



SHOP Training Manual



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MHBE 750 E. PRATT STREET
SUITE 600 BALTIMORE, MD 21202

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SHOP Producers

Overview

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).

Maryland Small Group Subsidy Program - Effective 10/1/2008 the Working Families and Small Business Health Coverage Act (SB6), established the Health Insurance Partnership (a Maryland Small Group Subsidy Program) for small employers not currently offering health insurance to their employees. This program terminated 1/1/14 with implementation of SHOP program.

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 SHOP only offered the Employer Choice benefit model, as defined by the ACA. Effective January 1, 2015, MHBE expanded the Maryland SHOP program to include the Employee Choice model for plan selection.

The Maryland Health Benefit Exchange Act of 2012 established a Maryland SHOP for employers with 50 or fewer employees 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. This act was modified by the federal regulations of June 18, 2018 which removed the requirement for the SHOP to calculate employer contributions, premium rates or provide aggregate premium payments.



Between January 1, 2015 and June 30, 2018, MHBE contracted with Third-Party Administrator(s) to function as Maryland's SHOP Administrator(s). BenefitMall was the sole SHOP Administrator for Maryland until July 30, 2018 at which time Maryland began a SHOP Direct Enrollment Process as authorized by the new regulations described below:

On June 18, 2018, Centers for Medicare and Medicaid Services published final regulations (under 83 FR 16930) that set forth additional flexibility in the operation and establishment of the Small Business Health Options Program (SHOP) Exchanges.

These regulations included changes to standards related to Exchanges; the required functions of the SHOPS as well as other related topics. MHBE reviewed the changes allowed under these regulations and modified Maryland's SHOP program in accordance with these changes.

These final federal regulations issued on June 18, 2018 modified the required functions of the SHOP Exchange. For plan years beginning January 1, 2018, MHBE is responsible for the development and operation of a Small Business Health Options Program (SHOP) that includes these required functions:

- 1) Certification of SHOP Qualified Health Plans (QHPs)
- 2) Determination of Employer Eligibility to Purchase SHOP QHPs
- 3) Requiring that carriers offerings QHPs adhere to applicable enrollment periods, including special enrollment periods.

Direct Enrollment Process

Effective with August 1, 2018 new business, MHBE adopted a SHOP Direct Enrollment Process that required that SHOP business would be handled directly by the participating insurance carriers (or their authorized representatives), rather than through a SHOP Administrator.

Maryland Health Benefit Exchange is not responsible for administrative functions such as employee enrollment, employee eligibility determinations as well as premium billing services. These administrative functions will be handled direct by the participating insurance carriers or their authorized representatives. A transition process is in place for current SHOP business that is being administered through the SHOP Administrator.

MHBE will provide SHOP eligibility determinations for employers. Working in conjunction with the participating insurance carriers and authorized producers, MHBE will provide plan information, premium quotes and plan implementation assistance for Qualified Health Plans (QHPs) and Qualified Dental Plans (QDPs) (when available).



SHOP Producer Administration Policy & Procedures

SHOP Authorization & MHBE Producer Operations

Producers must be authorized to sell SHOP plans with MHBE and participating SHOP carriers. Producer authorization expires two years after the date it is issued.

Authorized Producers should refer to the Producer Overview module for additional information on authorization renewals, information updates, marketing guidelines and required training for SHOP authorization. MHBE may suspend or revoke a producer's authorization as set forth under Insurance Article, §31-113(m)(3), Annotated Code of Maryland.

Producer Contracting at Participating SHOP Carriers

Maintaining and updating contracting at the participating SHOP carriers is an important part of being ready to sell SHOP plans. If an authorized producer had previously only sold small group insurance through a third-party administrator like BenefitMall, it is essential that the producer make sure that their contracting status is updated at the carrier in order to quote, sell and be compensated by the carriers for implementing SHOP plans through the direct enrollment process.

Participating SHOP carriers have online quoting systems available for contracted producers. In addition, any new and renewal SHOP business must be submitted directly to the participating SHOP carriers for processing. Authorized producers can utilize the contacts below in order to gain needed access to sell SHOP plans.

