

# Buying SHOP Marketplace Coverage Outside of the Enrollment Period

Qualified employees and their dependents (if you offer dependent coverage), may have a right to sign up for your coverage or make changes to their coverage choices outside of your enrollment period. Job-based plans must provide this Special Enrollment Period (SEP) of 30 days following certain life events that involve a change in dependent status or loss of other health coverage. If you don't offer dependent coverage, an SEP applies only to qualified employees.

## Qualifying life events that create an SEP

To qualify for an SEP, employees and their dependents (if you offer dependent coverage) must have a qualifying life event. Qualifying life events that create an SEP include:

- A dependent is added through marriage, birth, adoption, or placement for foster care.
- An employee or dependent loses minimum essential coverage, like when an employee loses job-based coverage or the Small Business Health Options Program (SHOP) Marketplace no longer certifies the employee's plan to offer coverage.
- An employee moves to a new state and gains access to an employer's health plan.
- An employee's enrollment or failure to enroll in a plan is the result of the error, misrepresentation, or inaction of an officer, employee, or agent of the SHOP Marketplace, or the U.S. Department of Health and Human Services (HHS). The SHOP Marketplace will evaluate and decide if these instances apply.
- An employee proves to the SHOP Marketplace that the plan they're currently enrolled in has violated a provision of its contract that relates to the employee.



## Notifying the SHOP Marketplace of life events

An employee must notify the SHOP Marketplace of a life event that triggers an SEP no later than 30 days from the date of the event. Employees that either become eligible for or lose eligibility for Medicaid or the Children's Health Insurance Program (CHIP), have 60 days from the date of the event to notify the SHOP Marketplace. If an employee doesn't notify the SHOP Marketplace within the required timeframe, the employee must wait until the next enrollment period to make a change.

**Important:** Employees must report life events to you, and you're responsible for notifying the SHOP Marketplace.

## Effective dates of coverage for life events

In most cases, if the SHOP Marketplace is notified by the 15th of the month, the change in coverage will become effective the first of the following month. If the SHOP Marketplace is notified of the change in coverage after the 15th, the effective date is the first day of the second month.

If you offer dependent coverage, some life events allow for the change to become effective on the day it occurs, like the birth of a child, adoption, and placement for adoption or foster care. You must notify the SHOP Marketplace within 30 days of these events.

In the case of marriage or loss of other coverage, the effective date for the change is always the first of the month. The month the change becomes effective depends on when you notify the SHOP Marketplace.

**For example, if an employee gets married on January 5, 2016, and reports it on:**

- January 10, 2016, the coverage start date will be February 1, 2016.
- January 31, 2016, the coverage start date will be February 1, 2016.
- February 1, 2016, the coverage start date will be March 1, 2016.

## Employees who miss the enrollment period

If you have an employee that was offered SHOP Marketplace coverage but didn't enroll, the employee will have to wait until you renew coverage to enroll. The employee can't enroll in coverage outside of the enrollment period unless they have a qualifying life event.

## Coverage for new employees

When you first enroll in the SHOP Marketplace, you'll decide how long new employees must wait before getting health coverage. The waiting period options are 0, 15, 30, 45, or 60 days. Coverage effective dates for new employees are always the first of the month. Once the new employee is eligible, the employee will have 30 days to accept your coverage offer and enroll. The coverage effective date is based on when the employee enrolls. If the employee enrolls on or before the 15th of the month, coverage will be effective on the first of the following month. If the employee enrolls after the 15th of the month, coverage will be effective on the first of the second month.

**For example:** John, owner of ABC Garage, chose a 60 day waiting period for new employees. Maria was hired by John on May 10. Maria is eligible for coverage as of July 10 (60 days after she was hired). She must accept and enroll in coverage within 30 days of becoming eligible on July 10.

- If she enrolls by July 15, the coverage will be effective August 1.
- If she enrolls by July 18, the coverage will be effective September 1.

You can make changes to the new employee waiting period only when it's time to renew your coverage. You can't to make any changes outside of your enrollment period.

