

Health Connector Policy: Termination of Coverage – Non-Payment of Premium

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Approved by: Andrew Egan	Date reviewed: 9/22/2021

This policy applies to all non-group health and dental products.

All enrolled individuals/families must pay their monthly premium in full by the Payment Due Date each month. The Payment Due Date for all non-group products is on the 23rd calendar day of the month prior to the month of enrollment. For example, payment for June is due by May 23. Payment must be received by the Payment Due Date each month. Payments postmarked but not actually received before the Payment Due Date will not satisfy this requirement.

This policy outlines actions the Health Connector will take if payment is not made in full by the Payment Due Date.

Delinquency for Individuals enrolled in non-group Qualified Health Plans without financial assistance or Qualified Dental Plans:

An enrolled individual or family who fails to pay their monthly premium in full by the Payment Due Date will be considered delinquent and notified by mail or electronically after the first missed payment. The Termination Warning Notice will be sent in the beginning of the first month of delinquency. It will inform the individual or family of their delinquent status and that, if payment of their outstanding monthly premium is not received in full on or before the Payment Due Date indicated in the Notice, then their coverage will be terminated retroactively to the last day of the coverage month for which the individual or family's monthly premium was paid in full.

The Delinquent Payment Due Date indicated in the Termination Warning Notice will be the 23rd calendar day of the month after the first missed payment. For example, a missed payment for June coverage (with a Payment Due Date of May 23) is due in full by June 23. Payments postmarked but not actually received before the Delinquent Payment Due Date will not satisfy this requirement.

Individuals/families must pay their total balance due in order to bring their enrollment to good standing. A partial payment will result in continued delinquency.

Individuals/families must also pay their ongoing monthly premium to remain in good standing. For example, along with a missed payment for June coverage that was due on May 23 and must be paid by June 23 to return to good standing, payment for July coverage is also due on June 23.

Delinquency for Individuals enrolled in non-group products with federal and/or state financial assistance:

A three-month grace period begins in the first month for which an individual or family does not pay in full and on time. An enrolled individual or family who fails to pay their monthly premium for one

month will be considered past due and will be notified by mail or electronically after the first missed payment. The Past Due Warning Notice will be sent in the beginning of the first month of the grace period. It will inform the individual or family of their past due status and that they may be at risk of losing coverage if they do not pay the amount they owe.

An enrolled individual or family who fails to pay their monthly premium for two months will be considered delinquent and will be notified by mail or electronically after the second consecutively missed payment. The Termination Warning Notice will be sent in the second month of the grace period. It will inform the individual or family that, if full payment of the outstanding premium contribution is not received on or before the Payment Due Date indicated in the Termination Warning Notice, then the coverage will be terminated retroactively to the last day of the first coverage month in which the individual or family was past due (i.e. one month remains unpaid).

An enrolled individual or family who fails to pay their monthly premium for three months will be considered delinquent and will be notified by mail or electronically. The second Termination Warning Notice will be sent in the third month of the grace period. It will inform the individual or family that, if full payment of the outstanding premium contribution is not received on or before the Payment Due Date indicated in the Termination Warning Notice, then the coverage will be terminated retroactively to the last day of the first coverage month in which the individual or family was past due (i.e. one month remains unpaid).

The Delinquent Payment Due Date indicated in the Termination Warning Notice will be the 23rd calendar day of the month after the missed payment. For example, a missed payment for June coverage (with a Payment Due Date of May 23) is due in full by June 23. Payments postmarked but not actually received by the Delinquent Payment Due Date will not satisfy this requirement.

Individuals/families must pay their total balance due to bring their enrollment to good standing. A partial payment will result in continued delinquency.

Individuals/families must also pay their ongoing monthly premiums to remain in good standing.

Example: An individual does not pay their June premium by May 23.

In early June, they will receive a Past Due Warning notice indicating they are past due and must pay their past due balance for June and ongoing premium for July by June 23.

If the individual does not pay by June 23, a Termination Warning Notice will be sent in early July indicating the member is delinquent for June and July and must pay the June, July, and August premiums by July 23.

If the member does not pay by July 23, they will receive a second Termination Warning Notice in early August indicating all premiums for June, July, August, and September must be paid by August 23 or coverage will be terminated and the coverage end date will be June 30.

Termination:

If a delinquent individual or family has not paid their outstanding monthly premium in full by the Delinquent Payment Due Date indicated in the Termination Warning Notice, then their coverage is terminated.

For members without financial assistance, coverage is terminated retroactively to the last day of the coverage month for which the individual or family's monthly premium was paid in full.

For members with financial assistance, coverage is terminated retroactively to the last day of the first coverage month for which the individual or family did not pay. For example, if the individual or family received financial assistance and failed to pay premiums for the coverage months of March, April, and May, coverage end date will be March 31.

The individual or family is notified of the termination by mail or electronically with a Termination for Non-Payment Notice. This Notice will contain the coverage end date and explain reinstatement options.

Reinstatement:

Reinstatement allows an individual or family to restore terminated coverage without a gap, as if the termination had not occurred. An individual or family who was terminated for non-payment of premiums has 30 calendar days (plus five additional days to account for mailing of the notice) from the date of the Notice of Termination to reinstate coverage. All outstanding monthly premiums must be paid in full within the 35-calendar day period.

- The outstanding monthly premiums will include all unpaid monthly premiums for the reinstated policy and the next month's premium in advance.
- Individuals or families seeking reinstatement must continue to be eligible for Health Connector programs.
- Once the individual/family pays the full amount needed to reinstate, the reinstatement will be processed and complete. Questions about reinstatement of coverage may be directed to the Health Connector's Member Service Center.

An individual or family that lost financial assistance due to failure to provide proof of income, subsequently became delinquent, and was terminated for non-payment of premium may be reinstated into coverage with financial assistance if they are eligible for financial assistance at the time the reinstatement is processed. The individual/family will need to send in proof of income, if still required by the end of the reinstatement window.

Example: An individual with financial assistance terminated at the end of August retroactively to June 30 has until October 6 to request reinstatement and pay premiums owed for June, July, August, September, October, and November.