Producer of Record Policy

Employers and their producers will only be allowed to switch their Producer of Record annually at their renewal. The Producer of Record change request must be received within 60 days of the date of the employer's renewal.

Producer Commissions

Maryland Health Benefit Exchange does not pay or regular producer commissions for SHOP plans. Commissions are determined and paid by the participating insurance carriers. If a producer is having any issues with commission payments that are not resolved by contacting the participating insurance carrier, please send an email request to Maryland SHOP at mhbe.shop@maryland.gov, describing the issue and history of contact. If Maryland SHOP is able to intercede to help resolve any questions – especially pertaining to authorization with Maryland Health Benefit Exchange – we will make every effort to do so. Otherwise, we will help bring the attention to the appropriate contacts at the participating carriers.



Producer Contacts at Carriers

Carrier	New Business Contact Information	Renewal Business Contact Information	Producer Contracting Contacts
Aetna	1-866-270-4318 AetnaMDSHOP@aetna.com	AetnaSHOP-HBX@aetna.com or assigned Renewal Business Representative	1-866-511-2863
CareFirst	CF Sales Team @ 833-258-4351 or Assigned Sales Representative MDEXchangeInquiries@carefirst.com	Designated Renewal Representative on Renewal package or general inquiries at MDEXchangeInquiries@carefirst.com	Email: BCC@CareFirst.com https://broker.carefirst.com/brokers/how-to-become-contracted.page
Kaiser Permanente	Jeff Tonic Sales Executive (301) 801-3508 cell Email: Jeffrey.E.Tonic@kp.org Online quotes: https://mas.kpquote.com/index.php/	Designated Account Manager on Renewal Package	Broker Shared Service Center Email: BrokerSupport-MAS@kp.org Phone: (844)268-2943
UnitedHealthcare	shopexchanges_ci@uhc.com or the broker's appointed account executive. Brokers can contact Tammy O'Hare with questions on appointed account executive via email Tammy_ohare@uhc.com or office 240.683.5284	Renewal Representative - Shannon Borgeson email at shannon_r_borgeson@uhc.com or phone 866-432-5992 x 64608	Broker Commissions Customer Service at 1-888-641-9147

To view additional information and carrier materials, please click [here](#) or visit Maryland Health Connection at: <https://www.marylandhealthconnection.gov/small-business/how-to-enroll-view-available-plans/>



MHBE SHOP Quoting Tool & Quote Requests

MHBE SHOP Quoting Tool

A producer can use our MHBE SHOP Quoting Tool to shop all SHOP carriers in one place but it is for **preliminary quoting purposes only**. Final plan implementation paperwork, including rate sheets to be signed, must come directly from the participating carriers to enroll in a SHOP plan.

In the SHOP Producer Group Implementation & Renewals Module, we will go over how to use the MHBE SHOP Quoting Tool in full detail.

MHBE SHOP Quote Requests

A producer may also request a quote be run from the MHBE SHOP department. The attached SHOP Quote Request Form can be completed and sent via secure encrypted email to the MHBE SHOP email box at **mhbe.shop@maryland.gov**.

Please note that MHBE SHOP will strive to reply to all SHOP Quote requests within 3-5 business days of receipt but the producer should utilize the SHOP Quoting Tool and any carrier resources to obtain SHOP Quotes in the most expedited fashion.

MD SHOP Quote Request Form

Please send this SHOP Quote Request Form in a secure email to mhbe.shop@maryland.gov. Please reply with information on when to send preliminary quote.

Company Information:

Company Name: Enter Name of Company

County: Enter Principle Business Location

Effective Date of Coverage: Enter Requested Policy Effective Date

Enrollee Information:

Employee / Dependent Name	Date of Birth	Enrollee Type	Billing Group	Medical Tier
Jane Doe	01/12/75	Employee	1	Family
John Doe	05/04/80	Spouse	1	Family
Lance Doe	08/07/01	Dependent	1	Family
Billy Adams	01/12/60	Employee	2	Individual Only

Specific Quote Requests:

Please provide Gold and Silver level quotes for CareFirst, Silver Permanente, UnitedHealthcare and Aetna. Group currently has a \$6,000 deductible plan with Kaiser Permanente.

