokers only.

Complete this section if you're a certified application counselor, navigator, agent, or broker filling out this application for somebody else.

1. First name	Middle name	Last name	Suffix
2. Organization name (if applicable)		3. ID number, if applicable (NPN for brokers)	
4. Phone number	<input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell	5. Second phone number	<input type="checkbox"/> Work <input type="checkbox"/> Home <input type="checkbox"/> Cell
6. Fax number	7. Email address	Re-enter email address	

STEP 4 List all employees who'll get an offer of coverage even if they may not enroll. Include owners and business partners.

You must include all full-time employees (30+ hours)*

	Employee first name*	Middle name	Last name*	Suffix	Date of birth (mm/dd/yyyy)* (if available)	Social Security/Tax ID Number* (if available)	Employment status*	Date of hire (mm/dd/yyyy)	Average weekly hours if not full time
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									

* Required Field

Attach more sheets as necessary. You may attach your own spreadsheet with the information requested in Step 4 instead of using this document to provide that information.

STEP 5 Read & sign this application.

- I'm signing this application under penalty of perjury, which means I've provided true answers to all of the questions to the best of my knowledge. I know that I may be subject to penalties under state and federal law if I intentionally provide false or untrue information.
- I know that my information on this form will only be used to determine eligibility for health coverage and will be kept private as required by law. If my business or organization is eligible, this information will be used to facilitate enrollment.
- I know that I must tell the SHOP if anything changes (and is different than) what I wrote on this application. I can visit MarylandHealthConnection.gov or call **1-855-642-8572** (TTY users: **1-855-642-8573**) to report changes.
- I have consent from everyone I'll list on the application to include their personally identifiable information, like dates of birth, Social Security numbers, addresses, and phone numbers.
- I know that under state and federal law, discrimination isn't permitted on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, or disability. I can file a complaint of discrimination by visiting www.hhs.gov/ocr/office/file or www.mccr.maryland.gov/intake.html.

Name of person signing*	
Signature*	Date(mm/dd/yyyy)*

* Required Field

STEP 6 Mail the completed application.

Mail your completed application to:

Maryland Health Connection
P.O. Box 857
Lanham, MD 20703-0857

We'll let you know if you're eligible to buy insurance for your small business and give you the information you need to compare cost and coverage options, select a plan, and complete the enrollment process.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1193. The time required to complete this information collection is estimated to average 12.57 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.



Need help?

If you have questions about this application or need help completing it, contact a broker, or call **1-855-642-8572**. TTY users should call **1-855-642-8573**.

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Privacy Statement

In addition to collecting business information on the Maryland Health Connection Small Business Health Options Program (SHOP) Employer Application form, we are authorized, under the Patient Protection and Affordable Care Act (Public Law No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law No. 111-152), to collect personally identifiable information and any supporting documentation that might be required for processing this application, including the name and contact information (email address, home address, home phone number, date of birth and Social Security number) for a primary and secondary employer contact, and the names, Social Security numbers and dates of birth of all full-time employees.

We need the information provided by you about primary and secondary employer contacts and the full-time employees listed on this form to determine whether you are a qualified employer and your employees are qualified employees to facilitate enrollment in a qualified health plan (QHP) through the SHOP. As part of that process, we will verify the information provided on the form, communicate with your primary and/or secondary employer contacts and any Agent, Broker or other SHOP assister that may have assisted you with your SHOP application, and eventually provide the information to the health plan selected so that qualified employees can enroll in a (QHP). We will also use the information provided as part of the ongoing operation of the SHOP, including activities such as verifying continued eligibility, reporting on and managing enrollment for qualified employees, performing oversight and quality control activities, combatting fraud, and responding to any concerns about the security or confidentiality of the information.

While providing the requested information (including Social Security numbers) is voluntary, failing to provide it may delay or prevent your ability to obtain health coverage through the SHOP. If an individual does not maintain qualifying health coverage for three months or longer during the year, that individual may be subject to a penalty.

If you don't provide correct information on this form or knowingly and willfully provide false or fraudulent information, you may be subject to a penalty and other law enforcement action. In order to verify and process application forms, determine whether you are a qualified employer and if your employees are eligible to participate, and to operate the SHOP, we may need to share selected information that we receive from you on the Maryland Health Connection SHOP Employer Application form outside of Maryland Health Connection, including with:

1. Federal agencies, (i.e., the Internal Revenue Service) to report eligibility for health insurance coverage through the SHOP,
2. Maryland Health Connection contractors engaged to perform a function for the SHOP and other contractors engaged to perform verification including those conducting verification of the employer's primary and secondary contacts' identity and other consumer reporting agencies,
3. Agents, Brokers and other SHOP assisters, and issuers of QHPs as applicable, who have been engaged to assist with eligibility determinations and enrollment in QHPs, and
4. Anyone else as required by law.

You can learn more about how we handle your information at <http://marylandhealthconnection.gov/internet-policies-fraud/>.

