



Monthly Billing of SHOP Carriers

The Arkansas Health Insurance Marketplace (AHIM) will begin billing all Health and Dental Carriers participating on the SHOP Marketplace for all plans sold through SHOP in 2017. The rate is currently set at 3% of all plans with billing occurring monthly.

Listed below are the steps the AHIM will follow to invoice carriers:

- 1) Employer Groups are billed their premium for coverage for the following month on the 2nd of each month. Groups can make changes to their coverage until the 15th of each month.
- 2) The AHIM tracks groups' premiums.
- 3) The AHIM Finance team will determine the fee to bill carriers. Invoices to carriers regarding the fee will be generated on or after the 15th of each month.

For example, if 10 groups select Health Carrier A's plan and the total amount for all plans is \$10,000; then, the AHIM will bill Health Carrier A \$300.

- 4) Full payment is due upon receipt of the invoice. If no payment is received after 30 days, a 10% penalty will be applied to the current balance.
- 5) The AHIM will remit premiums from groups to the appropriate Carriers.
- 6) At the turn of each month, the AHIM will reconcile the amount billed to the carrier with the amount paid by the groups.

For example, if the AHIM bills Health Carrier A 3% of \$10,000 but only \$9,000 was paid by the groups; then, the AHIM will credit Health Carrier A \$30.

The difference will be adjusted on the invoice to the carriers on the following month's billing cycle.