Department of Health and Human Services

§ 155.715

(c) Coordination with individual market Exchange for eligibility determinations. A SHOP must provide data related to eligibility and enrollment of a qualified employee to the individual market Exchange that corresponds to the service area of the SHOP, unless the SHOP is operated pursuant to §155.100(a)(2).

(d) Duties of Navigators in the SHOP. In States that have elected to operate only a SHOP pursuant to §155.100(a)(2), at State option and if State law permits the Navigator duties described in §155.210(e)(3) and (4) may be fulfilled through referrals to agents and brokers.

§ 155.710 Eligibility standards for SHOP.

(a) General requirement. The SHOP must permit qualified employers to purchase coverage for qualified employees through the SHOP.

(b) Employer eligibility requirements. An employer is a qualified employer eligible to purchase coverage through a SHOP if such employer—

(1) Is a small employer;
(2) Elects to offer, at a minimum, all full-time employees coverage in a QHP through a SHOP; and
(3) Either—
   (i) Has its principal business address in the Exchange service area and offers coverage to all its full-time employees through that SHOP; or
   (ii) Offers coverage to each eligible employee through the SHOP serving that employee’s primary worksite.

(c) Participating in multiple SHOPS. If an employer meets the criteria in paragraph (b) of this section and makes the election described in (b)(3)(ii) of this section, a SHOP shall allow the employer to offer coverage to those employees whose primary worksite is in the SHOP’s service area.

(d) Continuing eligibility. The SHOP must treat a qualified employer which ceases to be a small employer solely by reason of an increase in the number of employees of such employer as a qualified employer until the qualified employer otherwise fails to meet the eligibility criteria of this section or elects to no longer purchase coverage for qualified employees through the SHOP.

(e) Employee eligibility requirements. An employee is a qualified employee eligible to enroll in coverage through a SHOP if such employee receives an offer of coverage from a qualified employer.

§ 155.715 Eligibility determination process for SHOP.

(a) General requirement. Before permitting the purchase of coverage in a QHP, the SHOP must determine that the employer or individual who requests coverage is eligible in accordance with the requirements of §155.710.

(b) Applications. The SHOP must accept a SHOP single employer application form from employers and the SHOP single employee application form from employees wishing to elect coverage through the SHOP, in accordance with the relevant standards of §155.730.

(c) Verification of eligibility. For the purpose of verifying employer and employee eligibility, the SHOP—

(1) Must verify that an individual applicant is identified by the employer as an employee to whom the qualified employer has offered coverage and must otherwise accept the information attested to within the application unless the information is inconsistent with the employer-provided information;
(2) May establish, in addition to or in lieu of reliance on the application, additional methods to verify the information provided by the applicant on the applicable application;
(3) Must collect only the minimum information necessary for verification of eligibility in accordance with the eligibility standards described in §155.710; and
(4) May not perform individual market Exchange eligibility determinations or verifications described in subpart D of this part.

(d) Eligibility adjustment period. (1) When the information submitted on the SHOP single employer application is inconsistent with information collected from third-party data sources
§ 155.720 Enrollment of employees into QHPs under SHOP.

(a) General requirements. The SHOP must process the SHOP single employee applications of qualified employees to the applicable QHP issuers and facilitate the enrollment of qualified employees in QHPs. All references to QHPs in this section refer to QHPs offered through the SHOP.

(b) Enrollment timeline and process. The SHOP must establish a uniform enrollment timeline and process for all QHP issuers and qualified employers to follow, which includes the following activities that must occur before the effective date of coverage for qualified employees:

(i) Make a reasonable effort to identify and address the causes of such inconsistency, including through typographical or other clerical errors;

(ii) Notify the individual of the inability to substantiate his or her employee status;

(iii) Provide the employee with a period of 30 days from the date on which the notice described in paragraph (d)(2)(ii) of this section is sent to the employee to either present satisfactory documentary evidence to support the employee’s application, or resolve the inconsistency; and

(iv) If, after the 30-day period described in paragraph (d)(2)(iii) of this section, the SHOP has not received satisfactory documentary evidence, the SHOP must—

(A) Notify the employee of its denial of eligibility in accordance with paragraph (f) of this section.

(B) If the employee was enrolled pending the confirmation or verification of eligibility information, discontinue the employee’s participation in the SHOP at the end of the month following the month in which the notice is sent.

(2) When the information submitted on the SHOP single employee application is inconsistent with information collected from third-party data sources through the verification process described in §155.715(c)(2), the SHOP must—

(i) Make a reasonable effort to identify and address the causes of such inconsistency, including through typographical or other clerical errors;

(ii) Notify the employee of the inability to substantiate his or her employee status;

(iii) Provide the employee with a period of 30 days from the date on which the notice described in paragraph (d)(2)(ii) of this section is sent to the employee to either present satisfactory documentary evidence to support the employee’s application, or resolve the inconsistency; and

(iv) If, after the 30-day period described in paragraph (d)(2)(iii) of this section, the SHOP has not received satisfactory documentary evidence, the SHOP must notify the employee of its denial of eligibility in accordance with paragraph (f) of this section.

(e) Notification of employer eligibility. The SHOP must provide an employer requesting eligibility to purchase coverage with a notice of approval or denial of eligibility and the employer’s right to appeal such determination.

(f) Notification of employee eligibility. The SHOP must notify an employee seeking to enroll in a QHP offered through the SHOP whether the individual is eligible in accordance with §155.710 and the employee’s right to appeal such determination.

(g) Notification of employer withdrawal from SHOP. If a qualified employer ceases to purchase coverage through the SHOP, the SHOP must ensure that—

(1) Each QHP terminates the coverage of the employer’s qualified employees enrolled in the QHP through the SHOP; and

(2) Each of the employer’s qualified employees enrolled in a QHP through the SHOP is notified of the termination of coverage prior to such termination. Such notification must also provide information about other potential sources of coverage, including access to individual market coverage through the Exchange.