



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

March 12, 2014

The Honorable Sam Graves
Chairman
Committee on Small Business
U. S. House of Representatives
Washington, DC 20515

Dear Chairman Graves:

Thank you for your letter regarding the number of small businesses that have enrolled in health insurance coverage through the Small Business Health Options Program (SHOP).

Although the metrics you requested are not currently available, we expect to have SHOP enrollment data at a later date and will provide you and your Committee that information when it is available. There are several challenges to providing meaningful data on enrollments in SHOP policies at this time, including the fact that employers may purchase SHOP policies at any point during the year, instead of during a fixed open enrollment period, and employers are currently enrolling directly through issuers of group policies.

As you know, the SHOP Marketplace helps small businesses provide health insurance coverage to their employees. For 2014, the SHOP Marketplace is open to employers with 50 or fewer employees that offer coverage through the SHOP to all full-time employees, either in the SHOP where the employer's principal place of business is located, or in the SHOPs where their employees have their primary worksites. Generally, employers with fewer than 25 full-time-equivalent employees (as determined according to guidelines established by the Department of the Treasury) may qualify for tax credits if they offer their employees insurance through a SHOP and meet other criteria established by the Department of the Treasury.

Small employers can enroll their employees in SHOP coverage throughout the year. As a result, SHOP enrollment is not limited to the individual Marketplace open enrollment period, and SHOP enrollment figures will vary throughout the year. The Centers for Medicare & Medicaid Services (CMS) is working to collect enrollment data from insurance companies.

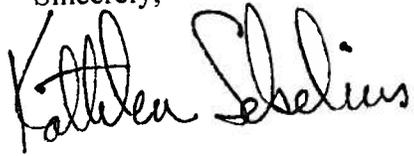
It is also important to note that for Federally-facilitated SHOP coverage beginning in 2014, small businesses do not need to apply for SHOP eligibility before enrolling in coverage, and they may enroll their employees in coverage through HealthCare.gov, or through an agent, broker, or insurer that offers a certified SHOP plan and has agreed to conduct enrollment according to CMS standards for the Federally-facilitated SHOP Marketplace.

Again, thank you for your letter and interest in the SHOP program. We will continue to work

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with your staff to provide you with information. Please do not hesitate to contact me with any further thoughts or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Sebelius". The signature is written in a cursive style with a large initial "K".

Kathleen Sebelius