



FACT SHEET

Oct. 1, 2013

SMALL BUSINESSES CAN BEGIN ENROLLMENT PROCESS OCT. 1

Beginning Oct. 1, 2013, small businesses can begin the process of insurance enrollment by setting up their account, checking their employer eligibility and getting a rate estimate for Covered California's Small Business Health Options Program (SHOP).

Small businesses can work with licensed agents to obtain a quote, and submit a paper application with the help of a Covered California Certified Insurance Agent or Covered California's SHOP Service Center. Further functionality will be available online in November for small businesses to enroll for coverage Jan. 1, which is consistent with standard industry timing.

Important Facts Regarding Small-Business Enrollment

- Mirroring the current market trend, a majority of businesses are expected to work through an insurance agent to purchase SHOP plans in the first year.
- The first wave of licensed insurance agents will be certified this week to sell Covered California products, both in the individual and small-group markets.
- Since registration opened in August, more than 15,000 licensed agents have signed up to become certified to sell Covered California products. More than 3,000 agents are currently in training to become Covered California Certified Insurance Agents.
- Covered California Certified Insurance Agents will be able to provide side-by-side comparisons of product offerings through Covered California's General Agent partners (Claremont Insurance Services, Dickerson Employee Benefits, LISI Inc. and Warner Pacific Insurance Services) and HealthConnect. For more information, please visit www.coveredca.com/hbex/agents/index.html.
- Small businesses can enroll in SHOP year round.
- Small businesses are not required to buy insurance for their employees. SHOP is completely voluntary, and small businesses will not be penalized for non-participation.

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Background on Covered California's SHOP

While rates and health insurance companies vary by regions, the Covered California SHOP premiums are generally comparable to 2013 small-group market rates and, in some cases, can save small businesses money on their premiums.

Covered California will offer health insurance options to small businesses from six health insurance companies: Blue Shield of California, Chinese Community Health Plan, Health Net, Kaiser Permanente, Sharp Health Plan and Western Health Advantage. The plans were selected by a competitive bidding process.

Small-business owners with one to 50 eligible employees may enroll in Covered California's SHOP plans when the health benefit exchange is launched on Oct. 1, for coverage effective Jan. 1, 2014. Like the health insurance plans in Covered California's individual market, Covered California's SHOP plans were negotiated to bring a standardized set of benefits, a robust provider network and a broad choice of health insurance plans with competitive pricing to employers and their employees.

Covered California's SHOP anticipates making a wide choice of health plans available to more than half a million small businesses and more than 1 million uninsured workers in 2014.

SHOP is the only place where small businesses that purchase coverage for their employees may be eligible for federal tax credits. Small businesses are eligible for a federal health care tax credit if they have fewer than 25 full-time-equivalent employees for the tax year, pay employees an average of less than \$50,000 per year and contribute at least 50 percent of their employees' premium cost. Employers with 10 or fewer full-time-equivalent employees with wages averaging \$25,000 or less per year are eligible for the maximum amount of tax credits.

SHOP health plans will be sold through licensed agents who are trained and certified by Covered California.

About Covered California

Covered California is the state's marketplace for the federal Patient Protection and Affordable Care Act. Covered California was charged with creating a new health insurance marketplace in which individuals and small businesses can get access to affordable health insurance plans. With coverage starting in 2014, Covered California will help individuals determine whether they are eligible for premium assistance that will be available on a sliding-scale basis to reduce insurance costs or whether they are eligible for low-cost or no-cost Medi-Cal. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget.

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Small businesses will be able to purchase competitively priced health insurance plans and offer their employees the ability to choose from an array of plans and may qualify for federal tax credits.

Covered California is an independent part of the state government whose job is to make the new market work for California's consumers. It is overseen by a five-member board appointed by the Governor and the Legislature. For more information on Covered California, please visit www.CoveredCA.com.

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