Callout Boxes:

- Enter Company Name, County of Principal Address and Requested Effective Date
- Enter Employee & Dependent Information.
- Indicate type of plan, deductible level or carrier interested in



SHOP Policy

SHOP Eligibility Definition

To be eligible to participate in SHOP, a business must:

- 1) Have a principal business address within Maryland
- 2) Have at least one employee on payroll (not including a business owner, owner's spouse or family members)
- 3) Employ 50 or fewer full-time-equivalent employees (FTEs)
- 4) Offer SHOP coverage to all FTEs
- 5) Tax Credit Eligibility is not a requirement for enrollment into a SHOP-eligible plan.

SHOP Participating Carriers

Medical	
Parent Company	Licensed Entity
Aetna	<ul style="list-style-type: none"> • Aetna Health Inc. • Aetna Life Insurance Company
CareFirst	<ul style="list-style-type: none"> • CareFirst Blue Choice • CareFirst of Maryland • Group Hospitalization and Medical Services
Kaiser Permanente	<ul style="list-style-type: none"> • Kaiser Permanente
UnitedHealthcare	<ul style="list-style-type: none"> • UnitedHealthcare Insurance Company • UnitedHealthcare of the Mid-Atlantic, Inc. • Optimum Choice, Inc. • MAMSI Life and Health Insurance Company



Plans



Aetna

Plan Name	Summary of Benefits and Coverage	Product Type	Metal Level
Aetna Bronze HMO 6000 80% HSA	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739916.pdf	HMO	Bronze
Aetna Silver HMO 6000 80%	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739912.pdf	HMO	Silver
Aetna Gold HMO 2500 90%	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739911.pdf	HMO	Gold
Aetna Bronze PPO 6000 80/60 HSA	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739938.pdf	PPO	Bronze
Aetna Silver OAEPO 6000 80%	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739918.pdf	EPO	Silver
Aetna Gold OAEPO 2500 90%	https://www.aetna.com/plan-documents/SBC-2019-SHOP-MD-739917.pdf	EPO	Gold



CareFirst

Plan Name	Summary of Benefits and Coverage	Product Type	Metal Level
BlueChoice HMO 1000	https://content.carefirst.com/sbc/AHHMC00BRXCMC201N012019.pdf	HMO	Gold
BlueChoice HMO HSA/HRA 2250	https://content.carefirst.com/sbc/AHHMC008RXCMC202N012019.pdf	HMO	Silver
BlueChoice HMO Referral HSA/HRA 5500	https://content.carefirst.com/sbc/ACHMC001RXCMC203N012019.pdf	HMO	Expanded Bronze
BluePreferred PPO HSA/HRA 2250 80%/60%	https://content.carefirst.com/sbc/APHMM002RXCMM202N012019.pdf	PPO	Silver
BluePreferred PPO 1000 90%/70%	https://content.carefirst.com/sbc/APHMM004RXCMM201N012019.pdf	PPO	Gold
BluePreferred PPO HSA/HRA 5500	https://content.carefirst.com/sbc/APHMM008RXCMM203N012019.pdf	PPO	Expanded Bronze
BluePreferred PPO HSA/HRA 2250 80%/60%	https://content.carefirst.com/sbc/APHMB002RXCMB202N012019.pdf	PPO	Silver
BluePreferred PPO 1000 90%/70%	https://content.carefirst.com/sbc/APHMB008RXCMB201N012019.pdf	PPO	Gold
BluePreferred PPO HSA/HRA 5500	https://content.carefirst.com/sbc/APHMB007RXCMB203N012019.pdf	PPO	Expanded Bronze



