

## Health Connector Policy: Waiver or Reduction of Premium

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Approved by: **Ed DeAngelo**

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### **Applicable to all ConnectorCare products**

Applies only to individuals/families who are eligible for or are enrolled in a ConnectorCare plan.<sup>1</sup>

- Enrolled members – only an individual/family enrolled in a ConnectorCare plan may apply for Waiver or Reduction of Premium.
- Eligible members – if an individual/family is approved for Waiver or Reduction of Premium, s/he 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/families who are not eligible for ConnectorCare plans but who experience financial hardship as a result of changes in income, employment, family size, or other circumstances should report changes to their application including asking for 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 results in extreme financial hardship for an eligible or enrolled individual/family, the Health Connector may waive payment of such contribution or arrears or reduce the amount of such contribution assessed to a particular individual/family.

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

1. is homeless, or is 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. the death of a spouse, family member, or partner with primary responsibility for child care;
  - c. the 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. a fire, flood, natural disaster, or other unexpected natural or human-caused event causing substantial household or personal damage for the Enrollee; or
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/eligibles even if not considered an extreme financial hardship according to this policy.<sup>2,3</sup>

### **Requesting Waiver or Reduction of Premium**

- Premium waiver may be requested prior to enrollment, although the filing of such request does not entitle the individual/family to enroll at a reduced premium or without paying the premium while the request is pending. The individual/family may enroll if s/he makes a payment in accordance with the Health Connector policies.<sup>4</sup>
- Premium waiver may be requested while the individual/family is enrolled in a ConnectorCare plan.
- If an individual/family who has received a Notice of Delinquency for non-payment of premiums requests a premium waiver, the filing of that request will not stay the termination of the individual/family's plan while the request is under consideration. If the premium waiver request is approved, the individual/family will be reinstated in his/her coverage in accordance with the Health Connector policies, provided that premium waiver or reduction application is received during the reinstatement period.<sup>5</sup>
- Premium waiver may be requested after termination of enrollment including if the individual/family wishes to reinstate coverage, provided that the individual/family meet all other conditions for reinstatement.<sup>5</sup>
- The individual/family is required to pay his/her monthly premiums while the premium waiver request is being processed. Any non-payment of premium will result in termination for non-payment in accordance with the Health Connector policies.<sup>5</sup>

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 eleven (11) 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/families enrolled in a ConnectorCare plan may collect a prospective waiver or reduction of premium. Individuals/families approved for a prospective waiver or reduction of premium may enroll in any ConnectorCare plan available in their service area. However, in order to receive the maximum amount of waiver or reduction of premium, an individual/family that is granted a waiver or reduction of premium should enroll in the lowest cost ConnectorCare plan available in that individual/family's service area. If an individual/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/family may remain enrolled in his/her 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/family is enrolled changes, the individual/family will be allowed to enroll in the lowest cost ConnectorCare plan in the new plan year in order 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 his/her 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/family is in.

The base enrollee premium contribution for individuals/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 Calendar Year 2015 and 2016 are listed below. The amounts listed below are for coverage family size of one and are listed per income cohort:

Income Cohort	2015 Base enrollee premium contribution
0% - 150% FPL	\$0
150.1% – 200% FPL	\$40
200.1% - 250% FPL	\$78
250.1% - 300% FPL	\$118

Income Cohort	2016 Base enrollee premium contribution
0% - 150% FPL	\$0
150.1% – 200% FPL	\$43
200.1% - 250% FPL	\$82
250.1% - 300% FPL	\$123

- 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/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/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/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.<sup>5</sup>
- In the case when individual/family are approved for a reduction of premium prior to enrollment in a ConnectorCare plan, the individual/family will be required to make a payment before enrollment can be effectuated, in accordance with the Health Connector policies.<sup>4</sup>

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 his/her coverage family.

**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 ( $500-300-120=80$ )

Amount that can be considered for waiver/reduction is \$80; if waiver is approved and member enrolls in the Lowest Cost ConnectorCare plan, 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, member will receive an \$80 discount on total enrollee contribution for the duration of the waiver, i.e. will pay \$50 for the duration of waiver ( $130-80=50$ ).
- b) If maximum affordable enrollee contribution (\$80) is reduced by 50%, member will receive a \$40 discount on total enrollee contribution for the duration of the waiver, i.e. will pay \$90 for the duration of waiver ( $130-40=90$ ).

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

### **Waiver of arrears**

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

### **Member Appeal Rights**

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

<sup>1</sup> Please reference the policy [Eligibility for federal and State Financial Support for Individual/Family Plan \(NG-1B\)](#)

<sup>2</sup> Please reference the policy [Mid-Year Life Events \(NG-1E\)](#)

<sup>3</sup> Please reference the policy [Redetermination During the Benefit Year \(NG-2\)](#)

<sup>4</sup> Please reference the policy [Enrollment in Individual/Family Plan \(NG-3\)](#)

<sup>5</sup> Please reference the policy [Termination of Coverage - Non Payment of Premium \(NG-6B\)](#)