Appendix C – Employer Eligibility Determination Checklist

Business Name: «**CompanyName**»
Business Address: «**CompanyAddress**»
Business Employer Identification Number: «**EIN Number**»
Point of Contact Name: «**FirstName**» «**MiddleInitial**» «**LastName**»
Phone: «**POCPhone**» Email: «**POCEmail**»

Broker Assigned to: «**Assigned_to**»
Broker ID Number: «**Broker NPN**»

APPLICATION COMPLETE

Employer contact name and address included: Yes No
Employee roster included: Yes No
Application completed: Yes No
Broker information included: Yes No
Elements missing and actions taken for follow-up:

ELIGIBILITY CHECK

Primary business address located within the state of Maryland: Yes No
At least one common-law employee: Yes No
Attestation of 50 or fewer full-time equivalent (FTE) employees: Yes No
Attestation of offer to cover all full-time employees through SHOP: Yes No

USE OF AUTHORIZED BROKER

Broker listed on the application is current SHOP Authorized broker: Yes No

ELIGIBILITY DETERMINATION

- The employer meets all requirements and is eligible for SHOP.
- The employer does not meet all SHOP eligibility requirements and is not eligible for SHOP.
- Application is incomplete and employer will be contacted.
- Notice mailed to the employer _____

Signature

Date

Print Name

Position

Appendix D – SHOP Employee Eligibility Paper Application

Small Business Health Options Program (SHOP)

Health coverage application for employees



Use this application to see if you're eligible to get Maryland Health Connection Small Business Health Options Program (SHOP) health coverage from your employer. It should take about **10 minutes** to complete this application.

THINGS TO KNOW



Go online

Visit **MarylandHealthConnection.gov**. You'll be able to see details about SHOP coverage in the marketplace.



Get help

Ask your employer who to call with questions.

- **Online:** **MarylandHealthConnection.gov**
- **Phone:** Call our consumer support center at **1-855-642-8572**. TTY users should call **1-855-642-8573**.
- **En Español:** Llame a nuestro centro de ayuda gratis al **1-855-642-8572**. Los usuarios de TTY deben llamar al **1-855-642-8573**.



What happens next?

You'll return your completed, signed application to your employer. Your employer will send us your completed, signed application. We'll contact you with information about how to start a SHOP account, find out about costs and coverage, and enroll in a plan.



Alternatives

If your share of the cost of employee-only coverage is more than 9.5% of your household income, you may be able to get help paying for coverage through the individual marketplace. Visit **MarylandHealthConnection.gov** to learn more.

Your information is private.

- We'll keep your information private as required by law.
- Your answers on this form will only be used to see if you qualify for health coverage in the SHOP and to help you enroll.
- You can learn more about how we handle your information at **MarylandHealthConnection.gov**.



NEED HELP WITH YOUR APPLICATION? Contact your employer's broker with questions, visit **MarylandHealthConnection.gov** or call us at **1-855-642-8572**. TTY users should call **1-855-642-8573**. Para obtener una copia de este formulario en Español, llame **1-855-642-8572**. Los usuarios de TTY deben llamar al **1-855-642-8573**.

MHC 04122614

Who is your employer?

Employer name & address

Employer phone number

() –

Get started with your application below. 

Not interested in SHOP health coverage?

If you don't want SHOP health coverage from your employer, skip to Step 3 on page 2. 

STEP 1

I'm interested in SHOP coverage from this employer.
Information about you, the employee.

1. First name, Middle name, Last name & Suffix			
2. Social Security number/Tax ID Number	3. Date of birth (mm/dd/yyyy)		4. Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
5. Home address (leave blank if you don't have one)			6. Apartment or suite number
7. City	8. State	9. ZIP code	10. County
11. Mailing address (if different from home address)			12. Apartment or suite number
13. City	14. State	15. ZIP code	16. County
17. Email address			
18. Phone number <input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work ()		19. Other phone number <input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work ()	
20. Preferred spoken or written language (if not English)			
21. If Hispanic/Latino, ethnicity (OPTIONAL—Check all that apply.) <input type="checkbox"/> Mexican <input type="checkbox"/> Mexican American <input type="checkbox"/> Chicano/a <input type="checkbox"/> Puerto Rican <input type="checkbox"/> Cuban <input type="checkbox"/> Other			
22. Race (OPTIONAL—Check all that apply.) <input type="checkbox"/> White <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Filipino <input type="checkbox"/> Vietnamese <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian Indian <input type="checkbox"/> Japanese <input type="checkbox"/> Other Asian <input type="checkbox"/> Samoan <input type="checkbox"/> Chinese <input type="checkbox"/> Korean <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Other Pacific Islander <input type="checkbox"/> Other			
23. If you're American Indian or Alaska Native, tell us the name of your federally-recognized tribe			
24. Notices will be sent by the carrier.			

 **NEED HELP WITH YOUR APPLICATION?** Contact your employer's broker with questions, visit MarylandHealthConnection.gov or call us at 1-855-642-8572. TTY users should call 1-855-642-8573. Para obtener una copia de este formulario en Español, llame 1-855-642-8572. Los usuarios de TTY deben llamar al 1-855-642-8573.

STEP 2 Read & sign this application.