Kaiser Permanente

Plan Name	Summary of Benefits and Coverage	Product Type	Metal Level
KP MD Platinum 0/10/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Platinum 0 10 Dental ON.pdf	HMO	Platinum
KP MD Platinum 500/20/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Platinum 500 20 Dental ON.pdf	HMO	Platinum
KP MD Gold 0/20/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Gold 0 20 Dental ON.pdf	HMO	Gold
KP MD Gold 1000/20/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Gold 1000 20 Dental ON.pdf	HMO	Gold
KP MD Gold 1400/0%/HSA/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Gold 1400 0 HSA Dental ON.pdf	HMO	Gold
KP MD Silver 2000/40/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Silver 2000 40 Dental ON.pdf	HMO	Silver
KP MD Silver 2500/40/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Silver 2500 40 Dental ON.pdf	HMO	Silver



Kaiser Permanente Continued

KP MD Silver 2000/30/HSA/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Silver 2000 30 HSA Dental ON.pdf	HMO	Silver
KP MD Silver 2500/30/HSA/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Silver 2500 30 HSA Dental ON.pdf	HMO	Silver
KP MD Bronze 5600/50/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Bronze 5600 50 Dental ON.pdf	HMO	Expanded Bronze
KP MD Bronze 5750/30/20%/HSA/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Bronze 5750 30 20 HSA Dental ON.pdf	HMO	Bronze
KP MD Bronze 5600/50/POS/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Bronze 5600 50 POS Dental ON.pdf	HMO	Bronze
KP MD Bronze 6650/0%/HSA/Dental	http://info.kaiserpermanente.org/healthplans/maryland/smallbusiness/pdfs/2019-ON-Exchange/KP MD Bronze 6650 0 HSA Dental ON.pdf	POS	Expanded Bronze



United HealthCare

Plan Name	Summary of Benefits and Coverage	Product Type	Metal Level
UHC Choice HSA EPO Bronze 6700-2	https://www.uhc.com/shop/doc?id=md0720&st=md	EPO	Bronze
UHC Choice HSA EPO Gold 1400-2	https://www.uhc.com/shop/doc?id=md0723&st=md	EPO	Gold
UHC Choice HSA EPO Gold 1500-2	https://www.uhc.com/shop/doc?id=md0724&st=md	EPO	Gold
UHC Choice HSA EPO Silver 2500-2	https://www.uhc.com/shop/doc?id=md0725&st=md	EPO	Silver
UHC Choice HSA EPO Silver 2600-2	https://www.uhc.com/shop/doc?id=md0735&st=md	EPO	Silver
UHC Choice EPO Platinum 250-2	https://www.uhc.com/shop/doc?id=md0722&st=md	EPO	Platinum
UHC Choice EPO Silver 5000-2	https://www.uhc.com/shop/doc?id=md0739&st=md	EPO	Gold
UHC Choice EPO Silver 2500-2	https://www.uhc.com/shop/doc?id=md0733&st=md	EPO	Silver
UHC Choice EPO Gold 1500-2	https://www.uhc.com/shop/doc?id=md0734&st=md	EPO	Gold
UHC Choice EPO Platinum 0-2	https://www.uhc.com/shop/doc?id=md0738&st=md	EPO	Silver
UHC Choice Plus POS Platinum 0-5	https://www.uhc.com/shop/doc?id=md0729&st=md	EPO	Platinum
UHC Choice EPO Gold Primary Adv 1000-2	https://www.uhc.com/shop/doc?id=md0732&st=md	POS	Platinum
UHC Core Essential HSA HMO Gold 1500-2	https://www.uhc.com/shop/doc?id=md0700&st=md	HMO	Gold
UHC Core Essential HSA HMO Bronze 6700-2	https://www.uhc.com/shop/doc?id=md0701&st=md	HMO	Silver
UHC Core Essential HSA HMO Silver 2500-2	https://www.uhc.com/shop/doc?id=md0708&st=md	HMO	Bronze
UHC Navigate HSA HMO Silver 3500-2	https://www.uhc.com/shop/doc?id=md0714&st=md	HMO	Silver



