

BUSINESS & LABOR

- Provide referrals to an applicable consumer assistance program or ombudsman in the case of grievances, complaints, or questions regarding health plans or coverage
- Provide information in a manner that is culturally and linguistically appropriate

EXHIBIT NO. 1
DATE 2-18-13
BILL NO. LC 2115

Exchanges will award grants to Navigators. The final rule directs states to choose at least two Navigator organizations, one of which must be a community or consumer-focused non-profit organization.

Small Business Health Options Program (SHOP)

Beginning in 2014, Exchanges will operate a Small Business Health Options Program (SHOP). The SHOP will provide small employers with new ways to offer employee health coverage, better information, easier administration, and access to tax credits that make coverage more affordable.

As described in the final rule, the SHOP will allow employers to choose the level of coverage they will offer and offer the employees choices of all qualified health plans within that level of coverage. This allows employees a choice among plans and can select the one that best fits their needs and their budget. Employers can offer coverage from multiple insurers, just like larger companies and government employee plans, but get a single bill and write a single check. SHOP Exchanges can also allow employers to select a single plan to offer its employee, like is typically done today. And the final rule allows minimum participation rules to be met through coverage in any SHOP plan, not a single one.

Exchanges will decide how a SHOP is structured. Specifically, the final rule provides flexibility with regard to:

- **Size of small businesses that can participate in SHOP:** States can set the size of the small group market at either 1 to 50 or 1 to 100 employees until 2016. In 2016, employers with between 1 and 100 employees can participate in a SHOP. And, starting in 2017, states have the option to let businesses with more than 100 employees buy large group coverage through the SHOP.
- **Structure of choices for small businesses:** Exchanges can choose to offer employers additional ways to provide coverage, including allowing their employees to choose any plan in all levels of coverage or a traditional "employer choice" offer of a single plan.

Starting in 2014, small employers purchasing coverage through SHOP may be eligible for a tax credit of up to 50% of their premium payments if they have 25 or fewer employees, pay employees an average annual wage of less than \$50,000, offer all full time employees coverage, and pay at least 50% of the premium.

Read the final rule on Affordable Insurance Exchanges here: <http://www.regulations.gov/#!documentDetail;D=HHS-OS-2011-0020-2420>.

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