Federal SHOP Deadline Extended to December 23

Good news for small employers that have struggled with access to the HealthCare.gov website: HHS recently announced that it intends to extend the federally facilitated Small Business Health Option Program (FF-SHOP) enrollment deadline to December 23 for coverage to begin January 1. The previous deadline was December 15.

In the same announcement, HHS revealed that online enrollment through the FF-SHOP will not be available until November 2014 for coverage effective in 2015.

The announcement only applies to states using the federally facilitated SHOP, including Idaho and Montana. State-operated SHOPs (including Oregon) may have different application requirements and deadlines.

Key things to know:

There's no "open enrollment" period for group coverage; employers can shop for new coverage and apply for tax credits through the SHOP any time during the year. So unless you want coverage starting January 1, there's no urgency. After December 23, the enrollment deadline will be the 15th day of a month for coverage to be effective the first day of the following month (January 15 for coverage effective February 1, etc.).

Paper applications required. According to the announcement and accompanying FAQs, small employers wishing to purchase coverage through the FF-SHOP for 2014 will have to file a paper application available through the HealthCare.gov website.

Employers may apply directly. Most employers are expected to work with an agent, broker, or insurer to complete and submit the application, but the announcement notes that employers can submit the application to the FF-SHOP without any outside assistance.

Application needed to determine eligibility. Completion of a paper application is necessary to determine eligibility for the small business healthcare tax credit. (Starting in 2014, this tax credit is available only to small employers that purchase coverage through a SHOP.) Employers can expect to receive notice of their eligibility from HHS within three to five days after the FF-SHOP receives a fully completed application. CMS
has posted a detailed description of the 13-step application process in a "SHOP Update" presentation on its Technical Assistance Portal. (After logging in or registering, click the Library icon to access the PDF, which is dated December 2, 2013.)

**No need to wait for tax credit eligibility before shopping and enrolling.** Employers can use their state's SHOP site to review their plan options, then concurrently apply for the tax credit, and enroll in coverage through their chosen insurer. The employer is not required to wait until the application is approved before its employees can enroll. If the employer's application is found ineligible for the FF-SHOP, the insurer would not be required to terminate coverage—but the employer would not be eligible for the tax credit.

**We’re here to help.** As always, PacificSource is here to assist our employer group clients. If you have questions or need assistance with the SHOP application, your agent or PacificSource Client Service Representative is happy to help.

**Additional information**
Read the full HHS announcement
FAQs about SHOP enrollment

**Update on State Renewal Extensions**

As you may know, President Obama’s announcement last month that insurers would have the option to allow extension of existing individual and small employer policies plans during 2014. Here’s an update on our decisions for the states where we do business. Our goal continues to be to ensure our members continue to have coverage, and have the time they need to explore their options as their plans renew in 2014.

**Idaho:**
The Idaho Department of Insurance recently announced it will allow carriers to extend individual and small group plans. After careful consideration, we have decided not to extend existing Idaho policies into 2014. As you know, we offered our individual and small group clients the opportunity to renew coverage early. A significant number of customers took advantage of this option, which essentially achieves the same goal as a policy extension. Adding the option to extend policies would likely create more confusion than value to customers in the marketplace.

**Montana:**
In Montana, Securities and Insurance Commissioner Monica Lindeen said in a memo to insurers that plans could be extended, though she felt strongly that the extensions could disrupt the state’s insurance market for individuals and businesses. PacificSource and other Montana insurers decided not to extend plans.

**Oregon:**
Last month, we gave our Oregon individual and small group
policyholders the option to renew their existing medical coverage. Oregon individual members could extend through March 31, 2014. Oregon small group clients could extend their current policy through December 31, 2014. The deadline to opt in for both individuals and small groups was December 14. For more details, please see our November 22 and December 12 Special Edition Agent Bulletins. We shared the news with our Oregon clients by mail and email on November 26, and sent email reminders on December 9 and 12.

Other Cover Oregon news: Cover Oregon announced that people who met the December 4 application deadline now have until December 27 at 5:00 p.m. to notify Cover Oregon of their plan selection to have coverage in place by January 1, 2014.

**Editor’s note (December 18, 2013):**
After learning that information regarding the option to extend individual coverage may not have reached some of our current Oregon policyholders, we re-sent the information and extended the deadline to opt in to December 31. For more information about individual and group policies, please read the December 17 Agent Bulletin Oregon special edition.

### No Individual Tax Penalty If Coverage in Place by March 31

With exchange marketplace websites still not fully functional, you may be getting worried about facing a tax penalty under the ACA's requirement that all individuals have health insurance coverage in 2014. You'll be happy to know that while the requirement hasn't changed, CMS has confirmed that as long as individuals have coverage in place that meets the minimum essential coverage requirements by the end of the open enrollment period (March 31, 2014), they won't face a tax penalty.

### Questions?

Contact a PacificSource **Coverage Advisor** by phone at (855) 330-2792 or email reform@pacificsource.com.

**Visit us online.** We have two websites that are updated regularly:

- **PacificSource.com/reform** is a great resource for PacificSource clients and members. It includes FAQs, timelines, additional resources, and more.

- **HealthcareLawGuide.com** is our healthcare reform website for the general public. It provides extensive healthcare reform guides for both employers and consumers.

**Your insurance agent** can also assist you with questions about how healthcare reform may impact you.