Subpart A—General Provisions

§ 157.10 Basis and scope.

(a) Basis. This part is based on the following sections of title I of the Affordable Care:
   (1) 1311. Affordable choices of health benefits plans.
   (2) 1312. Consumer Choice.
   (3) 1321. State flexibility in operation and enforcement of Exchanges and related requirements.
   (4) 1411. Procedures for determining eligibility for Exchange participation, advance payments of the premium tax credit and cost-sharing reductions, and individual responsibility exemptions.
   (5) 1412. Advance determination and payment of the premium tax credit and cost-sharing reductions.

(b) Scope. This part establishes the requirements for employers in connection with the operation of Exchanges.

§ 157.20 Definitions.

The following definitions apply to this part, unless otherwise indicated:

Federally-facilitated SHOP has the meaning given to the term in §155.20 of this subchapter.

Full-time employee has the meaning given to the term in §155.20 of this subchapter.

§ 157.200 Eligibility of qualified employers to participate in a SHOP.

(a) General requirement. Only a qualified employer may participate in the SHOP in accordance with §155.710 of this subchapter.

(b) Continuing participation for growing small employers. A qualified employer may continue to participate in the SHOP if it ceases to be a small employer in accordance with §155.710 of this subchapter.

(c) Participation in multiple SHOPs. A qualified employer may participate in multiple SHOPs in accordance with §155.710 of this subchapter.

§ 157.205 Qualified employer participation process in a SHOP.

(a) General requirements. When joining the SHOP, a qualified employer must comply with the requirements, processes, and timelines set forth by this part and must remain in compliance for the duration of the employer’s participation in the SHOP.

(b) Selecting QHPs. During an election period, a qualified employer may make coverage in a QHP available through the SHOP in accordance with the processes developed by the SHOP in accordance with §155.705 of this subchapter.

(c) Information dissemination to employees. A qualified employer participating in the SHOP must disseminate information to its qualified employees about the process to enroll in a QHP through the SHOP.
(d) **Payment.** A qualified employer must submit any contribution towards the premiums of any qualified employee according to the standards and processes described in §155.705 of this subchapter.

(e) **Employees hired outside of the initial or annual open enrollment period.** Qualified employers must provide employees hired outside of the initial or annual open enrollment period with:

1. A period to seek coverage in a QHP beginning on the first day of becoming a qualified employee; and
2. Information about the enrollment process in accordance with §155.725 of this subchapter.

(f) **New employees and changes in employee eligibility.** Qualified employers participating in the SHOP must provide the SHOP with information about dependents or employees whose eligibility status for coverage purchased through the employer in the SHOP has changed, including:

1. Newly eligible dependents and employees; and
2. Loss of qualified employee status.

(g) **Annual employer election period.** Qualified employers must adhere to the annual employer election period to change their program participation for the next plan year described in §155.725(c) of this subchapter.

**PART 158—ISSUER USE OF PREMIUM REVENUE: REPORTING AND REBATE REQUIREMENTS**

Sec. 158.101 Basis and scope.
158.102 Applicability.
158.103 Definitions.

**Subpart A—Disclosure and Reporting**

158.110 Reporting requirements related to premiums and expenditures.
158.120 Aggregate reporting.
158.121 Newer experience.
158.130 Premium revenue.
158.140 Reimbursement for clinical services provided to enrollees.
158.150 Activities that improve health care quality.
158.151 Expenditures related to Health Information Technology and meaningful use requirements.
158.160 Other non-claims costs.
158.161 Reporting of Federal and State licensing and regulatory fees.
158.162 Reporting of Federal and State taxes.
158.170 Allocation of expenses.

**Subpart B—Calculating and Providing the Rebate**

158.210 Minimum medical loss ratio.
158.211 Requirement in States with a higher medical loss ratio.
158.220 Aggregation of data in calculating an issuer’s medical loss ratio.
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158.230 Credibility adjustment.
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158.241 Form of rebate.
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158.250 Notice of rebates.
158.251 Notice of MLR information.
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158.270 Effect of rebate payments on solvency.

**Subpart C—Potential Adjustment to the MLR for a State’s Individual Market**

158.301 Standard for adjustment to the medical loss ratio.
158.310 Who may request adjustment to the medical loss ratio.
158.311 Duration of adjustment to the medical loss ratio.
158.320 Information supporting a request for adjustment to the medical loss ratio.
158.321 Information regarding the State’s individual health insurance market.
158.322 Proposal for adjusted medical loss ratio.
158.323 State contact information.
158.330 Criteria for assessing request for adjustment to the medical loss ratio.
158.340 Process for submitting request for adjustment to the medical loss ratio.
158.341 Treatment as a public document.
158.342 Invitation for public comments.
158.343 Optional State hearing.
158.344 Secretary’s discretion to hold a hearing.
158.345 Determination on a State’s request for adjustment to the medical loss ratio.
158.346 Request for reconsideration.
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**Subpart D—HHS Enforcement**

158.401 HHS enforcement.
158.402 Audits.
158.403 Circumstances in which a State is conducting audits of issuers.