



MNSure[®]

Where you choose health coverage

2016

Small Business Health Options Program Guide



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What is MNsure?

MNsure is the Minnesota state marketplace where individuals, families and small businesses can shop and purchase quality, affordable coverage. MNsure allows individuals and small businesses to compare health insurance plans and to choose plans that work best for their health needs and budget. For individuals that qualify, there is a sliding scale of financial subsidies to help with the cost of premiums. Small businesses may qualify for federal tax credits to help offset the cost of providing health benefits to their employees.

Overview of the Small Business Health Options Program (SHOP)

Minnesota has established a marketplace for the sale of small business health insurance coverage in order to provide small businesses and nonprofit organizations the same clout in the health insurance market that large companies already enjoy.

MNsure SHOP offers small businesses another way to shop for health coverage by providing:

- **Choice.** Unprecedented choice and convenience in setting up health coverage options to meet the needs of your employees; a selection of plans from multiple insurance companies.
- **Streamlined administration;** less paperwork. One enrollment application and one monthly bill no matter how many plans you choose.
- **Set Contribution.** Controlled cost of coverage; control how much you pay toward employee premiums and possibly qualify for federal tax credits to lower cost.
- **Help.** Work with a certified and licensed broker or access trained specialists for help over the phone.

What Businesses can Use MNsure?

There are four criteria for small businesses to be eligible to offer coverage to their employees through MNsure SHOP:

1. **Have a principal business address within the state of Minnesota** or offer coverage to each eligible employee through the SHOP serving that employee's primary worksite;
2. Have at least one common-law employee, not including a sole proprietor;
 - For the definition of a common-law employee, visit the IRS website at <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employee-Common-Law-Employee>.
3. **Offer health care coverage to all full-time** employees – those working on average 30 or more hours weekly.
 - For the purpose of MNsure SHOP eligibility, employers are not required to offer coverage to employees working between 20 and 29 hours each week.
 - Employers may also choose whether to offer coverage to family members of employees, including spouses, domestic partners, and children.

- Non-MN Resident: employees that live outside of Minnesota can still obtain insurance through the MNsure SHOP marketplace.
 - Employers should make sure that at least one plan option chosen through the SHOP offers coverage to employees out-of-state (i.e. either the provider networks include coverage in the employee areas or the plan offers out-of-state coverage).
 - You may enroll in multiple state SHOPS to offer coverage to those employees whose primary worksite is in the SHOP's service area.
- 4. Employed 50 or fewer full-time equivalent employees (FTEs), not including a sole proprietor (January – December).**
- To calculate the number of FTE's, use the most recent year as a baseline and follow these steps:
 - Count the number of people who worked an average of 30 or more hours per week;
 - Employee count does not include temporary, seasonal, substitute-basis employees, retirees, disabled former employees or individuals on COBRA or State continuation (people who worked less than 120 days the preceding year);
 - Add to this amount the number of hours worked per week by non-full time employees (who may or may not be eligible for health benefits) divided by 30. See example below.

TIP: Jim's Taco Shack has:

- 20 full-time employees (each works at least 30 hours per week)
- 4 part-time employees (each working less than 30 hours per week)
 - 2 employees work an average of 15 hours per week
 - 1 employee works an average of 20 hours per week
 - 1 employee works an average of 24 hours per week
- Number of full-time employees = 20
- Number of non full-time equivalent employees = $(15 + 15 + 20 + 24) \div 30 = 2.5$ or **2** (round to the next lowest whole number)

*Jim's Taco Shack has **22** full-time equivalent employees.*

Link to an online FTE calculator <https://www.healthcare.gov/shop-calculators-fte/> to provide an estimated number of FTE's.

What about self-employed individuals, including sole-proprietors, partnerships and S-corporations?

MNsure SHOP marketplace is designed for employers with at least one employee (not including owners). If you are self-employed, a sole proprietorship, partnership or S-corporation that only employs owners; you will instead be eligible to shop in the MNsure Individual Marketplace during open enrollment or a Special Enrollment Period. The Individual Marketplace also offers numerous plan options with potential to be eligible for tax credits to help purchase insurance.

Employer Requirements

Minimum Contribution & Minimum Participation

To participate in MNsure, employers must make a minimum contribution to the employee-only coverage and must meet a minimum participation rate (includes both enrollees and those with an eligible waiver).

