

The Commonwealth of Kentucky
kynect State-Based Marketplace



**Small Business Health Options
Program (SHOP) Refresher
Training Guide**

August 26, 2022

Document Control Information

Document Information

Document Name	Small Business Health Options Program (SHOP) Refresher Training Guide
Project Name	kynect health coverage (SBM)
Client	Kentucky Cabinet for Health and Family Services
Document Version	2.0
Document Status	Second Submission
Date Released	August 26, 2022

Document Edit History

Version	Date	Additions/Modifications
1.0	August 16, 2022	First Submission
2.0	August 26, 2022	Second Submission

Introduction

The Small Business Health Options Program (SHOP) is a program available for small employers who want to provide affordable, flexible, and convenient health and/or dental insurance to their employees.

1 Table of Contents

1	Small Business Health Options (SHOP) Overview.....	4
1.1	SHOP Benefits and Requirements.....	4
1.2	Overview of Enrollment and Application Process.....	5
2	Assessment.....	6

Please note: Screenshots may not be representative of actual system behavior. All specific information found in this training guide is test data and not representative of any kynect client.

1 Small Business Health Options (SHOP) Overview

During this module, Agents and kynectors will receive training about foundational policies and procedures that govern SHOP.

1.1 SHOP Benefits and Requirements

The Small Business Health Options Program (SHOP) was created to enable qualified employers to provide health and/or dental coverage to their employees. SHOP offers **affordability, flexibility, and convenience** for small businesses to obtain coverage from private health insurance companies through Qualified Health Plans (QHPs) or Stand-Alone Dental Plans (SADPs) certified by the State-Based Marketplace (SBM).

Requirements

- Have 1-50 full time equivalent (FTE) employees.
- Offer coverage to all full-time employees – generally workers averaging 30 or more hours per week.
- Have an office/employee work site within Kentucky.
- Enroll at least 50% of the employees who are offered insurance. Employees with other health coverage are not counted as rejecting an employer's offer.

Tax Credit

The Small Business Health Options Tax Credit is a tax credit that may be available to employers who pay health insurance premiums on behalf of employees enrolled in Qualified Health Plans (QHPs) through SHOP. **Tax Credit Maximums:**

- 50 percent of premiums paid for small business employers.
- 35 percent of premiums paid for small tax-exempt employers.
- The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less. The smaller the business, the bigger the credit.

Please note: If employers do not meet the 50% minimum participation requirement, employers can enroll for health coverage between November 15 – December 15 of any year. During this time, the minimum participation requirement is waived. If eligible, employers can start offering SHOP coverage to employees any time of year and decide on a waiting period for new employees hired after the initial enrollment period.

1.2 Overview of Enrollment and Application Process

Operational policy and guidance in the SHOP enrollment process is listed below. More detailed information on each section can be found at the KHBE website located here in the [SHOP Training Guide](#).

Section	High-Level Description
Employer Application	<ul style="list-style-type: none"> Employers apply for eligibility determinations for kynect SHOP health coverage through kynect SHOP online application.
Eligibility	<ul style="list-style-type: none"> Eligible employers must meet the minimum requirements to enroll in kynect SHOP health coverage, including but not limited to the number of employees, minimum participation rates, and business locations.
Enrollment, Renewals, and Terminations	<ul style="list-style-type: none"> Employers enroll in kynect SHOP coverage by contacting Agents or directly through Issuers who offer Qualified Health Plans (QHPs) and/or Stand-Alone Dental Plans (SADPs) coverage options for their employees.
Employer Right to Appeal (Formal Review)	<ul style="list-style-type: none"> If an employer does not agree with the eligibility determination or timeliness of the eligibility decision made by kynect SHOP, employers may request an appeal through a formal desk review.

Employer Application Process
<p>Employers may work directly with an Agent that has been SHOP registered by the State-Based Marketplace or with an Issuer offering kynect SHOP QHPs and/or SADPs to select a coverage option to offer to its employees. Employers may choose to access the application directly on kynect SHOP and may work with an Agent, Issuer, kynector, or Contact Center staff for assistance in completing the application.</p> <p>Additionally, employers may work with Issuers to select QHPs and/or SADPs before applying for eligibility determinations on kynect SHOP. If a kynector or the Contact Center assists in the application process and the employer is determined eligible to enroll in kynect SHOP health coverage, the employer is directed to Agents or Issuers.</p>

Please note: There is no manual paper process for employers. If kynect SHOP is unavailable or employers have trouble accessing kynect SHOP, employers should contact an Agent or Issuer.

Approval or Denial of Employer Application

Once the application is submitted, kynect SHOP automatically notifies the employer of approval or denial. At any point during the year, if an employer is determined eligible to enroll in kynect SHOP health coverage, employers have the option to purchase coverage for the full 12-month plan year starting on the qualified employer's effective date of coverage.

If the application for eligibility determinations is denied, the employer has the right to submit an appeal for formal review.

Employer Right to Appeal

If the application for eligibility determinations is denied, the employer has the right to submit an appeal for a formal review. More information can be reviewed in the training guide previously noted with a hyperlink.

2 Assessment

1. What is the intended purpose of the Small Business Health Options Program?
 - a. To share information with employers about their competition
 - b. An affordable, flexible, and convenient way for small businesses to provide health and/or dental insurance to their employees
 - c. Provide subsidies that help employees pay for fitness programs
 - d. Assist businesses in educating their employees about health and wellness
2. Employers use the Small Business Health Options Program to window shop for which type of health plans?
 - a. Medical and Dental
 - b. Long-term and Short-term
 - c. Vision and Prescription
 - d. Property and Casualty