



DEPARTMENT OF
**Professional &
Financial Regulation**
STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

A Guide to... Health Insurance for Small Businesses



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Maine Bureau of Insurance

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SMALL BUSINESS GUIDE TO HEALTH INSURANCE

Small employer health insurance is available in Maine from several insurers, both on and off the federally facilitated Small Business Health Options Program, or “SHOP.” (See back cover for more about SHOP.)

GETTING STARTED

It is a good idea to contact an independent insurance broker who represents more than one health insurance company to help you shop. That broker can answer questions, evaluate your group’s coverage needs and budget, and provide quotes.

Compare benefits and premiums carefully when considering different plans. In addition to benefits and premiums, service is important to consider; a company providing superior service may be worth some additional cost.

ELIGIBILITY

A “small” employer is one that has 50 or fewer full-time equivalent (FTE) employees, and at least one employee who is not the owner or spouse.

All employees working 30 or more hours per week are eligible for coverage, and the employer may also include dependents, retirees, and part-time employees who work 10 or more hours per week.

Any insurer in the small employer health insurance market must accept any small employer that applies, as long as at least 75% (70% on the SHOP Exchange) of eligible employees and dependents (if you choose to cover dependents) participate. **There is an annual open enrollment period between November 15 and December 15 when minimum participation requirements do not apply.**

An FTE calculator and other tools are available at healthcare.gov/small-business/get-coverage.

CONTINUED COVERAGE FOR DEPENDENT CHILDREN UP TO AGE 26

Under the federal Affordable Care Act (ACA), if your business offers coverage for dependent children, that coverage must be available for adult children up to their 26th birthday. This coverage must be available even if he or she is a student, is married, has their own dependent(s), or files their own taxes. If the plan does not cover dependents, your company does not have to change the plan to cover adult dependents.

If you believe that you are eligible for small group health insurance but have been declined for a small group (or an individual) plan by any of the insurers shown in this brochure, please note the name of the person you spoke with at the insurance company and contact the Consumer Health Care Division of the Maine Bureau of Insurance at (207) 624-8475 or 800-300-5000 (in Maine only).

PRE-EXISTING CONDITIONS AND ENROLLMENT PERIODS

The Affordable Care Act prohibits pre-existing condition exclusions for new health plans.

An employee or dependent may enroll in the employer's plan after the employer's waiting period is met; during the employer's annual Open Enrollment period; or if and when the employee's existing coverage terminates for one of several reasons specified by law. These reasons include loss of coverage through a spouse's or parent's plan (if the employee is younger than 26 years) due to death, divorce, termination of employment, or termination of the group plan. Also, when an employee gains a new dependent through marriage, birth or adoption, the employee has a 30 day special enrollment period in which to add the dependent to their plan (if you have chosen to cover dependents).

COST

Rates cannot differ based on gender, health status, claims experience, or policy duration. Rates *can* vary based on tobacco use, age, and geography. Each employee is rated individually, as are his or her dependents. Costs for dependents younger than 21 are capped at three dependents. (In other words, providing coverage for *more* than three children under 21 does not cost any more than providing coverage for three.)

Plans of all types generally have an annual **deductible** that must be met and paid before benefits begin or before they are paid at the highest level. A **coinsurance** provision generally requires the insured to pay a percentage of the cost until an out-of-pocket limit is reached. Certain services may only require a **co-payment** at the time of service (such as a visit to the doctor's office) while some routine preventive services will not require any payment by the insured, as outlined by the ACA.

To help cover the cost of premiums, deductibles, cost-sharing and copays, IRS Code Section 125 allows employers to offer their employees some pre-tax options.

- Employees may make their health benefit plan premium contributions with *pre-tax* dollars (known as a Premium Only Plan).
- The employer may choose to set up a fund to include a Health Care Reimbursement Account. Employees are then able to set aside *pre-tax* dollars to pay for medical expenses that are not covered or otherwise reimbursed. The employee decides each calendar year how much to set aside for that year and funds the account with a *pre-tax* contribution each pay period. The employee then makes a claim for reimbursement by submitting proof of incurring a qualifying expense. Any money left unclaimed at year end is forfeited. Anyone interested in these types of funds should contact a tax attorney, CPA, or other qualified professional.
- The employer may elect to set up a Health Savings Account (HSA) which, unlike a Health Care Reimbursement Account, can carry over from year to year. These investment accounts are combined with high-deductible plans. The employee can withdraw money tax-free from the account for medical expenses. Otherwise, the money accumulates with tax free interest.
- The investment account can be funded by the employer, by the employee, or both. The high-deductible health insurance policy must meet standards set in federal tax law. Policies are designed specifically for this purpose. Other high-deductible policies may qualify, but you or your tax adviser should check the federal standards carefully to be sure.