- **Contribution:** A small business employer's minimum contribution requirement is 50% of the plan premium for all employees offered coverage.
- **Participation:** A minimum of 75% of eligible employees must purchase employer-sponsored coverage after eligible waivers are considered.

Examples of eligible waivers include:

- An employee that is covered under a spouse's or parent's employee-offered plan
- An employee that is covered under a government-sponsored plan such as Medicare or Medicaid
- An employee that is covered under military-sponsored coverage such as Tricare or VA

Examples of ineligible waivers include:

- An employee with individual private coverage
- An employee with MinnesotaCare
- An employee without medical coverage

Note: Ineligible waivers count against the participation rate. Employers who cannot satisfy either the minimum participation or contribution requirements should refer to Special Open Enrollment for Small Businesses.

Special Open Enrollment for Small Businesses

Small businesses can enroll in coverage through MNsure at any time during the year. For small businesses that are unable to satisfy the 50% minimum employer contribution and minimum 75% participation requirements, there is a special annual enrollment period from November 15 through December 15 when you can enroll in MNsure and these requirements are waived.

Getting Help

Employers and their employees can get help with MNsure SHOP enrollment processes from a certified and licensed broker or the specialized MNsure contact center representatives.

What is a Broker?

Agents/brokers are insurance professionals who are trained and licensed to sell insurance plans in Minnesota. Only those who have been trained and certified by MNsure are able to represent those plans available to you through SHOP. These MNsure-certified experts can help you with the following:

- They can help you understand available plans, the coverage they offer, and the costs;
- They provide well-informed assistance to help you determine if you qualify for employer tax credits;
- They will support you in defining your roster of employees being offered coverage;
- They are professionals who are experienced in the use of the MNsure marketplace and knowledgeable of the supporting legislation;
- Are able to complete your application(s) on your behalf;
- They can provide ongoing support to you during the policy coverage year.

Working with Your Broker

Employers are encouraged to work with brokers, who can assist them in offering coverage through MNsure SHOP. Brokers certified through MNsure are licensed professionals who have been specially trained on MNsure functions and processes. Each one has passed an exam that certifies their knowledge. They understand MNsure plan choices, rating, policies and procedures, and health care reform on both state and national level. The broker will help you to select the best plan(s) for your business, ensuring you're getting the best coverage you can afford for the needs of your employees and your business. We encourage employers to take full advantage of this service.

Certified brokers must be appointed by carriers who offer qualified health plans through MNsure; this means that in addition to meeting MNsure certification requirements, they have also met carrier-specific training requirements on benefits and rating. Carriers also require appointed brokers to enroll in special insurance called "errors and omissions" (E&O) coverage.

Brokers not only help the employer, but they are also available to help employees choose the best health coverage available for the employee and his/her dependents.

To find a MNsure certified agent/broker or navigator, go to the MNsure home page (<https://www.mnsure.org/>) and click on the "Find Help near You: Assister Directory" icon on the right side of the page below the Quick Links box. You will be able to search for your broker by location, by language or by name.

MNsure Contact Center

For assistance, please call the MNsure Contact Center toll-free at 1-844-520-8695.

Health Insurance 2014 and Beyond

Essential Health Benefits (EHB)

One of the provisions of health reform requires that beginning in 2014, new health insurance plans must include a minimum set of health care services and products. The minimum set is commonly called **Essential Health Benefits** and it applies to plans within exchanges and outside of exchanges.

Plans in effect prior to March 23, 2010, are not required to add Essential Health Benefits. However, if the plan does cover an essential health benefit, it must eliminate annual and lifetime coverage limits on the essential health benefit. In addition, each plan must take into account the health care needs of Minnesota's diverse segments of the population, and may not discriminate based on age, disability, or expected length of life.

- A broad range of essential services include:
- Chronic Disease Management
- Dental Care for Children
- Doctor Visits
- Emergency Room Care
- Hospital Stays
- Lab Tests
- Maternity and Newborn Care
- Mental and Behavioral Health
- Prescription Drugs
- Preventative Tests and Services

In addition, plans must cover mental health and substance use disorder services at the same level as medical benefits and behavior health services must have no day or visit limitations. Coverage for habilitative services must include applied behavioral analysis (ABA) for the treatment of autism spectrum disorder.

Insurers can also offer additional benefits beyond the essential health benefit package.

