Small Business SHOP Marketplaces - Key Provision Delayed Until 2015

HHS delayed a key portion of the federally-run SHOP Marketplace (called the Small Business Health Options Program or "SHOP"), in which employees were supposed to have a choice of health plans through a public marketplace. Instead, employees will be limited to a single plan through the federally-run SHOP Marketplaces until 2015. The SHOP Marketplace in Texas will be initially offered to small businesses with up to 50 employees only.

SHOP Marketplace - What is it?

As part of Affordable Care Act (ACA), states are required to provide a Group Market Health Insurance Exchange for businesses. The SHOP Marketplace is essentially a public group health insurance exchange that will be available for small businesses starting January 1, 2014. The new program was designed to simplify the process of finding health insurance for small businesses, and applying any applicable tax credits.

As with the [individual health insurance marketplaces](), all states have three options for offering a SHOP marketplace: create their own state-run marketplace, join a federal-state partnership, or default to the federally-run SHOP marketplace. At present, 33 states are expected to default to the federally-run marketplace. Texas is one of the 33 states defaulting to the federally run SHOP marketplace.

Initially, the SHOP marketplaces are for businesses with up to 100 employees. However, states can limit participation to businesses with up to 50 employees until 2016, so eligibility will vary by state. Initially, Texas will limit the number of eligible employees to 50.

SHOP Marketplaces - Plan Choices Delayed

The plan choice option, already was supposed to become available to small employers via the federally-run SHOP Marketplaces in January 2014. But administration officials said they would delay it until 2015 in the 33 states where the federal government will be running the SHOP insurance marketplaces. And, they've delayed the requirement for the other states as well.