

Health Connector Policy: Waiver or Reduction of Premium

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Approved by: Andrew Egan	Date reviewed: 10/23/2023

This policy applies to all ConnectorCare products.

The opportunity to apply for a waiver or reduction of premium is only available to individuals or families who are enrolled in or eligible for a ConnectorCare plan.¹

- Enrolled members – only an individual or family enrolled in a ConnectorCare plan may apply for waiver or reduction of premium.
- Eligible members – if an individual or family is approved for waiver or reduction of premium, they will not be permitted to enroll with the reduced premium amount before the waiver is effective. The eligible member can enroll prior to the waiver becoming effective but will be responsible to pay the full premium.

Individuals or families who are not eligible for ConnectorCare plans but experience financial hardship because of changes in income, employment, family size, or other circumstances should report changes to their application including requesting financial assistance. ConnectorCare members experiencing financial hardship should update their application if they have experienced any changes in income, employment, family size, or other circumstances prior to applying for a waiver or reduction of premium.

Financial Hardship

If the Health Connector determines that the requirement to pay an enrollee contribution or arrears would result in extreme financial hardship for an eligible or enrolled individual or family, the Health Connector may waive payment of such contribution or arrears or reduce the amount of such contribution assessed to an individual or family.

Extreme financial hardship means that the eligible or enrolled individual or family has shown to the satisfaction of the Health Connector that the eligible or enrolled individual or family is experiencing financial or domestic circumstances that significantly impacts their ability to pay a premium, including the following:

1. Is homeless, or more than 30 days in arrears in rent or mortgage payments, or has received an eviction or foreclosure notice within the last 60 days; or
2. Has a shut-off notice, or has been shut off, or has a refusal to deliver essential utilities dated within the 60 days prior to application (gas, electric, oil, water, or sole telephone); or
3. Has incurred a significant, unexpected increase in essential expenses within the last six months resulting directly from the consequences of:
 - a. Domestic violence;

- b. Death of a spouse, family member, or partner with primary responsibility for child care;
 - c. Sudden need to provide full-time care for self, for an aging parent or for another family member, including a major, extended illness of a child that requires a working parent to hire a full-time caretaker for the child; or
 - d. Fire, flood, natural disaster, or other unexpected natural or human-caused event causing substantial household or personal damage for the enrollee
4. Has filed for bankruptcy within the last twelve months as long as the debts have not yet been discharged.

Changes in income, employment, and family size should be reported by all enrollees and eligible individuals and families even if the change is not considered an extreme financial hardship according to this policy.^{2,3}

Requesting Waiver or Reduction of Premium

A premium waiver may be requested prior to enrollment, although the filing of such a request does not allow an individual or family to enroll with a reduced or waived premium while the request is pending. The individual or family may enroll if they make a premium payment in accordance with policy *NG-7: Enrollment in Individual/Family Plan*.⁴

- A premium waiver or reduction may be requested while the individual or family is enrolled in a ConnectorCare plan.
- If an individual or family has received a Notice of Delinquency for non-payment of premiums requests a premium waiver, the filing of a premium waiver or reduction request will not stay the termination of the individual's or family's plan while the request is under consideration. If the premium waiver or reduction request is approved, the individual or family will be reinstated in their coverage in accordance with policy *NG-11: Termination of Coverage- Non-Payment of Premium*, provided that premium waiver or reduction application is received during the reinstatement period and provided further that the individual or family pays any otherwise due premium.⁵
- A premium waiver or reduction may be requested after termination of enrollment including if the individual or family wishes to reinstate coverage, provided that the individual or family meets all other conditions for reinstatement.⁵
- An individual or family is required to pay their monthly premiums while the premium waiver or reduction request is being processed. Any non-payment of premium will result in termination for non-payment in accordance with policy *NG-11: Termination of Coverage- Non-Payment of Premium*.⁵

The Health Connector's Customer Service Center is responsible for processing premium waiver or reduction applications and updating relevant systems. Requests for premium waiver or reduction should be submitted on a Health Connector-approved form and addressed to the Customer Service Center. The form may be obtained by contacting the Customer Service Center. The Customer Service Center will make all efforts to process these requests promptly and properly.

Duration of Waiver or Reduction of Premium

The waiver or reduction period begins on the first (1st) of the month of the next full billing cycle following the date the waiver or reduction of premium is granted. Waivers or reductions of premium will be authorized for up to twelve (12) months. If extreme financial hardship circumstances persist at the end of the waiver or reduction period, the enrollee may submit another request.

Enrollment While Receiving Waiver or Reduction of Premium

Only individuals or families enrolled in a ConnectorCare plan may collect a prospective waiver or reduction of premium. Individuals or families approved for a prospective waiver or reduction of premium may enroll in any ConnectorCare plan available in their service area. However, to receive the maximum amount of waiver or reduction of premium, an individual or family that is granted a waiver or reduction of premium should enroll in the lowest cost ConnectorCare plan available in their service area. If an individual or family elects to enroll in the lowest cost ConnectorCare plan available in that enrollee's service area, the transfer or enrollment and waiver or reduction of premium will be effective on the first (1st) of the month of the next full billing cycle following the date the waiver or reduction of premium is granted.