Preventive Services

The Affordable Care Act (ACA) requires certain preventive care services be covered with NO cost-sharing when provided by a network physician. These preventive care services are determined through evidence-based recommendations by the U.S. Preventive Services Task Force. Examples of covered preventive services include:

- Blood Pressure Screening
- Cancer Screenings
- Diabetes Screening

- FDA-approved contraceptives, sterilization procedures, and counseling
- Routine immunizations, including flu shots
- Smoking cessation

A full list of covered preventive services can be found at Healthcare.gov (<https://www.healthcare.gov/what-are-my-preventive-care-benefits/>).

Emergency Services

Small business health insurance plans must also cover emergency services out-of-network with the same level of cost-sharing as emergency services provided in-network.

“Emergency services” are services necessary when there is an immediate need for health services. This happens when a person’s life or health or ability to get, keep or gain maximum function is in serious danger.

Employer Shared Responsibility Provisions

Beginning January 2015, employers employing at least 50 full-time employees (or a combination of full-time and part-time employees that is equivalent to 50 full-time employees) during the previous calendar year may be subject to the Employer Shared Responsibility (ESR) provisions under section 4980H of the IRS.

Under the ESR provisions, if employers do not offer affordable health coverage that provides a minimum level of coverage to their full-time employees (and their dependents), the employer may be subject to an ESR payment if at least one of its full-time employees enrolls in coverage through the Individual Marketplace and receives a premium tax credit.

Employers that employ fewer than 50 full-time employees (including full-time equivalents) in their businesses are not subject to the ESR provisions.

For further information, visit www.irs.gov or speak with your tax advisor.

Reporting Requirements for Employers

Under development

Metal Levels

Health insurance plans in MNsure are categorized into four “metal levels” (or tiers) to make it easier for employers and consumers to compare plans. The metal level provides a general idea of what portion of covered healthcare expenses will be paid by the plan, with the remaining portion to be paid by the consumer.

Even though plans within the same metal level pay the same overall portion of health expenses, plans differ in other ways, such as deductibles, copayments and coinsurance. In general, Platinum and Gold plans will have higher premiums and lower out-of-pocket costs (deductible, coinsurance and copayments); Silver and Bronze plans will have lower premiums and higher out-of-pocket costs.

| Metal Level | Expected costs the plan pays | Costs the individual pays (deductibles, co-pays, coinsurance) |
|-------------|------------------------------|---|
| Platinum | 90% | 10% |
| Gold | 80% | 20% |
| Silver | 70% | 30% |
| Bronze | 60% | 40% |

Plan Selection Options

Medical Plans

How much choice and what kind of choice are best for both you and your employees? There's no one right or wrong answer. MNsure SHOP gives each employer the power to decide what is best for their business.

Employers will be able to choose how many plans to offer to their employees.

MNsure SHOP gives you the flexibility of choice and cost control so you can offer your employees plans options using one of these approaches:

1. **Broad Choice.** Choose from virtually every plan offered by a variety of carriers through MNsure SHOP.
2. **Metal Tier.** Plans are labeled bronze, silver, gold and platinum. Platinum has a higher premium and employees pay less at the time of service while bronze has a lower monthly premium and employees pay more at the time of service. You can choose **one metal level** for all employees. Employees can select plans offered by any carrier at the selected metal level. A metal level offers a simple way of estimating on average how much the carrier will pay for benefits, and how much the member will pay.

| Metal Level | Plan Pays | Member Pays |
|-------------|-----------|-------------|
| Platinum | 90% | 10% |
| Gold | 80% | 20% |
| Silver | 70% | 30% |
| Bronze | 60% | 40% |

3. **Carrier Choice.** You choose one carrier and let employees select from all plans offered by that carrier.
4. **Single Plan.** You choose one health insurance carrier and one plan for your employees.

Dental Plans

Dental premiums are included in any employer tax credits so it is important to offer them through the MNsure SHOP marketplace. There are no minimum contribution or participation requirements with dental plans. Offering dental coverage is optional for you.

If you wish to offer dental coverage to your employees, you may choose from the following two options:

Option 1: Medical and Dental. You ARE offering medical and dental coverage to your employees

- During Employee Open Enrollment, employees will review benefit and rate information.

Option 2: Stand Alone Dental. You ARE NOT offering medical coverage to your employees but wish to provide dental coverage.

