(1) Determination of employer eligibility for purchase of coverage in the SHOP as described in §155.715;
(2) Qualified employer selection of QHPs offered through the SHOP to qualified employees, consistent with §155.705(b)(2) and (3);
(3) Provision of a specific timeframe during which the qualified employer can select the level of coverage or QHP offering, as appropriate;
(4) Provision of a specific timeframe for qualified employees to provide relevant information to complete the application process;
(5) Determination and verification of employee eligibility for enrollment through the SHOP;
(6) Processing enrollment of qualified employees into selected QHPs; and
(7) Establishment of effective dates of employee coverage.

(c) Transfer of enrollment information. In order to enroll qualified employees of a qualified employer participating in the SHOP, the SHOP must—
(1) Transmit enrollment information on behalf of qualified employees to QHP issuers in accordance with the timeline and process described in paragraph (b) of this section; and
(2) Follow requirements set forth in §155.400(c) of this part.

(d) Payment. The SHOP must—
(1) Follow requirements set forth in §155.705(b)(4) of this part; and
(2) Terminate participation of qualified employers that do not comply with the process established in §155.705(b)(4).

(e) Notification of effective date. The SHOP must ensure that a QHP issuer notifies a qualified employee enrolled in a QHP of the effective date of coverage consistent with §156.260(b).

(f) Records. The SHOP must receive and maintain for at least 10 years records of enrollment in QHPs, including identification of—
(1) Qualified employers participating in the SHOP; and
(2) Qualified employees enrolled in QHPs.

(g) Reconcile files. The SHOP must reconcile enrollment information and employer participation information with QHPs on no less than a monthly basis.

(h) Employee termination of coverage from a QHP. If any employee terminates coverage from a QHP, the SHOP must notify the employee’s employer.

(i) Reporting requirement for tax administration purposes. The SHOP must report to the IRS employer participation, employer contribution, and employee enrollment information in a time and format to be determined by HHS.

§155.725 Enrollment periods under SHOP.

(a) General requirements. The SHOP must—
(1) Adhere to the start of the initial open enrollment period set forth in §155.410; and
(2) Ensure that enrollment transactions are sent to QHP issuers and that such issuers adhere to coverage effective dates in accordance with §156.260 of this subchapter.

(b) Rolling enrollment in the SHOP. The SHOP must permit a qualified employer to purchase coverage for its small group at any point during the year. The employer’s plan year must consist of the 12-month period beginning with the qualified employer’s effective date of coverage.

(c) Annual employer election period. (1) Notwithstanding any other paragraph in this section, for coverage beginning in 2015 in a Federally-facilitated SHOP, a qualified employer’s annual election period may begin no sooner than November 15, 2014.

(2) The SHOP must provide qualified employers with a standard election period prior to the completion of the employer’s plan year and before the annual employee open enrollment period, in which the qualified employer may change its participation in the SHOP for the next plan year, including—
(i) The method by which the qualified employer makes QHPs available to qualified employees pursuant to §155.705(b)(2) and (3);
(ii) The employer contribution towards the premium cost of coverage;
(iii) The level of coverage offered to qualified employees as described in §155.705(b)(2) and (3); and
(iv) The QHP or QHPs offered to qualified employees in accordance with §155.705.
§ 155.730 Application standards for SHOP.

(a) General requirements. Application forms used by the SHOP must meet the requirements set forth in this section.

(b) Single employer application. The SHOP must use a single application to determine employer eligibility and to collect information necessary for purchasing coverage. Such application must collect the following—

(1) Employer name and address of employer’s locations;
(2) Number of employees;
(3) Employer Identification Number (EIN); and
(4) A list of qualified employees and their taxpayer identification numbers.