

SHOP for Small Group Customers

Buying a plan through SHOP versus direct from IBC

Buying plans through the Small Business Health Options Program, or SHOP, provides an advantage only for employers with fewer than 25 employees that are eligible for a tax credit provided by the Affordable Care Act (ACA).

If customers are not eligible for this tax credit, there is no advantage to purchasing a plan through SHOP. This is because:

- all Independence Blue Cross (IBC) products available via SHOP are also offered direct from IBC with nearly identical plan benefits;
- there is no rating difference since the ACA requires that SHOP and non-SHOP plans use the same pricing factors;
- ROAM cannot be used for quoting and implementing SHOP business;
- IBC's new cost effective, tiered network product is not available on SHOP

In addition, SHOP only enables carriers to make one plan available for each customer. This means that customers lose the option to offer employees multiple plan options, which may result in employee dissatisfaction. Therefore, customers should request a quote for a SHOP plan only if they believe they qualify for a tax credit.

How customers qualify for the tax credit

For small businesses to qualify, they must:

- have fewer than 25 full-time equivalent employees
- pay an average wage of less than \$50,000 a year
- pay at least half of employee health insurance premiums

The amount of qualifying tax credit gradually decreases as the group size gets closer to 25 employees and the average salary increases. You or your customer can visit the [IRS website](#) to determine if they are eligible for the Small Business Health Care Tax Credit. As eligibility can only be determined by the IRS, IBC cannot provide guidance on this matter.

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Customers with 2-25 employees should request a quote for a SHOP plan only if they believe they qualify for a tax credit.

Comparison of Benefits between On-Exchange (SHOP) and Off-exchange (direct) plan designs

Benefit	On-exchange	Off-exchange
Pediatric Dental	NOT included	Included
Pediatric Vision	Included	Included
Adult Dental	NOT included	NOT Included*
Adult Vision	Included (Exam/Glasses/ Frames)	Included (Exam/Glasses/ Frames)
Elective Abortion	NOT covered	Covered

*Note: IBC PPO and DHMO Adult buy-ups are available off the exchange. Adult DHMO is available as a rider to Keystone medical plans. Adult PPO Dental can be purchased with any medical plan.

Submission dates

To purchase a through SHOP, IBC must receive all paperwork a minimum of 30 days prior to the effective date. For example, for a plan with effective date of July 1, 2014, applications are due June 1, 2014.

Required application submission information

For customers to apply for a SHOP-based plan, the following must be provided to IBC:

1. completed IBC Application for New Small Employer Health Benefits
2. completed [Federally Facilitated Marketplace SHOP Application](#)
3. census data

If you have any questions about enrolling customers in a SHOP health plan, please contact your IBC account executive.