- During Employee Open Enrollment, employees will review benefit and rate information

Reference Plan Contribution

One significant benefit to using SHOP is that it allows the small employer to offer multiple plan options and still manage their budget using a reference plan. If you offer more than one plan option, you must select one of them as your reference plan. It is this plan against which your contribution rate is applied.

When you contribute 50% of the cost of an employee's premium, you will pay 50% of the cost of the reference plan premium regardless of which plan the employee selects. If they select a less expensive plan, you will still pay 50% of the cost of the reference plan and the employee will pay the difference. If they select a more expensive plan, you still only pay 50% of the cost of the reference plan and they pay the difference. This applies to medical coverage only. There is no reference plan relative to dental coverage. See examples below.

Simple Fixed Percentage: Multiple Plan Offerings Example

| Employer- Offered Plans | Employee | Total Premium | Employer Contribution (%) | Employer Responsibility (\$) | Employee Responsibility (\$) |
|---------------------------------|------------|---------------|---------------------------|------------------------------|------------------------------|
| Bronze Plan | Employee A | \$300 | | \$200 | \$100 |
| Silver Plan (Reference Plan) | Employee A | \$400 | 50% | \$200 | \$200 |
| Gold Plan | Employee A | \$500 | | \$200 | \$300 |
| Platinum Plan | Employee A | \$500 | | \$200 | \$400 |
| Bronze Plan | Employee B | \$450 | | \$300 | \$150 |
| Silver Plan (Reference Plan) | Employee B | \$600 | 50% | \$300 | \$300 |
| Gold Plan | Employee B | \$750 | | \$300 | \$450 |
| Platinum Plan | Employee B | \$900 | | \$300 | \$600 |

In the example, Employee A's premium for the Silver Plan is \$400. Both the employer and employee pay 50%, or \$200 each. If the employee is a 'young invincible,' he/she may elect to 'buy down' to the Bronze Plan with the \$300 premium. In that case, the employer will still pay \$200 (which is 50% of the Silver Plan) and the employee will only pay \$100 each month to be paid via pre-tax payroll deduction.

Employee B is older and has a family member with a chronic medical condition. The Silver Plan premium for Employee B is \$600 and both the employer and employee will pay \$300 for that coverage. However, if Employee B 'buys up' to a Platinum Plan with a \$900 premium, the employer will still only pay \$300 and the employee will pay the \$600 difference.

- Select one plan to base contributions on, the "reference plan."
- Select a percentage to contribute for employees and dependents to enroll in the reference plan
 - The percent contribution does not need to be the same for both the employee and dependent.
- The contribution remains fixed based on the reference plan. Employees enrolling in any other allowed plan will pay the difference in premium to "buy-up" or they may pay less than 50% of their premium if they choose to "buy-down."

Member-Level Age and Plan Rates

Beginning in 2014, rates based on health status or gender are not allowed. Instead, the ACA requires that small business health plan rates be based only on the age of each employee and each family member. In other words, each employee will have a different premium based on his/her age.

Family premiums will be the total of each family member's own age rate. Family premiums equal the sum of the employee's premium, the spouse/partner's premium, and the children's premiums. Family premiums only count the first three children under the age of 21. Any additional children under the age of 21 are included in the family premium at no additional cost.

There is a 3-to-1 age band limitation on rating; this means that the highest age rate can be no more than three times the lowest age rate.

Rates for MNSure plans vary depending on the employee's age, the region in which your principle business is located, whether employees use tobacco, and the level of coverage you choose.

Plan Benefits

All plans offered in the MNSure SHOP marketplace include new consumer protections:

- No discrimination based on pre-existing conditions or gender
- No annual dollar limit on coverage
- No lifetime limit on coverage

- A cap on out-of-pocket costs
- Allows young adults to stay on their parent's health insurance plan until age 26, unless they have access to coverage through their employer
- Requires that 80-85 cents of every dollar you pay for health insurance is spent on delivering or improving health care—or you get a refund from your insurance company
- Provides consumers a standard, plain language summary of your plan

Out-of-Pocket and Deductible Limits

The ACA established maximum out-of-pocket limits equal to the limits for Health Savings Account (HSA) compatible plans, indexed annually. All out-of-pocket cost, including deductibles, co-pays, and co-insurance, apply towards the out-of-pocket limit. In 2016, the out-of-pocket limit is \$6,850 for individuals and \$13,700 for families.

