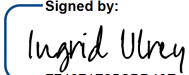




TITLE:	PREMIUM SPONSORSHIP PROGRAM
NUMBER:	OPS POL 22.2
PURPOSE:	POLICY GUIDING IMPLEMENTATION OF THE PREMIUM SPONSORSHIP PROGRAM
SCOPE: (Who does the policy apply to?)	PROVIDES GUIDANCE FOR SPONSORS AND CARRIERS PARTICIPATING IN THE PREMIUM SPONSORSHIP PROGRAM
RESOURCES: (Include citation to regulatory requirements)	45 CFR 155.240(b) 45 CFR §156.1250 RCW 43.71.030(4) RCW 48.43.795
DEPARTMENT OWNER:	OPERATIONS
EFFECTIVE DATE:	10.25.2024
SUPERSEDES:	OPS POL 22.1
REVIEW FREQUENCY: (5 years maximum unless regulations indicate otherwise or significant changes occur)	ANNUALLY OR MORE FREQUENTLY AS NEEDED.
APPROVED BY: (Job Title, Name)	Signed by:  CEO
APPROVAL DATE:	11/14/2024



Washington Health Benefit Exchange (WAHBE)

PREMIUM SPONSORSHIP PROGRAM

For 2025 Plan Year

Background

Federal Law

Federal regulations (See [45 CFR 155.240\(b\)](#)) include provisions for Indian tribes, tribal organizations, and urban Indian organizations to pay Qualified Health Plan (QHP) premiums on behalf of their tribal members who are enrolled in health plans in the commercial market, subject to terms and conditions determined by each state exchange.

Federal regulations (See [45 CFR §156.1250](#)) also require that Carriers offering individual market QHPs, including stand-alone dental plans, must accept premium and cost-sharing payments from the following third-party entities on behalf of plan enrollees:

- (a) Ryan White HIV/AIDS Program under title XXVI of the Public Health Service Act;
- (b) Indian tribes, tribal organizations, or urban Indian organizations; and
- (c) State and Federal Government programs

Washington State Law

State law (See [RCW 43.71.030\(4\)](#)) directs the Washington Health Benefit Exchange (WAHBE) Board to establish policies that permit city and county governments, Indian tribes, tribal organizations, urban Indian organizations, private foundations, and other entities to pay premiums and cost-sharing on behalf of qualified enrollees. These entities are known as Sponsors.

State law (See [RCW 48.43.795](#)) requires QHPs to: 1) accept payments for enrollee premiums or cost-sharing assistance under RCW 43.71.110 (for Cascade Care Savings Program) or as part of a sponsorship program under RCW 43.71.030(4) (including the COFA Islander); 2) clearly communicate premium assistance amounts to enrollees as part of the invoicing and payment process; and 3) accept and process enrollment and payment data transferred by the Exchange in a timely manner.

The procedures listed in this policy detail Sponsor, Carrier and WAHBE responsibilities.

Amendments To Document

Amendments to this policy are made at a minimum of an annual basis. WAHBE will communicate any amendments to Sponsors and Carriers prior to their incorporation into the policy. Any amendments made to this policy are effective as of the next open enrollment period, or as defined in the update. WAHBE will formally publish the policy annually on the WAHBE website each year¹.

Once the final version of the policy is published, clarifications or updates to the policy are issued via supplemental updates. WAHBE will formally publish supplemental updates to the WAHBE corporate

¹ Most recent sponsorship policy available at: <https://www.wahbexchange.org/about-the-exchange/what-is-the-exchange/policies/>



website and provide notification to Sponsors and Carriers at least 30 days prior to the effective date.

Sponsor Responsibilities

Legal Authority: The Exchange is willing to explore working with any entity interested in making payments on behalf of qualified individuals. However, certain public or nonprofit organizations, or certain public funds, might not be legally authorized to make individual insurance premium payments.

