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Health reform calls for a new insurance marketplace, specifically for small businesses, starting next year. The Small Business Health Options Program (SHOP) is designed to assist small businesses (1-100 employees) to buy more affordable health insurance on the Exchange instead of going through one broker.

The SHOP was scheduled to open in 2014, but full implementation has been delayed due to “operational challenges.” There has been some confusion about this in the industry -- this does not mean the SHOP will not open. Rather, the SHOP will open, but instead of having the “employee choice” option, where employers select a level of coverage and employees choose any Qualified Health Plan from any carrier at that level, there will be only one insurance choice. This delay is for the 33 states in which the Federal Government runs the Exchange; states running their own Exchanges will have the option to delay having their SHOP open in 2014. For this one year delay, an employer will only be able to select from one Qualified Health Plan from a carrier to offer its employees. It is expected that the SHOP will be fully operational in 2015.

We will continue to keep you apprised of any further developments.