If you choose a plan with a high deductible, the ACA may require that you provide the option of an HSA to your employee to bridge the gap in cost for the employee.

If you plan to offer an HSA with a High Deductible Health Plan, you may want to refer to IRS Rules (http://www.irs.gov/irb/2013-21_IRB/ar08.html) for more updated information.

How You and Your Insurer Share Costs - Example

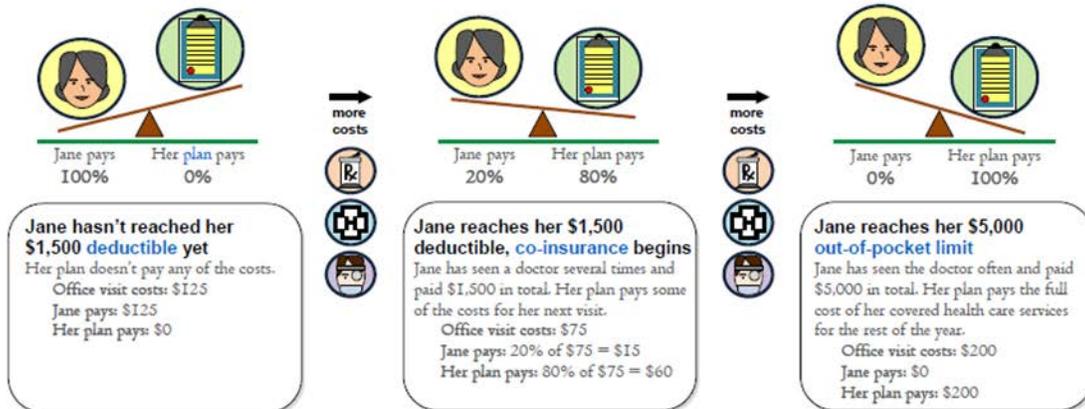
Jane's Plan Deductible: \$1,500

Co-insurance: 20%

Out-of-Pocket Limit: \$5,000

January 1st
Beginning of Coverage
Period

December 31st
End of Coverage Period



Small Business Tax Credit

Small businesses with fewer than 25 employees and full-time equivalent employees that purchase through MNsure SHOP may be eligible for tax credits to help pay for employees' coverage and offset some of your cost of offering health insurance to your employees. The tax credit covers up to 50 percent of premium costs for taxable organizations and up to 35 percent for tax-exempt organizations. To qualify, you must:

- Provide health insurance coverage to your employees through MNsure SHOP
- Pay at least 50 percent of employee-only health insurance premiums
- Pay average annual wages of less than \$50,000 per employee

Visit www.irs.gov for more detailed information, or consult your tax advisor. Note: The IRS, not MNsure, determines who receives the tax credit.

Use this online calculator <http://www.taxpayeradvocate.irs.gov/estimator/smallbusiness20> for a quick look at your eligibility and for more detailed information.

Health Savings Account (HSA)

A Health Savings Account (HSA) is a tax-advantaged medical savings account used with a high-deductible health plan (HDHP). The funds contributed to the HSA are not subject to federal income tax at the time of deposit and they roll over and accumulate year to year if not spent.

MNsure does not provide HSA services. You will need to partner with a HSA vendor if you want to offer this benefit to your employees. The MNsure SHOP marketplace does offer high deductible health plans that can be used with a Health Savings Account. These plans are identified as “HSA” in the plan name.

Waiting Periods

Employers determine and establish the employer group “New Hire Waiting Period” and “New Hire Effective Date” during the employer open enrollment period.

New Hire Waiting Period options are 0, 30 and 60 days. Group health plans cannot make eligible employees wait more than 90 days before coverage takes effect.

New Hire Effective Date options are the first of the month after the waiting period ends or on the hire date. When a New Hire Date is chosen to be effective on the hire date, the premium for that month is charged in full if the new hire date lands between the 1st and 15th. When it lands between the 16th and the end of the month, premium for that month is waived.

Changes to either of these choices may only be made during the employer’s open enrollment period.

Former Employee Rehired

A former employee who is rehired will be treated as newly eligible for coverage upon rehire and may be required to meet the plan’s eligibility requirements once again if reasonable under the circumstances (for example, the termination and rehire cannot be a [maneuver] subterfuge to avoid compliance with the 90-day waiting period limitation). The same would apply to an individual who moves to a job classification that is ineligible for coverage under the plan, but then later moves back to a job classification that is eligible for coverage.

