



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Maryland Health Benefit Exchange – Funding for Small Business Insurance Subsidies and Outreach – HB930 – Factsheet

SHOP Background:

- Small businesses are less likely to offer comprehensive health benefit packages to employees than large employers.
- The Affordable Care Act created the Small Business Health Option Program (SHOP) in 2010, which is administered by the Maryland Health Benefit Exchange (MHBE).
- SHOP provides federal tax credits to small businesses for the purposes of purchasing health coverage and offering more plan choices to their employees.
- MHBE currently spends \$90,000 on SHOP outreach each year vs. \$3.4 million spent on individual market outreach
- No state funds currently supplement SHOP federal tax credits.
- Fewer than 900 employees receive health insurance coverage from SHOP.

Potential Benefits of Increased SHOP Participation:

- Increased flexibility for small businesses
- New opportunities for uninsured people to receive coverage.
- New opportunities for people enrolled in the individual market to shift to SHOP
- More stable individual market
- Improved health equity

Current Barriers to SHOP Participation:

- Insufficient funds for small businesses
- Lack of awareness among small business employers

Solutions:

1. Provide \$15 million to supplement the small business tax credit to help small businesses purchase health insurance through SHOP
2. Increase funding by \$2 million for MHBE to conduct outreach on SHOP