



Written by [Michael Tennant](#) on December 1, 2013

## Small-business Exchange Is Latest ObamaCare Postponement

Another day, another ObamaCare delay. On the day before Thanksgiving, the Obama administration quietly announced that its insurance exchange for small businesses will not be functioning for another year — the healthcare law's second major small-business provision to be put on hold this year.

The Small Business Health Options Program (SHOP), which the federal government is operating in the 36 states in which it is also operating the individual exchange, was originally scheduled to open on October 1, the same day as Healthcare.gov. However, like Healthcare.gov, SHOP was not ready for prime time: It allowed businesses to compare the plans offered on the exchange, but it did not permit them to enroll their employees in a plan.

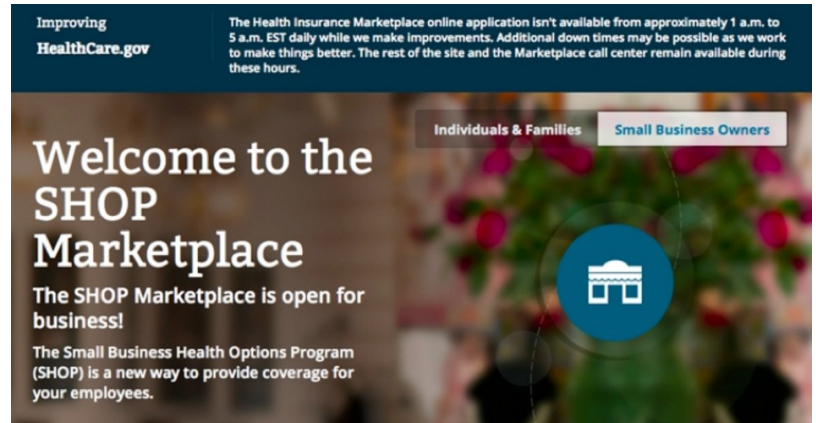
At the time, the administration claimed enrollment functionality would be in place by November; as that deadline approached, the promise was delayed another month. Now, according to the Centers for Medicare and Medicaid Services (CMS), it will take until November 2014, 13 months after it opened, for SHOP to be fully operational.

“Small businesses will still have the option to purchase SHOP health insurance plans through a broker or agent, who will assist the employer with filing a paper application,” reported the [Washington Post](#). “The federal government expects to process those filings for eligibility within three to five days, according to a document circulated to health law stakeholders.”

“We’ve concluded that we can best serve small employers by continuing this offline process while we concentrate on both creating a smoothly functioning online experience in the SHOP Marketplace, and adding key new features, including an employee choice option and premium aggregation services, by November 2014,” read the CMS document.

That “employee choice option,” by the way, is the other significant ObamaCare small-business provision to be delayed this year. Employees of small businesses were supposed to be able to enroll in any one of the plans their employers had selected on the exchange, but last spring the administration [announced](#) that such would not be the case for at least another year. For now, employers can select only one plan, and their employees must then take it or leave it — with the proviso that leaving it and not buying coverage elsewhere means violating the individual mandate and incurring a penalty.

Employers with fewer than 25 employees will want to choose a plan on the exchange even if it means extra paperwork; otherwise, they will forfeit a substantial tax credit. According to the [Washington Post](#),





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“That tax credit first became available in 2010 regardless of where a company purchased coverage. Beginning in 2014, companies will need to buy through the marketplace to continue receiving that financial assistance, worth as much as 50 percent of their workers’ premiums. In years past, the tax credit was capped at 35 percent of workers’ premiums.”

Employers will have to work fast, though. Although “the SHOP exchanges are supposed to allow companies to enroll workers at any time,” wrote the [Huffington Post](#), “companies with current benefits that expire at the end of the year have until just Dec. 23 [extended from the original deadline of December 15] to choose a health plan that will be in effect on Jan. 1.” Then they’d better hope that the government’s estimated three- to five-day turnaround time is accurate — far from certain given the speed of government in general and ObamaCare in particular.

The administration says that the latest delay of SHOP is simply the necessary result of determining which parts of the federal exchange to fix first. Since the individual exchange’s problems are getting the most press, it’s not surprising that the administration chose to concentrate on Healthcare.gov at the expense of SHOP.

“What’s important in our work is to continue to prioritize the best consumer experience for those who are coming to us online,” CMS spokeswoman Julie Bataille told the *Washington Post*. “These decisions all reflect [that] reality.”

Small-business groups and their political allies were not much moved by the administration’s plea for understanding.

“This new delay announcement is a disappointment but not a surprise. Small businesses continue to be low on the priority list during the Obamacare implementation process,” Kevin Kuhlman, manager of legislative affairs at the National Federation of Independent Business, said in a [statement](#). “It probably matters little to people in Washington that the failure to get the small business exchanges online adds yet another onerous paperwork requirement for job creators. The continued delays add to uncertainty and contribute to the decision of many owners to take early renewals of their small-group plans.” (Early renewals enable businesses to [stave off ObamaCare’s mandated benefits](#) — and concomitant rate increases — for another year.)

“In the midst of the angst and uncertainty that small businesses and Americans feel about Obamacare, today’s news of yet another last minute delay is just more proof that the law is unworkable and bad for small businesses,” Rep. Sam Graves (R-Mo.), chairman of the House Small Business Committee, said in a [statement](#). “If small firms failed to provide services this frequently, they would be fired.”

Other Republicans, too, were quick to pounce on the SHOP announcement.

“Once again, President Obama has unilaterally delayed another major portion of ObamaCare, and once again, he has tried to bury bad news around a holiday hoping nobody will notice,” House Majority Leader Eric Cantor (R-Va.) said in a statement.

“The president’s latest one-year delay is another sign that ObamaCare’s issues run much deeper than a failing website,” he continued. “The delay is also a reminder of the terrible harm ObamaCare will inflict on small businesses, costing jobs and economic growth. The president has fought bipartisan efforts to give middle class families and individuals a similar one-year delay from the debacle of ObamaCare. It’s time all Americans are protected from the harm caused by ObamaCare.”

Speaking of burying bad news before the holiday, officials also told the [Associated Press](#) last Tuesday



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that the Spanish version of Healthcare.gov's online enrollment tools is being postponed until "early December," at which point "the administration plans a quiet launch."

With all the delays the administration has introduced into the healthcare law's rollout, perhaps it's time to give it a new nickname: SlowbamaCare.



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