- I'm signing this application under penalty of perjury, which means I've provided true answers to all of the questions to the best of my knowledge. I know that I may be subject to penalties under federal law if I intentionally provide false or untrue information.
- I know that my information on this form will only be used to determine eligibility for health coverage and will be kept private as required by law. If I'm eligible, it will be used to help me enroll.
- I know that I must tell the SHOP if anything changes (and is different than) what I wrote on this application. I can call my employer's agent or broker, visit MarylandHealthConnection.gov, or call **1-855-642-8572** (TTY users: **1-855-642-8573**) to report changes.
- I know that under federal law, discrimination isn't permitted on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, or disability. I can file a complaint of discrimination by visiting www.hhs.gov/ocr/office/file or www.mccr.maryland.gov/intake.html.

Signature	Date (mm/dd/yyyy)
-----------	-------------------

STEP 3 If you don't want SHOP coverage from this employer.

- I don't want health coverage from this employer.** If this employer offers health coverage for my dependents, I decline that offer of coverage, too.

Answer these questions:

Do you have another source of health coverage? Yes No

If yes, what type?

- | | | |
|---|--|--|
| <input type="checkbox"/> Individual private health insurance | <input type="checkbox"/> Medicare | <input type="checkbox"/> TRICARE |
| <input type="checkbox"/> Insurance from another job | <input type="checkbox"/> Medicaid | <input type="checkbox"/> VA health care programs |
| <input type="checkbox"/> Insurance through another person's job | <input type="checkbox"/> Indian Health Service | |

- If this employer offers dental coverage, I don't want that coverage.** If this employer offers dental for my dependents, I decline that offer of coverage, too.

Employee name	
Signature	Date (mm/dd/yyyy)

STEP 4 Return your completed, signed application to your employer.

Your employer will send us your application, and you'll hear back from us with details about how to start a SHOP account, find out about costs and coverage, and enroll in a plan. If you want to register to vote, you can complete a voter registration form at www.eac.gov/NVRA.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1194. The time required to complete this information collection is estimated to average 10 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.



Need help?

If you have questions about this application or need help completing it, contact your employer, your employer's agents or brokers, visit MarylandHealthConnection.gov, or call us at **1-855-642-8572**. TTY users should call **1-855-642-8573**.

Para obtener una copia de este formulario en Español, llame **1-855-642-8572**. Los usuarios de TTY deben llamar al **1-855-642-8573**.

MHC 04122614

Privacy Statement

We are authorized, under the Patient Protection and Affordable Care Act (Public Law No.111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law No. 111-152), to collect personally identifiable information and any supporting documentation that might be required for processing this Maryland Health Connection Small Business Options (SHOP) Employee Application form, including the names, Social Security numbers and dates of birth of employees.

We need the information provided by you to determine whether you are a qualified employee to facilitate enrollment in a qualified health plan (QHP) through the SHOP. As part of that process, we will verify the information provided on the form and eventually provide the information to the health plan selected so that qualified employees can enroll in a (QHP). We will also use the information provided as part of the ongoing operation of the SHOP, including activities such as verifying continued eligibility, reporting on and managing enrollment for qualified employees, performing oversight and quality control activities, combatting fraud, and responding to any concerns about the security or confidentiality of the information.

While providing the requested information (including Social Security numbers) is voluntary, failing to provide it may delay or prevent your ability to obtain health coverage through the SHOP. If an individual does not maintain qualifying health coverage for three months or longer during the year, that individual may be subject to a penalty.

If you don't provide correct information on this form or knowingly and willfully provide false or fraudulent information, you may be subject to a penalty and other law enforcement action. In order to verify and process application forms, determine whether you are a qualified employer and if your employees are eligible to participate, and to operate the SHOP, we may need to share selected information that we receive from you on the Maryland Health Connection SHOP Employee Application form outside of Maryland Health Connection, including with:

1. Federal agencies, (i.e., the Internal Revenue Service) to report eligibility for health insurance coverage through the SHOP,
2. Maryland Health Connection contractors engaged to perform a function for the SHOP and other contractors engaged to perform verification including those conducting verification of the employer's primary and secondary contacts' identity and other consumer reporting agencies,
3. Agents, Brokers and other SHOP assisters, and issuers of QHPs as applicable, who have been engaged to assist with eligibility determinations and enrollment in QHPs, and
4. Anyone else as required by law.

You can learn more about how we handle your information at <http://marylandhealthconnection.gov/internet-policies-fraud/>.

Appendix E – SHOP Administrator Attestation Form

Small Business Health Options Marketplace

Third Party Administrator

Carrier Benefit & Rate Data Reconciliation Attestation

The Maryland Health Benefit Exchange (MHBE) has contracted with Third Party Administrators (SHOP Administrators) to administer the Small Business Health Options (SHOP) program for the State of Maryland. As part of the administrative services, the SHOP Administrator will receive Maryland Insurance Administration approved and MHBE certified Plan and Benefits Templates, Rate Data Templates, and Summaries of Benefits and Coverage for inclusion in their existing systems.

The MHBE requires each SHOP Administrator reconcile information contained in their systems to that provided by the MHBE and any carrier submissions of like data. The SHOP Administrator is required to:

- Notify partner carriers of the amendments required of the Plan and Benefits Templates, Rate Data Templates, and/or Summaries of Benefits and Coverage forms to ensure they accurately display the benefits and rates described within that carrier's policy contracts.
- Notify the Plan Services staff of the MHBE if a partner carrier's Plan and Benefits Template, Rate Data Template, and/or Summaries of Benefits and Coverage must be resubmitted, with the required amendments, by a partner carrier into their SERFF plan management binder.
- Leverage methods initiated by the SHOP Administrator organization to reconcile benefit and rate display/quoting errors to reconcile errors within a participating carrier's Plan and Benefits Templates, Rate Date Templates, and/or Summaries of Benefits and Coverage.
- Attest to the accuracy of information collected and displayed.

