

West Virginia Health Benefit Exchange

Small Business Health Options Program (SHOP)

What is the Health Benefit Exchange?

Insurance Exchanges are state-based, competitive marketplaces, which launch in 2014, and will provide millions of Americans and small businesses with “one-stop shopping” for affordable coverage.

What it means for Small Employers

- Purchasing power from the pooling of risk
- Tax credits

What it means for Small Business Employees

- Portability of coverage
- More choices

States are required to operate a Small Business Health Options (SHOP) Exchange for businesses with 1-50 employees. In SHOP, employers can choose the range of plans they want to offer and decide on a contribution toward the coverage; employees then select the plans that best meets their needs and resources. Employers can offer plans from several insurance companies, but will receive a single bill and write a single check.

States have flexibility in how they design their SHOP functions. For example, in addition to employee choice, a SHOP can allow an employer to select one or more specific plans for its employees. A state can also choose to merge the small group and individual market risk pools in order to operate its Exchange and SHOP under the same structure, ensuring individuals in the Exchange and workers in small businesses have the same plan options.

The Affordable Care Act also establishes a Small Business Tax Credit that will help make offering health coverage more affordable for small businesses that qualify. These tax credits are available now to all eligible small businesses; after 2014 the tax credits increase to up to 50% of the employer’s contribution and will only apply to coverage purchased through the SHOP.

For more information for small businesses and available tax credits, click [here](#).

History of the Exchange in West Virginia

The Affordable Care Act (ACA) requires that all states establish an operational Exchange no later than October 2013, or the federal government will operate an Exchange for the state. However, development of a Health Benefit Exchange in West Virginia was under consideration prior to passage of the ACA. In March 2011 the state Legislature passed Senate Bill 408 establishing a Benefit Exchange in the state.

Senate Bill 408 establishes the West Virginia Health Benefit Exchange within the Offices of the Insurance Commissioner (OIC) as a governmental entity of the state and provides for a ten-member independent Board comprised of state officials and stakeholders with legislative and emergency rule-making authority to oversee the Exchange. The OIC is continuing research, planning and development for the SHOP and Individual Exchange using grants from HHS.

For more information and a calendar of monthly stakeholder meetings, visit www.bewv.com