United HealthCare Continued

UHC Navigate HSA HMO Bronze 6700-2	https://www.uhc.com/shop/doc?id=md0710&st=md	HMO	Platinum
UHC Navigate HMO Silver 2500-1	https://www.uhc.com/shop/doc?id=md0711&st=md	HMO	Platinum
UHC Navigate HMO Gold 750-1	https://www.uhc.com/shop/doc?id=md0712&st=md	HMO	Gold
UHC Core Essential HMO Silver 2500-2	https://www.uhc.com/shop/doc?id=md0715&st=md	HMO	Silver
UHC Core Essential HMO Gold 750-2	https://www.uhc.com/shop/doc?id=md0716&st=md	HMO	Gold
UHC Navigate HSA HMO Gold 2250-2	https://www.uhc.com/shop/doc?id=md0713&st=md	POS	Gold
UHC Choice Plus HSA POS Gold 1400-2	https://www.uhc.com/shop/doc?id=md0704&st=md	POS	Gold
UHC Choice Plus HSA POS Gold 1500-2	https://www.uhc.com/shop/doc?id=md0705&st=md	POS	Silver
UHC Choice Plus HSA POS Silver 2500-2	https://www.uhc.com/shop/doc?id=md0702&st=md	POS	Bronze
UHC Choice Plus HSA POS Bronze 6700-2	https://www.uhc.com/shop/doc?id=md0709&st=md	POS	Silver
UHC Choice Plus HSA POS Silver 2600-2	https://www.uhc.com/shop/doc?id=md0717&st=md	POS	Platinum
UHC Choice Plus POS Platinum 250-2	https://www.uhc.com/shop/doc?id=md0703&st=md	POS	Gold
UHC Choice Plus POS Gold 750-2	https://www.uhc.com/shop/doc?id=md0718&st=md	POS	Silver
UHC Choice Plus POS Silver 2500-2	https://www.uhc.com/shop/doc?id=md0707&st=md	POS	Gold
UHC Choice Plus POS Gold 1500-2	https://www.uhc.com/shop/doc?id=md0706&st=md	POS	Platinum
UHC Choice Plus POS Platinum 0-2	https://www.uhc.com/shop/doc?id=md0719&st=md	HMO	Gold
UHC OCI HSA HMO Gold 1500-2	https://www.uhc.com/shop/doc?id=md0726&st=md	HMO	Bronze



United HealthCare Continued

UHC OCI HSA HMO Silver 2500-2	https://www.uhc.com/shop/doc?id=md0727&st=md	HMO	Silver
UHC OCI HSA HMO Bronze 6700-2	https://www.uhc.com/shop/doc?id=md0721&st=md	HMO	Bronze
UHC OCI HSA HMO Silver 2600-2	https://www.uhc.com/shop/doc?id=md0737&st=md	HMO	Gold
UHC OCI HMO Silver 5000-2	https://www.uhc.com/shop/doc?id=md0740&st=md	HMO	Silver
UHC OCI HMO Gold 1600-2	https://www.uhc.com/shop/doc?id=md0736&st=md	HMO	Silver
UHC OCI HMO Gold 1000-2	https://www.uhc.com/shop/doc?id=md0728&st=md	HMO	Gold
UHC OCI HMO Platinum 0-2	https://www.uhc.com/shop/doc?id=md0730&st=md	HMO	Silver
UHC OCI HMO Platinum 0-4	https://www.uhc.com/shop/doc?id=md0731&st=md	HMO	Gold



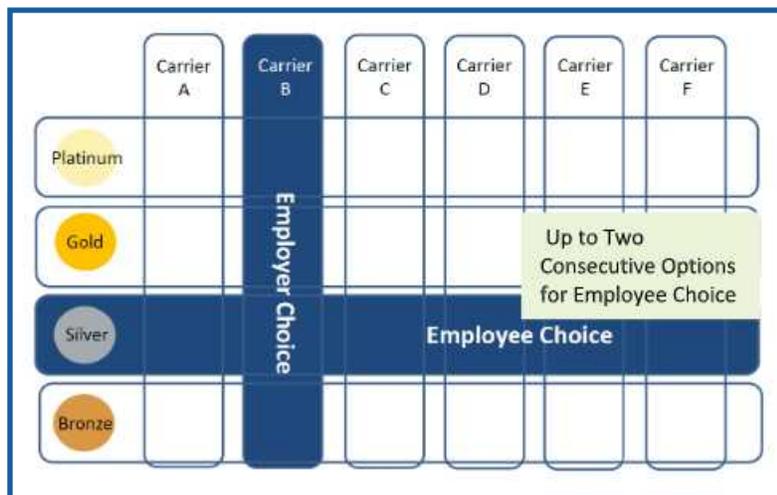
Enrollment Choice Options

Small businesses that purchase coverage through the SHOP have the option of choosing between two enrollment choice options for their employees:

Employer Choice – Small employers select a menu of QHPs across metal levels offered by one SHOP-participating insurance carrier (or holding company). This option is also called vertical choice. Employees may choose from among the QHPs selected by the employer.

Employee Choice – Small employers select up to two consecutive metal levels of coverage and offer coverage from those metal levels. Employees may choose any QHP offered by any of the SHOP-participating insurance carriers within those metal levels.

SHOP Enrollment Choice Model





Plan Implementation and Plan Year For Shop Plans

Small businesses can choose to implement group benefits at any time during the year. The effective date will be based upon the carrier deadline rules in effect. The current SHOP deadline is the 15th of the month prior to the start of coverage. A participating carrier may choose to extend that deadline.

The group's plan year will be based upon when the plan was implemented, the effective date of the group as determined by carrier guidelines. Employees will have an open enrollment period at their employer's renewal effective date.

Shop & Carrier Policy

Small Employer Definition

"Small Employer" means an employer headquartered in Maryland that employed an average of not more than fifty full-time equivalent employees during the preceding calendar year. The group must be defined as a single employer under IRS code 414(b), (c), (m), or (o). At least one full time currently employed Eligible Employee must be enrolled under the Group's coverage or have a valid waiver at all times who is not the owner or the owner's spouse.

Employer Eligibility for Maryland's Small Business Health Options Program

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. The definition is outlined in the Insurance Article § 31-101(z)(1), Annotated Code of Maryland and MIA Bulletin 15-27 dated October 8, 2015. 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."

A carrier may bar a group from initial enrollment if it determines that the group does not meet Maryland minimum group standards in accordance with SHOP regulations. An employer may appeal the determination of the carrier with MHBE SHOP through the eligibility appeals process described in this manual.



Determination Rules

A determination of SHOP Eligibility to enroll in a SHOP-eligible plan does not constitute eligibility for the federal Small Business Health Care Tax Credit. A group’s eligibility for the federal Small Business Health Care Tax Credit is not a requirement for eligibility for a SHOP plan.

The Maryland SHOP Eligibility Determination decision does not need to be made prior to a group being installed into a SHOP-eligible plan but should be completed in the same tax year the employer’s SHOP plan began.

Initial Account Eligibility Verification and Tax Documentation

Business Type	Is the Maryland Quarterly Unemployment Report required?	Wage and Tax Statement not required or available, submit instead:
Note: Must have at least 1 FT common law employee, not the owner or spouse		
Sole Proprietorship with at least 1 FT common law employee that is not the owner or spouse	Yes	Signed Schedule C/F
Partnership with at least 1 FT common law employee that is not the owner or spouse	Yes	Form 1065 and signed K-1 forms for each Partner.
Corporation	Yes	Form 1120, Form 1120-S or Articles of Incorporation showing owners of the business
Non-Profit Organization	Yes	IRS Form 501(c)(3) aka "Letter of Determination" w/ notarized letter on company letterhead, listing employees with their hours per week, eligibility status. In lieu of the 501(c), Charter Document with notarized letter.



Eligibility of Small Business Types

Sole Proprietorships, Partnerships, or Corporations

Sole proprietorships consisting of only the owner are not usually eligible for SHOP Marketplace coverage without other employees. To be eligible for SHOP coverage, a business would need one common-law employee to enroll other than the business owner, a spouse and a family member.