I, _____, as the designated point-of-contact to the Maryland Health Benefit Exchange (MHBE) attest that my organization, _____, has worked with the 2016 authorized partner carriers participating in the Maryland SHOP Marketplace and attest that:

- The Benefit and Rate Data stored within a given participating health insurance carrier's Plan and Benefits Template and Rate Data Template accurately displays the benefits and rates described within that carrier's policy contracts.
- The carrier's Summaries of Benefits and Coverage forms accurately display the benefits described within that participating carrier's policy contracts in all sources being used to display benefit information.

(Signature)

(Title)

The Plan Services staff of the MHBE will extend to the point-of-contact identified herein access to the full suite of templates and Summaries of Benefits and Coverage forms provided by carriers participating in the Maryland SHOP Marketplace.

Appendix F – Notices

I. Broker Employer Eligibility Approval Notice

Notice date: <Date Receipt>

Application date: <Date Processed>

<Broker Name>

<Broker Organization Name>

<Broker Street Address>

<Broker City, State, Zip>

RE: <Business Name>

<Business EIN>

Good news!

<Business Name>, is qualified to purchase coverage through Maryland Health Connection's SHOP Exchange.

What's next?

If you have not done so already, you will need to assist your client in the selection of coverage they wish to offer their employees. Your client has been sent notice of their eligibility.

Your client may be eligible for a small business tax credit if they contribute at least 50% toward premium costs of employee only coverage, employ fewer than 25 full-time equivalent (FTE) employees, and pay an average annual salary of less than \$50,000 per FTE. The small business tax credit is administered by the Internal Revenue Service through Form 8941. You may find more information about the tax credit by visiting www.marylandhealthconnection.gov/business-owners/ and <http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers>.

For questions and assistance, please contact SHOP Administrator <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

II. Broker Employer Eligibility Denial Notice

Notice Date: <Notice Date>

Application Date: <Application Receipt Date>

<Broker Name>

<Broker Organization Name>

<Broker Street Address>

<Broker City, State, Zip>

RE: <Business Name>

<Business EIN>

Important Information

Based on the information provided, your client has not been deemed qualified to provide coverage to their employees through Maryland Health Connection's Small Business Health Options Program (SHOP) for the following reason(s): <Employer Denial Code>

Your client has been sent notice of denial of eligibility.

How to Appeal

Your client can request a desk review of the denial of eligibility as a qualified employer in the Maryland Health Connection SHOP by mail, email, fax or phone as instructed in the appeals information provided below. The Reviewing Officer will consider their request, along with the information the Maryland Health Connection SHOP used to determine their eligibility. They can submit any other relevant information to the Maryland Health Connection SHOP to be considered as part of their appeal.

You may submit additional information to the Reviewing Officer:

- By Mail to: P.O. Box 857, Lanham, MD 20703-0857
- By Fax at: 1-855-642-8574
- By Email to: mhbe.shopappeals@maryland.gov
- By Phone: Call the Maryland Health Connection SHOP at: (855) 642-8572 (TTY: (855) 642-8573).

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private.

III. Employer Eligibility Approval Notice

Notice Date: <Notice Date

Application Date: <Application Receipt Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

Good news for <Employer Name>!

You qualify to purchase coverage through Maryland Health Connection's SHOP Exchange. Your broker will also receive notice of your eligibility.

What's next?

If you have not done so already, you will need to select the type of coverage you wish to offer your employees and complete the carrier specific enrollment process. Since you are currently working with a SHOP-authorized insurance broker, he or she will be able to assist you in the election of SHOP-certified qualified health and /or dental plans. If you need additional assistance, resources may be found at www.marylandhealthconnection.gov/business-owners/.

You may be eligible for a small business tax credit if you contribute at least 50% toward premium costs of employee only coverage, employ fewer than 25 full-time equivalent (FTE) employees, and pay an average annual salary of less than \$50,000 per FTE. You may find more information about the tax credit by visiting www.marylandhealthconnection.gov/business-owners/ and <http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers>.

For questions and assistance, please contact SHOP Administrator at <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

IV. Employer Eligibility Missing Application Notice

Notice Date :< Notice Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

RE: Small Business Health Tax Credit

Dear <POC Name>,

Maryland Health Connection (MHC) has been notified by your carrier, <Carrier Name>, that your business has enrolled in a Qualified Health Plan effective <Effective Date>. MHC has not received a Small Business Health Options Program (SHOP) application on your behalf. In order to claim the Small Business Health Care Tax Credit, an employer must receive a MHC SHOP eligibility determination. In addition, a SHOP-Authorized Broker must be selected as part of the SHOP Enrollment process. Applications must be received by MHC no later than December 1, 2016 to qualify.

For assistance with obtaining and completing the SHOP Application, finding a SHOP-authorized broker, and other inquiries regarding SHOP, please contact <SHOP Administrator's contact information>.