Employer Eligibility & Enrollment

What Information Do I Need to Get Started?

- Federal Employer Identification Number (FEIN)
- Primary Business Address
- Average number of employees, not including a sole proprietor, who worked during the preceding calendar year (January - December).
- Employee Census for each eligible employee
 - o Name
 - o Date of Birth
- Employee Social Security Number (SSN) or Tax Identification Number (TIN)
- Average hours worked per week and annualized wages per employee
- Date of Birth for all Dependents (optional—for cost estimates only)
- Authorized agent / broker information (optional)

Why are dates of birth important? Rates will be determined based on the ages of all enrollees at the time of their enrollment effectuation date.

Steps to Enroll

Three Easy Steps

1. Select which plan(s) to offer employees. If needed, [shop for plans and review rates here](#).
2. Complete the [Employer Application](#).
3. Return the Application via secure email to MNsured.SHOP@state.mn.us. To request a secure email to which confidential documents can be attached, contact SHOP using our [web form](#).

Once you have determined which plan(s) you would like to make available for your employees, you will need to complete an enrollment application in order to verify your eligibility and complete your enrollment. The following information will need to be provided on the employer enrollment application:

- **Employer Information:** Enter basic employer information, including location and contacts and broker information;
- **Employee Information:** Provide information about your employees, including, names, dates of birth, SSNs, employment status, average hours worked and annualized wages;
- **Employer Plan:** Specify plan start date, waiting period/new hire start date, employer contribution for employees and dependents, and confirm offer of coverage to all employees working at least 30 hours a week;
- **Reference Plan:** If offering more than one plan to employees, provide the reference plan you have chosen;
- **Medical Plan Options:** Select the medical plan(s) and dental plan(s) being offered;
- **Confirmation:** Sign and date attesting to the information provided.

How Long Does It Take?

For planning purposes, employers (and brokers) should note that MNSure's initial group set up and employee enrollment timeline will run a minimum of 35 days. However, we recommend beginning the process at least 60 days in advance of your desired coverage date in order to allow adequate time for:

- Employer to review plan and contribution options and finalize offerings;
- Employees to review plan offerings and make an enrollment decision; and
- Employer to make the first premium payment no later than the 15th day of the month prior to the desired coverage effective date;
- Carriers to process enrollment records and send insurance cards to covered employees and their dependents.

Eligibility Verification

MNSure SHOP will utilize a variety of verification methods to determine an employer's eligibility and employee's eligibility to participate in the MNSure SHOP marketplace. These are necessary to maintain the integrity of the Exchange. Some of these verifications are automatic; others may require employer action by providing documentation or authorization to validate information and help resolve inconsistencies.

Effective Date of Coverage

Initial coverage effective dates are chosen by the employer as part of the application and enrollment process and apply to all employees in the group. Group plan coverage start dates are always on the first of the month, with a few exceptions. Once the employer open enrollment period has ended and you have verified your coverage selections, you may not modify your chosen effective date of coverage.

Deadlines for Employer-Sponsored Coverage

| Coverage effective date | Employer application must be received by | First premium payment due |
|--------------------------------|---|----------------------------------|
| Feb 1, 2016 | Dec 28, 2015 | Jan 15, 2016 |
| Mar 1, 2016 | Jan 26, 2016 | Feb 15 2016 |
| Apr 1, 2016 | Feb 26, 2016 | Mar 15, 2016 |
| May 1, 2016 | Mar 25, 2016 | Apr 15, 2016 |
| Jun 1, 2016 | Apr 27, 2016 | May 15, 2016 |
| Jul 1, 2016 | May 27, 2016 | Jun 15, 2016 |
| Aug 1, 2016 | Jun 27, 2016 | Jul 15, 2016 |
| Sep 1, 2016 | Jul 28, 2016 | Aug 15, 2016 |
| Oct 1, 2016 | Aug 26, 2016 | Sep 15, 2016 |
| Nov 1, 2016 | Sep 27, 2016 | Oct 15, 2016 |
| Dec 1, 2016 | Oct 27, 2016 | Nov 15, 2016 |

Employer Changes to Plan Selections

Once employer open enrollment has been completed and information has been verified and confirmed, you will not be able to make any changes to the panel of plans offered to your employees. If changes are necessary after enrollment has been completed, MNSure SHOP will cancel the employer's coverage upon request and the employer will need to start the process over again for a future coverage date/month.