If the enrollee does not wish to enroll in a ConnectorCare plan, then the prospective waiver or reduction will be cancelled, and the individual or family may remain enrolled in their current health plan. The waiver of arrears (if any) will remain.

If, in the new plan year, the lowest cost ConnectorCare plan in which the individual or family is enrolled changes, the individual or family will be allowed to enroll in the lowest cost ConnectorCare plan in the new plan year to keep receiving the maximum amount of the hardship waiver or reduction discount. After the waiver or reduction period ends, the enrollee will have sixty (60) days to change their health plan.

Terms of Waiver or Reduction of Premium:

The Health Connector will waive or reduce only the portion of enrollee contribution that equals the base enrollee premium contribution for the income cohort the individual or family is in.

The base enrollee premium contribution for individuals or families enrolled in a ConnectorCare plan is established by the Health Connector Board of Directors and is in line with the state's affordability schedule for that income cohort. The base enrollee premium contribution for each calendar year can be found here: <https://www.mahealthconnector.org/connectorcare>.

Waivers or reductions of premium can only be applied to ConnectorCare premiums, not any amounts accrued while an individual was enrolled in a Health Connector plan that was not a ConnectorCare plan.⁶

Waivers or reductions of premium will be calculated in dollar amounts which will be the discount applied to the member's total enrollee contribution.

- Discount of the approved dollar amount will be applied to each monthly premium bill for the duration of the waiver or reduction period, provided that the individual or family continues to be eligible for and enrolled in ConnectorCare coverage.

- Discount of the approved dollar amount will be applied to each monthly premium bill for the duration of the waiver or reduction period, provided that the individual or family coverage is not upgraded.
- Discount of the approved dollar amount will be changed to be not more than the maximum affordable enrollee contribution if member's coverage is upgraded and the maximum affordable enrollee contribution is decreased.
- Discount of the approved dollar amount will not be changed if member's coverage is downgraded and the maximum affordable enrollee contribution is increased.
- Individual or family receiving a discount on their premiums are required to pay the remainder of their premium each month in accordance with the Health Connector policies. Any non-payment of premium will result in termination for non-payment in accordance with the Health Connector policies.⁵
- In the case when the individual or family are approved for a reduction of premium prior to enrollment in a ConnectorCare plan, the individual or family will be required to pay the reduced payment amount before enrollment can be effectuated, in accordance with policy NG-7: *Enrollment in Individual/Family Plan*.⁴

The Health Connector will not waive the portion of an enrollee's contribution that is attributable to taking less than the maximum amount of premium tax credit (Advance Premium Tax Credit or APTC) available to that enrollee within their coverage family.

For Example:

For an enrollee with income between 200.1% and 250% FPL:

- Total plan premium is \$500
- Maximum premium tax credit enrollee qualifies for is \$300
- Premium tax credit enrollee elected to receive \$250
- ConnectorCare subsidy if enrolled in the lowest cost ConnectorCare plan is \$120
- ConnectorCare subsidy if enrolled in a ConnectorCare plan that is not the lowest cost plan is \$90
- Total enrollee contribution in this example is \$160 ($500-250-90=160$)
- Maximum affordable enrollee contribution is \$80 ($500-300-120=80$)

In the example above, the amount that can be considered for waiver or reduction is \$80. If the waiver is approved and the individual or family enrolls in the lowest cost ConnectorCare plan, the total enrollee contribution will become \$130 ($500-250-120=130$) and \$80 is maximum that can be waived or reduced:

- a) If maximum affordable enrollee contribution (\$80) is waived in full, the member will receive an \$80 discount on their total enrollee contribution for the duration of the waiver, paying \$50 for the duration of waiver ($130-80=50$).
- b) If maximum affordable enrollee contribution (\$80) is reduced by 50%, the member will receive a \$40 discount on their total enrollee contribution for the duration of the waiver, paying \$90 for the duration of waiver ($130-40=90$).

The Health Connector, at its discretion, shall determine the amount of waiver or reduction the individual or family qualifies for based on the proof of extreme financial hardship the individual or family has provided. The Health Connector will notify the individual or family of the decision in writing.

Waiver of arrears

The Health Connector may waive all arrears an individual or family has on their account. The Health Connector, at its discretion, shall determine the amount of waiver or reduction of arrears the individual or family qualifies for based on the proof of extreme financial hardship the individual or family has provided. The Health Connector will notify the individual or family of the decision in writing.

Member Appeal Rights

The individual or family has a right to appeal the Health Connector's decision on the waiver or reduction request.

¹ Please reference the policy [NG-2: Eligibility for Federal and State Financial Support for Individual/Family Plan](#)

² Please reference the policy [NG-5: Mid-year Life Events](#)

³ Please reference the policy [NG-6: Redetermination During the Benefit Year](#)

⁴ Please reference the policy [NG-7: Enrollment in Individual/Family Plan](#)

⁵ Please reference the policy [NG-11: Termination of Coverage- Non-Payment of Premium](#)

⁶ Please reference [956 CMR 12.11](#).