

**MAINE BUREAU OF INSURANCE**  
**Small Business Health Insurance Premium Support Program**  
**FAQs for Small Group Employers and Employees**

**1. What types of small group plans are eligible?**

The program applies to community-rated, ACA-compliant major medical small group plans. The program does not apply to multiple-employer welfare arrangements (MEWAs) or to associations that have requested and received exemptions from participating in their carrier’s statewide small group rating pool. It also does not apply to supplemental plans such as vision or dental plans.

Qualifying small group plans are currently sold in Maine by Aetna, Anthem, Community Health Options, Harvard Pilgrim, and United Healthcare. If you are not sure what type of plan you have, check with your insurance company.

**2. What are the credit amounts, and how does an employer split the credit with an employee?**

The initial credit amounts are \$50 per adult + \$30 for a plan that includes a child, based upon the following subscriber types:

Employee only=	\$ 50
Two adults=	\$100
One adult + child(ren) =	\$ 80
Two adults + child(ren)=	\$130

Adult + child plans provide the same credit per plan, regardless of the number of children included in the plan. “Child” includes an adult child covered under an employee’s plan. The employer must split the monthly credit with the employee in at least the same proportion as the premium contribution between the employer and employee. There is a calculator on our information page which may assist with determining the correct split. Following are a couple of examples.

**Example: Employee only**

<u>Premium</u> =	\$500/month
Employer pays	\$250 (50%)
Employee pays	\$250 (50%)
 <u>Premium credit</u> =	 \$50
<b>Employer portion: =</b>	<b>\$25 (50%)</b>
<b>Employee portion: =</b>	<b>\$25 (50%)</b>

**Example: 2 adults and child(ren) on plan**

<u>Premium</u> =	\$1200/month
Employer pays	\$ 720 (60%)
Employee pays	\$ 480 (40%)
<u>Premium credit</u> =	\$ 130/month
<b>Employer portion:</b> =	<b>\$ 78 (60%)</b>
<b>Employee portion:</b> =	<b>\$ 52 (40%)</b>

- 3. Does an employer with an eligible small group plan need to apply for this program?**  
No, insurance companies who provide eligible plans will automatically provide the credits to the employer's plan. The credits will be shown in each monthly invoice. The employer will need to calculate the split of the credit with the employee, adjust payroll accordingly, and provide notice to their employees (see #5 below).
- 4. What is the time period of the program?**  
The program is currently scheduled to run from November 1, 2021 through April 30, 2023. This schedule is based upon current estimates of available funding and may change. Most employers will see the first credits in their invoices for November 2021 coverage. Some employers may not see the credits until their invoices for December 2021 coverage. If credits are not provided in November, the employer should receive a double credit in December (credit for both November and December 2021).
- 5. Does the employer need to do anything other than provide the correct split of the credit with employees?**  
Yes, employers must provide notice of the program to their employees by posting information about the program in their workplace where they post other employee notices. Insurers will be providing employers with a letter explaining the program, and this letter can be posted to satisfy the notice requirement.
- 6. I have received my monthly invoice from my insurance company for my small group plan. I have some questions about whether the credits were accurately stated on the invoice. Who should I ask about this?**  
You should contact your insurance company to seek clarification of the credit amounts and other questions about your invoice.
- 7. Are there any tax implications to businesses or employees who receive the premium credits?**  
The Bureau of Insurance cannot provide tax advice. Preliminarily, it appears likely that there will be an indirect tax consequence. The credit will reduce the employer's health insurance deduction, thereby increasing income subject to taxation. The employee will also see a reduction in pre-tax withholdings for premium payment and a corresponding increase in income subject to taxation. Employers and employees should consult their tax advisor for tax guidance.

**8. Can an employer make a contribution to an employee's Health Savings Account (HSA) instead of using the credit to reduce the employee's portion of the monthly premium?**

No. The Bureau's understanding of the purpose of the Small Business Health Insurance Premium Support Program (the Program) is to provide direct premium-payment assistance to employers and employees in the fully-insured small group market. The statute provides that "the employer and employee must share in the (premium) reduction pro rata according to their contributions to the premium." In addition, the statute directs that the Program must "ensure the payments result in a reduction of small group health insurance premiums of \$50 per employee...with an additional reduction for family coverage."

The statute does not provide for alternative uses for the employee's portion of the premium assistance, such as an employer's contributions to an employee's HSA in lieu of the premium reduction. The Bureau's view is that this arrangement is not allowed by the statute.