Employees and MNSure

Employees will be able to shop for health plans when the employee's open enrollment period begins as determined by the employer.

Employees will complete a simple application to:

- Verify their eligibility for employer-sponsored health coverage.
- Add any family members they wish to enroll, if applicable.
 - Note: employees purchasing coverage for their family members (dependents) must also be enrolled in the employer-sponsored coverage.
- Select a health plan and/or a dental plan from all of the plans you elected to make available. The cost for each plan will be based on the age of the employee and all of his/her family members, if applicable, less your employer contribution amount.
 - Note: Children aged 26 or older can be a dependent on the employee's plan if they are able to pass the medical and/or financial dependent test required by law.

Once the enrollment process has been completed, employees will receive plan benefit information and ID cards directly from the carrier(s).

Additional Information

Brokers Working with Employers

Brokers working with employers through MNSure will be able to complete the enrollment application on your behalf, once you have designated the broker as your 'Agent of Record'. In addition, they will receive copies of all notices sent to you by MNSure SHOP.

Designating Agent of Record for Payment of Commissions

Carriers will be provided this information, along with the broker's national producer number (NPN) based upon information provided by the employer on the enrollment application, and will use this information to pay commissions directly to the broker or based on whatever the contractual arrangements the broker has with the carrier(s).

Streamlined Administration: One Monthly Payment

MNSure SHOP offers employers more choices than they currently have, including the ability to offer plans from multiple carriers. MNSure SHOP will make administration of your health plans simpler with one monthly invoice, regardless of how many carriers you offer to your employees and premiums are paid directly to MNSure SHOP.

Billing & Payment Information

Employers are responsible for all payments to MNSure. MNSure will not accept payments from employees.

Types of Payments Accepted

Payments for monthly invoices should be submitted electronically via the MNSure website at <http://www.mnsure.org/employer-employees/billing/>.

Partial Payments & Excess Payments

Any partial payments received will be applied to the balance owed, but payment is not considered made until the **full payment** has been received. The employer will be notified that a balance is still owed and that the original due dates and grace periods continue to apply until the full payment has been received.

If your payment exceeds the amount owed, MNSure will apply the excess amount as a credit on your next regular monthly invoice. A refund will only be issued when an employer terminates participation in MNSure. The refund will be indicated on your next month's invoice.

Employers must pay the total amount of their invoice. If a credit or debit is owed due for reasons such as, but not limited to employee termination, dependent eligibility change, etc., it will be reflected as an adjustment on the next invoice.

Initial Premium Collection—Due by 15th of Month

To complete open enrollment for your business, MNSure must receive payment in full (for all employees and dependents) for the first month of coverage by the date indicated on the electronic invoice you will receive.

Ongoing Premium Collection

Electronic invoices are sent prospectively on the 5th of each month, with payment due on the 25th of the month the invoice was sent.

Mid-month Enrollment

Employer group coverage always starts on the first of the month. However, employees can be added mid-month when the employee has experienced a qualifying event, subject to employer new hire effective date and waiting period elections. Full payment is due for enrollment during the 1st -15th of the month (if coverage is effective on the date of hire). However, from the 16th to the end of the month, no payment is due.

Grace Period & Termination

Late payment notices will be sent electronically by the last day of the month after a payment has not been received. If a second consecutive payment has not been made, a 30-day notice will be sent electronically and by US Mail to you and your employees indicating that coverage is in the process of being terminated.

Employers will be liable for all unpaid premiums during the time coverage is effective.

If coverage is terminated due to non-payment, you may ask for a fair review of your case if you are not in agreement of MNSure SHOP's decision to submit a notice of termination to the carrier(s) due to non-payment.

Special Enrollment Periods, Qualifying Events and Coverage Changes

30-Day Notification Requirement

With few exceptions, all coverage changes – including new hire enrollment, must be submitted to MNSure using the Employee Change Form within 30 days of the event.

Employer Changes

As a small business employer, you are required to report any changes in employee eligibility to MNSure. Examples of employee changes that should be reported include:

- Change of address
- Change in employee eligibility status (such as either an increase or decrease in hours that effects the employee's eligibility)
- Employee Termination
- Employee Hire

Coverage Changes and Qualifying Events

Employees can only make choices about, and changes to, their healthcare coverage during the employer's annual "open enrollment" period. However, exceptions apply if you have a qualifying event such as marriage, birth or adoption of a child, divorce, move out of a service area, or involuntary loss of coverage.