You may be eligible for a small business tax credit if you contribute at least 50% toward premium costs of employee only coverage, employ fewer than 25 full-time equivalent (FTE) employees, and pay an average annual salary of less than \$50,000 per FTE. You may find more information about the tax credit by visiting www.marylandhealthconnection.gov/business-owners/ and <http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

V. Employer Closing of Application Notice (Missing SHOP-Authorized Broker)

Notice Date: <Notice Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

RE: Closure of SHOP Application

Dear <POC Name>,

Maryland Health Connection (MHC) received your SHOP application on <Date Received>. The application received was incomplete due to missing information. MHC previously notified you that additional information was needed to complete the application. As of the date of this letter, the information has not been received. Your application has been closed.

The failure to select a SHOP-authorized producer under Step 3 of the application has prevented MHC from providing an eligibility determination. As part of the SHOP enrollment process, small employers are required to use a SHOP-authorized producer. MHC will not be able to report your eligibility to the Internal Revenue Service for the purpose of claiming the Small Business Health Care Tax credit for 2016. In order to claim the Small Business Health Care Tax Credit, small businesses must receive an eligibility determination from MHC. If you wish to reapply, a new application will be required and must be received by December 1, 2016.

For assistance with obtaining and completing a new application and finding a SHOP-authorized broker, please contact SHOP Administrator at <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

VI. Employer Closing of Application Notice

(All Other Reasons except Missing SHOP-authorized Broker)

Notice Date: <Notice Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

RE: Closure of SHOP Application

Dear <POC Name>,

Maryland Health Connection (MHC) received your SHOP application on <Date Received>. The application received was incomplete due to missing information. MHC previously notified you that additional information was needed to complete the application. As of the date of this letter, the information has not been received. Your application has been closed.

MHC will not be able to report your eligibility to the Internal Revenue Service for the purpose of claiming the Small Business Health Care Tax credit for 2016. In order to claim the Small Business Health Care Tax Credit, small businesses must receive an eligibility determination from MHC. If you wish to reapply, a new application will be required and must be received by December 1, 2016.

For assistance with obtaining, completing or submitting a new application, please contact SHOP Administrator at <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

VII. Employer Eligibility Denial Notice

Notice Date: <Notice Date>

Application Date: <Application Receipt Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

Important Information for <Employer Name>

Based on the information provided, you are not qualified to provide coverage to your employees through Maryland Health Connection's Small Business Health Options Program (SHOP) for the following reason(s):

- You are not a qualified employer eligible to purchase coverage through SHOP because you do not meet the definition of a small employer. *Owners of the small business and spouses or certain other family members of owners of the small business are not included as an employee for purposes of the full-time equivalent employee count.* We made our decision based on 45 CFR §155.20; 45 CFR §155.710(b); and Md. Insurance Code Ann. §31-101(z).
- You are not a qualified employer eligible to purchase coverage through SHOP because you do not offer coverage to all of your full-time employees. We made our decision based on 45 CFR §155.710(b).
- You are not a qualified employer eligible to purchase coverage through SHOP because you do not have your principal business address in the Maryland Health Connection SHOP service area. We made our decision based on 45 CFR §155.710(b).
- You are not a qualified employer eligible to purchase coverage through SHOP because you do not offer coverage to eligible employees at your primary worksite. We made our decision based on 45 CFR §155.710(b).

How to Appeal

You can request a desk review of your denial of eligibility as a qualified employer in the Maryland Health Connection SHOP by mail, email, fax or phone as discussed in the appeals information provided below. You or your authorized representative have 90 days from the date of this notice to file an appeal. The Reviewing Officer will consider your request, along with the information the Maryland Health Connection SHOP used to determine your eligibility. You can submit any other relevant information to the Maryland Health Connection SHOP to be considered as part of your appeal.

You may submit additional information to the Reviewing Officer:

- By Mail to: P.O. Box 857, Lanham, MD 20703-0857
- By Fax at: 1-855-642-8574
- By Email to: mhbe.shopappeals@maryland.gov
- By Phone: Call the Maryland Health Connection SHOP at:
(855) 642-8572 (TTY: (855) 642-8573).

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private.

VIII. Employer Incomplete Application Notice

Notice Date: <Notice Date>

Application Date: <Application Receipt Date>

Mr. /Ms. <First Name Last Name of Primary Contact>

<Employer Name>

<Employer Address>

<Employer City, State and ZIP>

RE: Incomplete SHOP Application

Dear <POC Name>,

Maryland Health Connection (MHC) is in receipt of your SHOP application. However, the application received is incomplete and additional information is needed.

<Enter reason for the incomplete application and what is needed for reconsideration>

In order to claim the Small Business Health Care Tax Credit, small businesses must receive an eligibility determination from MHC.

For assistance with completing or resubmitting an application, please contact SHOP Administrator at <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private

IX. Employee Eligibility Approval Notice

Notice Date: <Notice_Date>

Application Date: <Application Receipt Date>

<Applicant_Name>

<Applicant_Address

<Applicant City, State and Zip>

Good news for <applicant name>!

As a qualified employee of <Employer Name>, you qualify to purchase coverage through the Maryland Health Connection Small Business Health Options Health Program (SHOP). Your health coverage started on X/X/2016 with <carrier>.

