

Covered California for Small Business (also called SHOP). SHOP acts like a hub that brings together insurance providers on behalf of businesses. It aggregates small business medical plans, obtains information on their pricing and benefits, enrolls employees and consolidates billing. Employers are free to choose how many plans to offer and how much to pay in premiums, while receiving one bill and writing a single check for all their employees.

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More Benefits of SHOP

Other benefits of SHOP include:

Certifying, rectifying and decertifying health plans on the exchange

Rating every single plan according to price and quality

Standardizing information on health plans for consumers

Having an electronic calculator that businesses can use to find out potential eligibility for business tax credits

How SHOP Helps Small Businesses in California

Here's a look at how SHOP can help small businesses in California better afford health insurance for their employees:

1. More Choice and Flexibility

Apart from HMO, EPO, HSA and PPO plans, employers who enroll in Covered California can offer their employees multiple carriers and levels of coverage.

2. Ability to Compare Plans Side-By-Side

Employers can now compare plans side-by-side. Most small businesses don't have quick and easy access to information on health care options. Covered California organizes this information for them in an easy-to-use web portal.

3. Protection Guarantee

Covered California helps small businesses reduce health care costs by:

Offering employers a potential business tax credits of up to 50% of the employer's premium contribution for employee health coverage

Allowing healthy competition between health care plans to drive health care costs down

Giving employees an opportunity to contribute to their coverage in case they need more comprehensive health care

Keeping employees healthier, reducing absenteeism and improving productivity at the workplace

What Benefits Does SHOP Offer?

The law requires that SHOP offers ACA compliant medical coverage including the 10 essential benefits which are: emergency services, hospitalization services, ambulatory services, prescription medications, maternity and breastfeeding support, laboratory services, preventative and wellness benefits, mental health and drug abuse services, and pediatric services (including dental and vision care for kids).

Types of Health Plans on SHOP

Covered California has four levels of health plans, each offering the required benefits. The employer chooses the level(s) of coverage to offer, and employees are free to pick any plan within those levels. The four levels are based on specific metal tiers and include the following:

Bronze: The plan pays 60% of health care costs.

Silver: The plan pays 70% of health care costs.

Gold: The plan pays 80% of health care costs.

Platinum: The plan pays 90% of health care costs.

Health plans in the Covered California insurance Small Business exchange are required to offer at least one plan from the above four categories.

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