SHOP Marketplace

Health Insurance for Small Businesses

SHOP Marketplace Insurance Basics

As a small employer, your employees are your greatest investment. Health insurance is key to keeping and recruiting employees, maintaining productivity, and improving employee satisfaction. As a small employer, you're busy running your business, so finding and buying health insurance for you and your employees should be as simple.

The Small Business Health Options Program (SHOP) Marketplace offers resources and support to make it easier to select, buy, and use affordable, high quality health insurance. Here are a few key health insurance terms you should know when buying health coverage through the SHOP Marketplace on HealthCare.gov:

Cost sharing: This is the share of costs covered by your insurance that you pay out of your own pocket. Cost sharing generally includes deductibles, coinsurance, and copayments, or similar charges, but it doesn't include premiums, balance billing amounts for non-network providers, or the cost of non-covered services.

Plan categories: There are a variety of plans available in the SHOP Marketplace that can help you control your budget. Health plans in the SHOP Marketplace are divided into 4 categories based on how employers and their employees share the costs of health care:

- Bronze
- Silver
- Gold
- Platinum

The categories don't reflect the quality or amount of care a plan provides. Each plan in the SHOP Marketplace covers essential health benefits (like hospitalization, preventive services, and prescription drugs). Learn more about choosing a coverage category by visiting HealthCare.gov/small-businesses/provide-shop-coverage/choose-shop-insurance.

Premium: This is the amount you'll pay each month for your plan. You must pay your premium each month, whether or not you use any health services. In general, higher premiums mean lower out-of-pocket costs when you get services and lower premiums mean higher out-of-pocket costs.

Deductible: This is the amount you owe for covered health care services before your health plan begins to pay. For example, if your deductible is $1,000, you'll have to pay $1,000 of your own money before your plan starts to pay for services covered under this plan. Deductibles don't apply to all services. For example, physicals and other preventive services are typically covered right away and don't count towards your deductible. You'll have to pay a new deductible each year starting on January 1 or on your plan year anniversary. Check with your insurance company to find out when you have to pay a new deductible.

In-network vs. out-of-network: Certain types of plans require or encourage you to get care from the plan's network of doctors, hospitals, pharmacies, and service providers. Some plans may not pay for or pay as much for services you get outside of the plan's network. Check with a plan's provider directory to see if your provider(s) are in the plan's network.

Copayment: This is a fixed amount (for example, $15) you pay for a covered health care service, like doctor visits. You usually pay a copayment when you get the service, and the amount varies based on the type of service and your plan.

Out-of-pocket costs: These are your expenses for medical care that aren't reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services plus all costs for services that aren't covered. Each plan has a maximum out-of-pocket value. The total value of all out-of-pocket payments for covered services can't exceed this value within a 12-month plan year.

Apply for SHOP Marketplace coverage now by visiting HealthCare.gov/small-businesses/employers.