WHAT TYPES OF PLANS ARE AVAILABLE?

Most insurers offer a variety of plans. Plans vary as to the level of benefits that are paid, the provider network that is part of the particular plan, and the extent of managed care provisions. The general types of plans available in Maine are:

- **HMO** - A “pure” HMO plan requires enrollees to choose a primary care physician from participating doctors. Any non-emergency service at a hospital and any specialty care requires a referral from the primary care physician. With few exceptions, no coverage is provided for doctors and hospitals that are not part of the HMO’s network.
- **(POS)** - A POS (point-of-service) plan is similar to a “pure” HMO plan except that services from non-network doctors or hospitals, or services obtained without a referral from the primary care physician are covered, but at a lower benefit level than in-network care.
- **PPO** - A PPO (preferred provider organization) plan is similar to a point-of-service plan. PPO plans usually do *not* require a referral from a primary care physician in order to receive the highest level of benefits for services received from an *in-network* specialist or hospital.

INDEMNITY - An “indemnity” or “fee-for-service” plan does not use a provider network. The same level of benefits apply to any doctor or hospital and is generally limited to the “usual and customary” charge for the service. If the doctor or hospital charges more than this amount, the patient is responsible for the extra charge (this is known as “balance billing”).

Small businesses can purchase coverage anytime during the year as long as they meet the following minimum participation ratios:

- 70% of eligible employees when purchasing coverage through SHOP;
- 75% when purchasing non-SHOP coverage.

Small businesses can purchase or renew coverage for the upcoming year

without meeting minimum participation ratios between

November 15—December 15 each year

COMPANIES SELLING SMALL BUSINESS HEALTH INSURANCE IN MAINE

Small business health insurance plans are currently offered in Maine by the companies listed in the table on the following page. You can compare plan types and rates using the Bureau's comparison charts on the Bureau's website at https://www.maine.gov/pfr/insurance/consumer/employers_other_groups/health/premium_rates/index.html.

For plan-specific questions and additional information please use the phone numbers or website addresses provided in the table. You may also want to contact a local independent broker or agent and review SHOP information at www.healthcare.gov/small-business. (See back cover for SHOP info.)

The plans and rates offered by insurance companies in Maine are reviewed and approved by the Bureau of Insurance. You are welcome to call the Bureau at 207-624-8475 or 800-300-5000 with any insurance-related questions. For TTY, please use Relay 711.



2019 Plans By Metal Level, Carrier and Network Type							
Insurance Carrier	Bronze	Silver	Gold	Platinum	Network Types	On SHOP	Off SHOP
Aetna Health Aetna Life Insurance Co. (800) 694-3258; www.aetna.com	√	√	√		HMO Indemnity PPO		√ √ √
Anthem Blue Cross Blue Shield (800) 547-4317; www.anthem.com	√	√	√	√	HMO PPO POS		√ √ √
Harvard Pilgrim Health Care HPHC (888) 333-4742; www.harvardpilgrim.org	√	√	√		HMO POS PPO		√ √ √
Maine Community Health Options (855) 624-6463; www.maineoptions.org	√	√	√		PPO	√	√
United Health Care Insurance (866) 432-5992; www.uhc.com	√	√	√		POS		√

THE FEDERALLY FACILITATED SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP)

The Small Business Health Options Program (SHOP) is a federal program intended to simplify the process of buying health insurance for small businesses. SHOP is open to employers with 50 or fewer full-time equivalent (FTE) employees.

Businesses with fewer than 25 employees may qualify for the Small Business Health Care Tax Credit.

To participate in SHOP you must:

- Have a principal business address within the state where you are buying coverage, or you can offer coverage to each eligible employee through the SHOP Marketplace account serving that employee's primary worksite.
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor or their spouses, if they're on payroll). For the definition of a common-law employee, visit the IRS website at [irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-\(Common-Law-Employee\)](https://irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-(Common-Law-Employee)).

For more information about SHOP visit
www.healthcare.gov/marketplace/small-business.

More information and other publications are available from:

The Maine Bureau of Insurance

34 State House Station

Augusta, ME 04333

(207) 624-8475 or (800) 300-5000

TTY: please call Maine Relay 711

Or online at:

www.maine.gov/pfr/insurance