Health services and costs

A portion of the monthly premium for your health coverage may need to be covered by you. Your employer may also contribute to the cost. You can obtain many services through your health plan for which copayments and deductibles may apply. Your health plan issuer will send you more information about health services and costs, if you have not already received this information.

Report Changes in Circumstances

If you experience changes in circumstances (such as a move, marriage, or change in household size), you should let your employer know so that we can ensure your coverage meets your needs.

For questions and assistance, please contact SHOP Administrator at <SHOP Administrator's contact information>.

Sincerely,

Maryland Health Connection

We will keep your information secure and private.

X. Employee Eligibility Denial Notice

Notice Date: <Notice Date>

Application Date: <Application Receipt Date>

<Applicant_Name>

<Applicant_Address

<Applicant City, State and Zip>

Important Information for <Employee_Name>

Based on the information provided, you are not qualified to enroll in your employer's Maryland Small Business Health Options Program (SHOP) for the following reason(s):

- You are not a qualified employee eligible to purchase coverage through SHOP because you do not meet the definition of a qualified employee. A qualified employee is defined as an individual employed by a qualified employer who has been offered health insurance coverage by such qualified employer through the SHOP. Based on our records, you did not receive an offer of coverage from your employer. We made our decision based on 45 CFR §155.20 and 45 CFR §155.710(e).
- You are not a qualified employee eligible to purchase coverage through SHOP because you did not receive an offer of coverage from a qualified employer. We made our decision based on 45 CFR §155.20 and 45 CFR §155.710(b) and (e).

How to Appeal

You can request a desk review of your denial of eligibility as a qualified employee in the Maryland Health Connection SHOP by mail, email, fax or phone as discussed in the appeals information provided below. You or your authorized representative have 90 days from the date of this notice to file an appeal. The Reviewing Officer will consider your request, along with the information the Maryland Health Connection SHOP used to determine your eligibility. You can submit any other relevant information to the Maryland Health Connection SHOP to be considered as part of your appeal.

You may submit additional information to the Reviewing Officer by:

- By Mail to: P.O. Box 857, Lanham, MD 20703-0857
- By Fax at: 1-855-642-8574
- By Email to: mhbe.shopappeals@maryland.gov
- By Phone: Call the Maryland Health Connection SHOP at: (855) 642-8572 (TTY: (855) 642-8573).

Sincerely,

Maryland Health Connection SHOP

We will keep your information secure and private.

XI. Employee Termination Notice Sent to Employer

<Notice Date>

<Mr./Ms. First Name Last Name of Primary Contact>
<Employer Name>
<Employer Address>
<Employer City, State, and ZIP>

Dear <POC Name>,

Important: Your employee’s Small Business Health Options Program (SHOP) health insurance coverage is ending.

This notice includes important information about the health insurance from <Carrier Name and QHP Name> you are offering your employees through the Maryland Small Business Health Options Program (SHOP) Marketplace and next steps for you and the affected employees. Your employees will also receive notification about this termination of coverage.

The table below shows whose health insurance coverage will be terminated, the last day of coverage, and why the insurance is ending. Any other employees with SHOP coverage at your business or organization will not be affected.

Employee	Plan Name	Last Day of Coverage	Reason for Termination
<Employee 1>	<Carrier Name & QHP Name>	<Date termination takes effect>	<Reason for termination>
<Employee 2>	<Carrier Name & QHP Name>	<Date termination takes effect>	<Reason for termination>

What happens when my employee’s coverage ends?

If your employees lose access to health coverage through your business or company and do not obtain other health coverage, it is important that they get covered from another source. If they do not, they will be fully responsible for covering the cost of any health services they receive after the date their coverage ends. Also, your employees might owe a penalty when they file their federal income tax return for the year if they have a gap in health coverage of three months or more during the year and do not qualify for an exemption from the requirement to maintain health coverage.

Depending on the reason coverage was terminated, your employees might qualify for a special enrollment period under your employer group SHOP coverage or the Individual Marketplace and might be able to enroll in another health insurance plan either through the Marketplace or outside the Marketplace. If they’re eligible, they need to take immediate action and enroll within 30-60 days of losing other coverage. In most instances, you must report a change within 30 days. For

individual marketplace plans, you have 60 days from the qualifying event to enroll in another plan. Some plans outside the exchange require plan selection to take place within 30 days. To avoid gaps in coverage, report a change and select new coverage as soon as possible. Otherwise, they might have to wait until the next annual Individual Marketplace Open Enrollment Period for individuals and families, which begins on <next Open Enrollment Date for YYYY> or the next annual employee Open Enrollment Period. To help your employees learn about their options for obtaining new coverage through the Maryland Individual Marketplace, you can direct them to MarylandHealthConnection.gov or to 1-855-642-8572 (TTY: 1-855-642-8573), available <days and times of availability>. To learn more about options for SHOP coverage, your employees should go to <website> or call the SHOP Call Center at 1-xxx-xxx-xxxx, <days and times of availability>.

Who can I call if I have questions?

If you think the information included in this letter is incorrect and you do not think your employees' coverage should be terminated, inform your broker and you should also call SHOP Call Center at <1-xxx-xxx-xxxx>, <days and times of availability>.

