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(c) Single employee application. The SHOP must use a single application for eligibility determination, QHP selection and enrollment for qualified employees and their dependents.

(d) Model application. The SHOP may use the model single employer application and the model single employee application provided by HHS.

(e) Alternative employer and employee application. The SHOP may use an alternative application if such application is approved by HHS and collects the following:

1. In the case of the employer application, the information in described in paragraph (b); and
2. In the case of the employee application, the information necessary to establish eligibility of the employee as a qualified employee and to complete the enrollment of the qualified employee and any dependents to be enrolled.

(f) Filing. The SHOP must:
1. Accept applications from SHOP application filers; and
2. Provide the tools to file an application via an Internet Web site.

(g) Additional safeguards. (1) The SHOP may not provide to the employer any information collected on the employee application with respect to spouses or dependents other than the name, address, and birth date of the spouse or dependent.

2. The SHOP is not permitted to collect information on the single employer or single employee application unless that information is necessary to determine SHOP eligibility or effectuate enrollment through the SHOP.

§ 155.735 Termination of coverage.

(a) General requirements. The SHOP must determine the timing, form, and manner in which coverage in a QHP may be terminated.

(b) Termination of employer group health coverage at the request of the employer. (1) The SHOP must establish policies for advance notice of termination required from the employer and effective dates of termination.

2. In the FF-SHOP, an employer may terminate coverage for all enrollees covered by the employer group health plan effective on the last day of any month, provided that the employer has given notice to the FF-SHOP on or before the 15th day of any month. If notice is given after the 15th of the month, the FF-SHOP may terminate the coverage on the last day of the following month.

(c) Termination of employer group health coverage for non-payment of premiums. (1) The SHOP must establish policies for termination for non-payment of premiums, including but not limited to policies regarding due dates for payment of premiums to the SHOP, grace periods, employer and employee notices, and reinstatement provisions.

2. In an FF-SHOP—
(i) For a given month of coverage, premium payment is due by the first day of the coverage month.

(ii) If premium payment is not received 31 days from the first of the coverage month, the FF-SHOP may terminate the qualified employer for lack of payment.

(iii) If a qualified employer is terminated due to lack of premium payment, but within 30 days following its termination the qualified employer requests reinstatement, pays all premiums owed including any prior premiums owed for coverage during the grace period, and pays the premium for the next month’s coverage, the FF-SHOP must reinstate the qualified employer in its previous coverage.

(d) Termination of employee or dependent coverage. (1) The SHOP must establish consistent policies regarding the process for and effective dates of termination of employee or dependent coverage in the following circumstances:

(i) The employee or dependent is no longer eligible for coverage under the employer’s group health plan;

(ii) The employee requests that the SHOP terminate the coverage of the employee or a dependent of the employee under the employer’s group health plan;

(iii) The QHP in which the employee is enrolled terminates or is decertified as described in §155.1080;

(iv) The enrollee changes from one QHP to another during the employer’s
annual open enrollment period or during a special enrollment period in accordance with §155.725(j); or
(v) The enrollee’s coverage is rescinded in accordance with §147.128 of this subtitle.

(2) In the FF–SHOP, termination is effective on the last day of the month in which the FF–SHOP receives notice of an event described in paragraph (d)(1) of this section, and notice must have been received by the FF–SHOP prior to the proposed date of termination.

(e) Termination of coverage tracking and approval. The SHOP must comply with the standards described in §155.430(c).

(f) Applicability date. The provisions of this section apply to coverage—

(1) Beginning on or after January 1, 2015; and
(2) In any SHOP providing qualified employers with the option described in §155.705(b)(2) or the option described in §155.705(b)(4) before January 1, 2015, beginning with the date that option is offered.

§ 155.740 SHOP employer and employee eligibility appeals requirements.

(a) Definitions. The definitions in §§155.20, 155.300, and 155.500 apply to this section.

(b) General requirements. (1) A State, establishing an Exchange that provides for the establishment of a SHOP pursuant to §155.100 must provide an eligibility appeals process for the SHOP. Where a State has not established an Exchange that provides for the establishment of a SHOP pursuant to §155.100, HHS will provide an eligibility appeals process for the SHOP that meets the requirements of this section and the requirements in paragraph (b)(2) of this section.

(2) The appeals entity must conduct appeals in accordance with the requirements established in this section, §§155.505(e) through (g), and 155.510(a)(1), (a)(2), and (c).

(c) Employer right to appeal. An employer may appeal—

(1) A notice of denial of eligibility under §155.715(e); or
(2) A failure of the SHOP to make an eligibility determination in a timely manner.

(d) Employee right to appeal. An employee may appeal—

(1) A notice of denial of eligibility under §155.715(f); or
(2) A failure of the SHOP to make an eligibility determination in a timely manner.

(e) Appeals notice requirement. Notices of the right to appeal a denial of eligibility under §155.715(e) or (f) must be written and include—

(1) The reason for the denial of eligibility, including a citation to the applicable regulations; and
(2) The procedure by which the employer or employee may request an appeal of the denial of eligibility.

(f) Appeal request. The SHOP and appeals entity must—

(1) Allow an employer or employee to request an appeal within 90 days from the date of the notice of denial of eligibility to—

(i) The SHOP or the appeals entity; or

(ii) HHS, if no State Exchange that provides for establishment of a SHOP has been established;

(2) Accept appeal requests submitted through any of the methods described in §155.520(a)(1);

(3) Comply with the requirements of §155.520(a)(2) and (3); and

(4) Consider an appeal request valid if it is submitted in accordance with paragraph (f)(1) of this section.

(g) Notice of appeal request. (1) Upon receipt of a valid appeal request, the appeals entity must—

(i) Send timely acknowledgement to the employer, or employer and employee if an employee is appealing, of the receipt of the appeal request, including—

(A) An explanation of the appeals process; and

(B) Instructions for submitting additional evidence for consideration by the appeals entity.

(ii) Promptly notify the SHOP of the appeal, if the appeal request was not initially made to the SHOP.

(2) Upon receipt of an appeal request that is not valid because it fails to meet the requirements of this section, the appeals entity must—