How to Update Coverage Changes

When an employee experiences a qualifying event, the employer and the employee must complete the Employee Change Form within 30 days of the event and return it to MNSure SHOP so the existing employer-sponsored health coverage can be updated.

COBRA: Comprehensive Omnibus Budget Reconciliation Act

Employers with COBRA enrollees may expect the carriers of the plan(s) that COBRA enrollees are in, to request additional information to support their status. Due to the nature of COBRA administration, MNSure SHOP advises you to work closely with a COBRA administrator to help ensure both your and the employee's responsibilities are addressed.

Cancellation of Coverage

Employer Cancellation

Employers may submit a request to cancel group coverage at any time upon written notification using the SHOP Employer Change Form. Keep in mind the cancel date must provide at least 30 days for employees to arrange for other coverage. Once MNSure has processed and approved the request, we will get back to you and confirm the last date of coverage. In addition, we will send your employees a 30-day notice, advising them of the cancellation date. Note: termination effective dates are generally the last day of the noted month.

Employee Cancellation

Employees may submit a request to cancel their employer-sponsored coverage at any time after the coverage has started upon written notice to MNSure via the SHOP Employee Change Form. If the request arrives at MNSure between the 1st and the 15th of the month, cancellation of the policy may occur for the end of the current month of coverage. If the request arrives at MNSure between the 16th and the end of the month, cancellation may occur for the end of the next month. Note: cancellation of employer-sponsored coverage elections is not allowed during the period of time between the close of employee open enrollment and when coverage goes into effect.

Employee Termination

If cancellation is due to employee termination, coverage will expire at the end of the month of the event if MNSure receives an Employee Change Form within 30 days of the event.

Reinstatement

MNSure SHOP will allow an employer to re-enter SHOP at any time throughout the year, given there were not any outstanding premium payments due upon termination (final coverage date) of a

previously held enrollment policy. A new employer enrollment application will need to be submitted and we will re-determine eligibility based upon the new application.

Reinstatement may be disruptive to the employee's coverage, resulting in a gap of coverage.

Appeals

On occasion, a person submitting an application with MNSure may not agree with a particular decision they receive from MNSure, including whether an employer or an employee is determined ineligible for MNSure. You can make an appeal to ask for a fair review of your case. MNSure has set up an appeals process to give you that fair review.

Appeal Process

The steps:

- You decide that you disagree with MNSure's decision.
- You file your appeal.
- MNSure schedules the review, which may be a telephone hearing or evidence review,, and lets you know the details.
- You prepare for your review.
- The appeals examiner conducts the review.
- The appeals examiner makes a decision and sends it to you in writing.

Once you have filed your appeal, it may take up to 90 days for MNSure to conduct the appeal process and issue a decision.

You do not need a lawyer to appeal, but you may have one. You can represent yourself at your appeal. You can also be represented by a relative, friend or other person, but you must be present.

You will get a decision in writing when the appeal is complete.

Timing is very important: You must file your appeal within 90 days of the date of your eligibility determination notice.

How to Start an Appeal

- Access the appeals request form on the MNSure website (<https://www.mnsure.org/help/appeals/>). Complete the form and email it to dhs.mnsureappealsindexing@state.mn.us; OR
- Call the MNSure Contact Center toll-free at 1-855-366-7873; OR
- Mail the appeal request form to: MNSure, 81 East 7th Street, Suite 300, St. Paul, MN 55101-2211; OR
- Come in person and complete the appeals request form at the Minnesota Department of Human Services Information Desk: 444 Lafayette Road N, St. Paul, MN 55101.

Employees: Appealing Ineligibility for MNsure

If an employee and/or their dependents are determined ineligible for MNsure, he/she should first contact the employer to resolve the discrepancy. Likely, there was a data mismatch between the information entered on the employer's application and the information entered on the employee's application. Nevertheless he/she can file an appeal with MNsure at any time.

When an employee files a request for an appeal, the employer will receive a copy of the appeal request. Employers have a right to participate in their employee's appeal, if they choose to do so.

How to Contact MNsure

If you have additional questions, or if you should need assistance with the application or enrollment process, please call the MNsure Contact Center toll-free at 1-844-520-8695.