Sincerely,

<SHOP Administrator Name>

XII. Employer Withdrawal Notice Sent to Employees

<Date of Notice>

<Employee Name>

<Employee Address>

<City, State, ZIP>

Dear <Employee Name>,

Important: Your Maryland Small Business Health Options Program (SHOP) health insurance coverage is ending.

This notice includes important information about your health insurance through the Maryland Small Business Health Options Program (SHOP) Marketplace and about the next steps you can take to stay covered. Due to <Reason for termination>, beginning on <Date termination takes effect> you and any other covered family members who are enrolled in this coverage will no longer have coverage through <Carrier Name and QHP Name>. Your employer will also receive notification about this termination of coverage.

What happens when coverage ends?

If your coverage is ending, it is important that you get coverage from another source. If you do not obtain other health coverage, you will be fully responsible for covering the cost of any health services that you receive after the date your coverage ends. Also, you could owe a penalty when filing a federal income tax return for the year if your coverage is ending and there is a gap in health coverage of three months or more during the year and you do not qualify for an exemption from the requirement to maintain health coverage. To see if you qualify for an exemption from the requirement to maintain health coverage, e.g., financial hardship, go to <https://www.healthcare.gov/glossary/hardship-exemption/>.

What are my options for coverage?

First, check with your employer to see if they have other options for you. Your employer may offer coverage, and you should check with them. If your employer is either not offering affordable coverage or is not required to offer coverage, you may be eligible for reduced premiums through the Maryland Marketplace for individuals and families. To learn more about your options for the Maryland Individual Marketplace coverage, go to MarylandHealthConnection.gov or call 1-855-642-8572 (TTY: 1-855-642-8573), available <days and times of availability>.

When will I be able to enroll in another health insurance plan?

Depending on the reason coverage was terminated, you might be able to enroll in another health insurance plan immediately through the Maryland Individual Marketplace or from the health care insurance market outside the Maryland Marketplace, but you will need to take immediate action and enroll within 30-60 days of losing other coverage. In most instances, you must report a change within 30 days. For individual marketplace plans, you have 60 days from the qualifying event to enroll in another plan. Some plans outside the exchange require plan selection to take place within

30 days. To avoid gaps in coverage, report a change and select new coverage as soon as possible. Otherwise you would have to wait until the next annual open enrollment period for the Individual Marketplace, which begins on <Open Enrollment Date for YYYY> for coverage effective <Month Day, YYYY>, or the next annual employee open enrollment period for enrollment through the SHOP if you are eligible and your employer is offering coverage through the Maryland SHOP Marketplace.

Who can I call if I have questions?

If you think the information included in this letter is incorrect and you do not think that coverage should be terminated, contact your employer right away. You can also call the SHOP Call Center at **1-xxx-xxx-xxxx, <days and hours of availability>**.

Sincerely,

<SHOP Administrator Name>

XIII. Annual Employee Open Enrollment Period Notice

<Date of Notice>

<Employee Name>
<Employee Address>
<City, State, ZIP>

Dear <Employee Name>,

Important: Small Business Health Options Program (SHOP) Health Insurance Coverage Annual Employee Open Enrollment Period Notice

Your employer has elected to offer you <and your eligible dependents> insurance coverage through Maryland's Small Business Health Options Program (SHOP) beginning <Effective Start Date>. The last day of your current coverage is <Current Coverage End Date>. It is important to review your employer's offer of coverage for this year's annual open enrollment period. Visit <SHOP Administrator Website> log in to respond to your employer's current offer of coverage.

What are my options for getting coverage?

Depending on your employer's offer of coverage, you may be able to choose a new plan during your Annual Enrollment Period from <Enrollment Period Dates>. Whether you are able to choose a new plan or not, if you want to keep your coverage or begin your coverage starting on <Effective Start Date>, you need to respond to your employer's offer of coverage by <Enrollment Period End Date>. You may also add or drop dependents to your coverage (if your employer is offering dependent coverage this year). If you do not take action by <Enrollment Period End Date>, you may have to wait until the next open period for your employer unless you have a qualifying event that entitles you to a special enrollment period.

When do I need to make a decision?

Your Annual Enrollment period is from <Enrollment Period Beginning Date through End Date>. To make sure there isn't a gap in your coverage, enroll in the new plan by <Enrollment Period End Date>.

Where can I get help?

For more information or if you have any questions about this notice, talk to your Employer about the coverage they are offering you or visit <SHOP Administrator Website>. You may also contact the SHOP Call Center at [1-xxx-xxx-xxxx] to speak to a representative.

Sincerely,

Maryland Health Connection SHOP Marketplace

<SHOP Administrator Name and Contact Information>

XIV. Annual Employer Election Period Notice

<Notice Date>

<Mr./Ms. First Name Last Name of Primary Contact>
<Employer Address>

<Employer Name>
<Employer City, State, and ZIP>

Dear <POC Name>,

Important: Small Business Health Options Program (SHOP) Group Health Coverage Renewal and Annual Employer Election Period Notice

Your current group health insurance coverage through Maryland's Small Business Health Option Program (SHOP) is coming up for renewal. As of <Effective End Date>, the plan year for this coverage will end.

