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Transition Plan for the Health Insurance Partnership Premium Subsidy Program for Small Business

The Maryland Health Care Commission will **close** the Health Insurance Partnership premium subsidy program **to new enrollments effective January 1, 2014**. The launch of the Small Business Health Options Programs (SHOP) through Maryland Health Connection, which offers a federal tax credit for qualifying employers, eliminates the need for the current Health Insurance Partnership. Employers enrolled in the Partnership prior to January 1, 2014 will continue to be eligible for a premium subsidy until their policies expire on or before December 31, 2014.

To minimize disruption, MHCC has developed the following transition plan:

- Small businesses **currently enrolled** in the Health Insurance Partnership premium subsidy program will be notified by mail in September that the program will be **closed to renewals** effective January 1, 2014 and after.
- Small businesses currently enrolled in the Partnership whose policies are renewed **prior to** January 1, 2014 will retain their premium subsidy until their first renewal on or after January 1, 2014.
- Small businesses currently enrolled in the Partnership who have renewal dates that occur in January and February, 2014 can (1) purchase group coverage outside the SHOP Exchange but will not have access to the federal Small Business Health Care Tax Credit, or (2) drop group coverage whereby their employees could purchase insurance on the individual exchange which also offers federal subsidies in the form of tax credits for qualifying individuals.
- Small businesses enrolled in **grandfathered health benefit plans** and currently receiving a premium subsidy through the Partnership with renewals effective in January or February of 2014 can renew their grandfathered plans (if available from the carrier) and receive a Partnership premium subsidy until their next renewal in January or February of 2015; however, they will not be eligible for the federal Small Business Health Care Tax Credit until they purchase coverage in the SHOP Exchange.
- Small businesses with renewals effective March 1, 2014 and after can (1) purchase group coverage inside the SHOP Exchange at Maryland Health Connection; (2) purchase group coverage outside the exchange; or (3) drop group coverage whereby their employees could purchase insurance on the individual exchange which also offers federal subsidies in the form of tax credits for qualifying individuals.
- Qualifying small businesses who have not offered group health insurance in the prior twelve month period have an opportunity to access the Health Insurance Partnership premium subsidy program for one year if they purchase coverage before January 1, 2014.