With **partnerships and corporations**, the same rule applies that the business would need at least one common-law employee to be eligible for SHOP Marketplace coverage. An employee does not include a sole proprietor, a partner in a partnership, an S corporation shareholder who owns at least 2-percent of the S corporation, a leased employee within the meaning of section 414(n), or a worker that is a qualified real estate agent or direct seller.

Training Note One-Employee Groups: A group may consist of an employer/owner and one W-2 employee. If the W-2 employee has a valid waiver of coverage and the employer still wishes to enroll, this would not constitute an eligible SHOP group. If the employer/owner has a valid waiver of coverage but the W-2 employee wishes to enroll, this would constitute a valid SHOP group.

Family Businesses

To be eligible for SHOP coverage, a business would need one common-law employee to enroll other than the business owner, a spouse and a family member. If an employer is a family business, they would need to have at least one common law employee that is not a spouse or a family member.

Husband and wife businesses are not allowed unless they have at least one full-time common law employee that is not the owner or their spouse.

Non-Profit Organization

A tax-exempt organization described in section 501(c) of the Internal Revenue Code (Code) and exempt from tax under section 501(a) of the Code that otherwise meets the definition of an eligible small employer may qualify for the Small Business Health Care Tax Credit. As such, Non-Profit Organizations are eligible to enroll in SHOP Marketplace plans as long as they meet the small employer definition as previously defined



Household Employers

Pursuant to the Internal Revenue Service, household employers are eligible for the Small Business Health Care Tax Credit, even if that household employer does not have employees who are performing services in a trade or business. All relevant eligibility requirements must be met for a household employer to offer coverage. The employer has filed, or will file for the subsequent tax year, as appropriate Schedule H (Form 1040) or Form 941 demonstrating that a household employer is employed and all appropriate taxes have been paid or withheld. A household employer must have a federal employer identification number to be eligible for SHOP coverage.

Newly Formed Companies

Pursuant to Insurance Article § 31-101(z)(2)(iv), if an employer was not in existence throughout the preceding calendar year, the determination of whether the employer is an eligible small employer shall be based on the average number of employees that the employer is reasonably expected to employ on business days in the current calendar year. Group must have at least one common law employee who is not the owner or spouse in order to be a viable small group. If the newly formed company does not have a Maryland Unemployment Insurance Quarterly Contribution Report / Wage and Tax Document, they should submit a notarized letter on company letterhead listing their employees, the number of hours per week and their eligibility status. W-4's must be submitted for each employee as well as the business formation documents. The application for the Maryland Unemployment Insurance Quarterly Contribution Report should be submitted as well, if available. Non-Profit Organizations would submit an IRS Form 501 (C)(3) aka Letter of Determination with a notarized letter on company letterhead, listing employees with their hours per week and eligibility status. If the Non-Profit Organization does not have the IRS Form 501(c)(3), then a charter document with notarized letter can be submitted.

Affiliated Companies

Certain affiliated employers with a common owner or that are otherwise related under certain rules of section 414 of the Internal Revenue Code are generally combined and treated as a single employer for determining small or large employee status. If the combined number of full-time employees and full-time equivalent employees for the group is over 50, the affiliated employer would not be eligible for SHOP. Carriers may require additional certification paperwork on companies that could be considered affiliated companies.



Multiple SHOP Plans (Businesses With Out Of State Employees)

When a business that has locations in multiple states (but with a primary business address in Maryland), SHOP coverage can be obtained in one of two ways - especially if they have the same employer identification number (EIN). If there is a different EIN, the rules would change.

1) An employer can choose a health plan from Maryland to cover all the eligible employees. The plans chosen should have a multi-state or national provider network. If the non-Maryland location(s) is out of this geographic region, it is especially important to make sure that employer and employees choose a national network to obtain coverage.

2) An employer can set up different SHOP plans in each state where they have a business location. Coverage should be offered to all full time employees in each state. Each location's employee roster would count separately when calculating the employer's participation rate. If you choose this option, you'd have to apply through the State website or at healthcare.gov to determine eligibility in that state. With Maryland, you'd apply on marylandhealthconnection.gov for eligibility for the Maryland location/group.