You will be receiving information regarding your annual renewal. You must take action to renew your participation through Maryland's SHOP Marketplace. You may elect to renew this coverage or modify the coverage and contribution you offer to your employees by working with your SHOP-authorized broker to complete the renewal or by contacting the SHOP Call Center. You can do so beginning on <Annual Enrollment Period Start Date>.

For eligible employers who qualify to claim the Small Business Health Care Tax Credit, employees must be enrolled in coverage through Maryland's SHOP Marketplace.

For more information or if you have any questions about this notice, contact your SHOP-authorized broker or you may also contact the SHOP Call Center at <1-xxx-xxx-xxxx> to speak to a representative.

Sincerely,

Maryland Health Connection SHOP Marketplace

<SHOP Administrator Name and Contact Information>

Appendix G - Report Templates

I. Weekly SHOP Summary Report

Weekly SHOP Application Activity Report			
Reporting Date	<Date>	<Date>	<Date>
Number of Completed SHOP Applications (Approvals + Denials)			
Number of Incomplete SHOP Applications			
Number of Closed SHOP Applications			
Number of Enrolled/Participating SHOP Groups			
Average Number of SHOP Employees Per Participating Group			
Total Number of Enrolled Employees			
Total Number Enrolled (Employees + Dependents)			
Average Employer Contribution (%)			

II. Weekly SHOP Application Activity Report

Weekly SHOP Application Activity Report
SHOP ID
Shop Administrator Contact
Group Name
Employer EIN
Authorized Broker
Broker NPN
Choice Model (Employer or Employee)
Initial Roster Count
Employer Primary Contact Name
Employer Primary Contact Email Address
Employer Primary Contact Phone Number
Employer Mailing Street Address
Employer City
Employer State
Employer Zip Code
Employer County
MHBE Designated Region
Application Receipt Date
Eligibility Determination Date
Eligibility Determination Result
Eligibility Notice Generation Date
Application Status (complete, incomplete)
Name of Qualified Health Plans Selected (For Employee Choice, indicate metal level.)
Name of Qualified Dental Plans Selected
Is Dependent Coverage Being Offered?
Comments

III. Monthly SHOP Summary Report

Monthly SHOP Summary Report													
Monthly Application Data													
Reporting Date	<Date>	YTD Total											
Total Applications Received													
Total Applications Approved													
Total Applications Denied													
Total Applications Incomplete													
Cumulative Enrollment Data													
Reporting Date	<Date>	YTD Total											
Total Groups Enrolled													
Total Employees Enrolled													
Total Dependents Enrolled													
Monthly Total Enrolled (employees + dependents)													
Monthly Group Roster Data													
Reporting Date	<Date>	YTD Total											
Group Size 1 - 10													
Group Size 11 - 20													
Group Size 21 - 30													
Group Size 31 - 40													
Group Size 41 - 50													
Monthly Total													
Geographic Data													
Reporting Date	<Date>	YTD Total											
Capital Region - Montgomery County, Prince George's County													
Central Region - Baltimore City, Baltimore County, Anne Arundel County													
Lower Eastern Shore Region - Wicomico County, Worcester County, Somerset County													
Southern Region - Charles County, St Mary's County, Calvert County													
Upper Eastern Shore Region - Harford County, Dorchester County, Cecil County, Kent County, Queen Anne's County, Talbot County, Caroline County													
Western Region- Garret County, Allegheny County, Washington County, Frederick County, Carroll County, Howard County													
Monthly Total													

IV. Monthly SHOP Enrollment Report

Submission of the monthly enrollment report is required by both the SHOP Administrators and SHOP Carriers by the 20th of the month on data through the current month. The enrollment report should be submitted through secure data transfer. This is a member level detail report. The data elements required in the monthly enrollment report are as follows:

Monthly Enrollment Report Required Data Elements
Trading Partner ID (carrier only)
Electronic File Transfer EFT Secure Point of Entry ID (carrier only)
Issuer ID
Issuer Name
Sponsor/Employer Name
Sponsor/Employer EIN
Employer Address Line 1
Employer Address Line 2
Employer City
Employer State
Employer Zip Code
Sponsor/Employer SHOP Start Date
Sponsor/Employer SHOP Termination Date
Subscriber Indicator (Y, N)
Individual Relationship Code (01, 02, 03, 04...)
Member ID Assigned by Issuer
Subscriber ID Assigned by Issuer
Enrollee Last Name (Name of each employee being offered coverage)
Enrollee First Name (Name of each employee being offered coverage)
Enrollee DOB (YYYYMMDD)
Enrollee SSN (SSN of each employee being offered coverage)
Coverage Effective Start Date (YYYYMMDD)
Coverage Effective End Date (YYYYMMDD)
Issuer Policy ID
QHP ID
Group Number Assigned by Issuer
Cumulative Billed Amount
Total Employee Responsibility Amount
Total Employer Responsibility Amount (For an employee that did not accept coverage, this is the dollar amount that would be contributed by the employer to the lowest-cost plan offered to the employee)
Member Address Line 1
Member Address Line 2
Member City
Member State
Member Zip Code
Broker Name
Broker NPN
TPA Name

Document Approved By	Date Approved
Name: _____	Date
Name: _____	Date