

Health Care Reform Management Alert Series



SHOPing Days Delayed

Issue 71

By Diane Dygert

This is the seventy-first issue in our health care reform series of alerts for employers on selected topics in health care reform. (Our general summary of health care reform and other issues in this series can be accessed by clicking [here](#).) This series of Health Care Reform Management Alerts is designed to provide a more in-depth analysis of certain aspects of health care reform and how it will impact your employer-sponsored plans.

The Affordable Care Act (ACA) provides for the establishment of state-based insurance exchanges (or marketplaces) for individuals as well as small businesses (called SHOP exchanges). These exchanges (whether state or federal) were to open for business on October 1, 2013 allowing people to purchase coverage for the 2014 year. In another unexpected announcement, the Federal Government indicated today that the federally-established SHOP exchanges would not be open for business until November 1, 2013.

Background

Each state could establish either one ACA exchange covering both individuals and small businesses, or two exchanges -- one for individuals and one for small businesses. The exchange for small businesses is known as SHOP, standing for Small Business Health Options Program. States that did not establish their own ACA exchange had the Federal Government step in to set one up for them. Other states set up an exchange under a state and federal partnership. There are 36 federally established or partnership exchanges.

Earlier this week, the Federal Government provided a report with general information about the insurance options that would be available on their exchanges -- including number of insurers, policies and general information on rates. This announcement showed a wide variation in rates even within a state, averaging nationwide at \$328/month for single level coverage at the silver level plan.

SHOPping Delay

And then today, the Federal Government announced that small businesses will not be able to enroll in their SHOP marketplaces on October 1st as previously announced. Instead small businesses wishing to use a Federal Government SHOP marketplace must wait until November 1st. Coverage, however, will still be effective as early as January 1, 2014.

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