Please note: This would mean that situs rules for participating carriers may not apply as long as the principal business address for the SHOP-eligible group is located in Maryland.

Cases of Suspected Fraud or Ineligibility

Maryland SHOP works with CMS, Maryland Insurance Administration, Carriers, employers and employees, and other entities to identify and address potential ineligibility and suspected fraud occurring when applying and enrolling in coverage through Maryland SHOP. To report an incident of potential ineligibility or suspected fraud in Maryland SHOP, Carriers should send an encrypted email to mhbe.shop@maryland.gov documenting the concern and providing evidence to support the claim.



SHOP Employees and Related Definitions

Common Law Employee

Under common-law rules, anyone who performs services for you is your employee if you can control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed.

Full-Time Employee

A full-time employee is defined as a common law employee working 30 hours or more per week. They are eligible for SHOP-eligible benefits and will be counted against participation totals without a valid waiver. An owner and an owner's spouse/dependents may be eligible to enroll into a SHOP-eligible plan even if they do not count toward the FTE count or toward any Small Business Health Care Tax Credit.

Employees and the Owner's Spouse, Dependents or Family Members

An employee may also be an owner's spouse or family member. While this spouse, dependent or relative may not be eligible to count toward the Small Business Health Care Tax Credit for premiums paid toward their coverage, these employees may be eligible to enroll into a SHOP coverage plan provided that there is at least one enrolling common-law employee that is not the owner, spouse and/or relative of the owner. Family members include a child, grandchild, sibling or step-sibling, parent or ancestor of a parent, a step-parent, niece or nephew, aunt or uncle, son-in-law or daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law. A spouse of any of these family members should also not be counted as an employee).

Part-Time Employees

A part-time employee is defined as a common law employee working less than 30 hours per week. A part-time employee may also include a seasonal worker working more than 120 days per year. An employer may elect to cover all eligible part-time employees as a class, providing that they work at least 17.5 hours per week. A common-law seasonal worker that works more than 120 days per year may be considered a part-time employee. Part-time employees are not counted against participation totals if the employer does not define them as eligible for benefits.

Independent Contractors

Full-time Independent Contractors: Independent contractors (e.g. 1099 employees) working 30 or more hours per week may be considered eligible at the discretion of the employer.

MHBE also notes that under our interpretation of the definition of employee at § 155.20, a qualified employer may not offer SHOP coverage exclusively to 1099 / independent contractors. A qualified employer must have at least one common law employee who enrolls in order for the coverage to be issued through the SHOP.



Seasonal Workers

Seasonal Workers are defined as common law employees or independent contractors working less than 120 days per year. An employer may not offer coverage to a seasonal worker working less than 120 days per year.

Employees with Medicare

Per CMS Guidance dated Aug 1, 2014, 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.

An active employee with Medicare coverage can be offered group coverage based upon their classification as a full-time, part-time or seasonal worker. An employer may choose to offer coverage to retirees, including those with Medicare coverage at their discretion.

Eligible Dependents

An eligible dependent for SHOP-eligible plans are defined as follows:

- Spouse or Domestic Partner

An eligible spouse or domestic partner includes a lawful spouse and a same sex or opposite sex domestic partner.

- Children Up to Age 26

An eligible child would include a biological child, adoption, stepchild, custody or guardianship agreement, legal dependent child of a domestic partner, foster child or grandchild if legal custody has been appointed to the member.

- Handicapped Adult Children

An eligible child may continue past age 26 for unmarried dependents who are mentally or physically incapacitated. Certification of eligibility is required at the request of the participating carrier.

Timing of Enrollment of Dependents

An eligible dependent may enroll at the following times:

- Along with newly hired employee
- During small employer's annual open enrollment
- Within 31 days of marriage, birth, adoption, obtaining legal custody or guardianship.
- Within 31 days of lifestyle change as defined by the Health Insurance Portability & Accountability (HIPAA) special enrollment period; this applies to those who initially declined coverage.
- Within 31 days of loss of employment (voluntary or involuntary) that results in loss of insurance (except gross misconduct).
- Within 31 days of the expiration of COBRA coverage under another Group plan.