Participation Agreement: Prior to participation or prior to each plan year, Sponsors must submit a signed Sponsor Participation Agreement, which acknowledges that the Sponsor will, 1) Adhere to program requirements, and 2) Identify one primary and a secondary point of contact. Carriers and the Exchange will engage with these individuals to discuss sponsorship related policy and program related activities. In the event of a change in primary point of contact, Sponsors must submit an updated Sponsor Participation Agreement to the Exchange identifying the new primary point of contact.

Training: Prior to each plan year, participating Sponsors must attend training if hosted by the Exchange, to ensure awareness of sponsorship related policy, program, and system updates.

Program Rules: Prior to each plan year, participating Sponsors must submit a list of what they require of enrollees who participate in their sponsorship program. Each Sponsor may have program eligibility requirements that impact an individual's continued eligibility (e.g., a Sponsor may choose to only cover individuals up to certain income level, individuals who live in a certain area, or require eligible individuals to apply the maximum allowable subsidy amount towards their premium each month).²

Sponsors may cover the premiums for an individual, household, or one or more members in a household. Sponsors are also allowed to sponsor premiums for any plan they choose. Sponsors may inform individuals which plans are sponsored, but when selecting a plan, the individual must be shown all available plan choices. If an individual chooses a plan, tier, or Carrier that is not included in the Sponsor's list of supported plans, the Sponsor is not required to Sponsor that enrollee's premium payment.

Changes the Sponsor makes to their rules of participation must be communicated to the Exchange on an ongoing basis. Individual Sponsor rules submitted to the Exchange will not be shared with any individual or organization without prior approval from the Sponsor.

Navigator designation: Sponsors are required to designate staff to be certified as a navigator or tribal assister with the Exchange. Any communication between Exchange staff and the sponsor entity regarding personally identifiable information of sponsored enrollees shall be limited to the

² People purchasing a Qualified Health Plan (QHP) through Washington Healthplanfinder may be eligible for a federal tax credit that can lower the cost of their premiums. Advance Premium Tax Credits (APTCs) are paid by the federal government directly to the insurance Carrier to lower the cost of premiums. In Healthplanfinder, if an individual is determined to be eligible for a tax credit, he/she then selects how much of the subsidy to apply towards their premium amount each month. Sponsor organizations may want to consider requiring individuals to apply the maximum allowable amount of APTC to their premium each month.



designated navigator(s) or tribal assister(s). Navigators/tribal assisters are required by federal regulation and Exchange User Access Agreements to comply with privacy and security standards adopted by the Exchange as required in accordance with 45 CFR 155.260. These standards require navigators/tribal assisters to create, collect, use or disclose confidential personal and financial information only to the extent it is necessary to carry out their authorized role to assist with enrollment in *Washington Healthplanfinder* plans or services (e.g. making premium payments on behalf of sponsored enrollees to insurance carriers and/or other sponsor responsibilities outlined in this Policy), and for no other purpose, and to disclose confidential personal and financial information only to individuals who have a need-to-know and are authorized to receive or view it.

Conflict of Interest: If a Sponsor receives any compensation, directly or indirectly, from a Carrier for enrolling individuals or employees in insurance coverage, the Sponsor must disclose that fact to the Exchange and the sponsored individuals at the time of enrollment. Premium refunds and Medical Loss Ratio (MLR) rebates of a Sponsor's pro rata portion of a sponsored enrollee's premium payment are not considered direct or indirect compensation for conflict-of-interest purposes.

Duration: Each Sponsor must commit to sponsoring an enrollee for a plan benefit year (or the remainder of the plan benefit year if a sponsored individual enrolls mid-year). Exceptions to this durational requirement based on unexpected events will be considered on a case-by-case basis (e.g., a Sponsor experiences a sudden financial shortfall). This durational requirement does not apply if the sponsored individual no longer meets a Sponsor's rules of participation.

Adding or removing Sponsored households: The Sponsor must notify the Exchange within 5 business days from when changes are made to their program roster, so the change can be recorded in *Washington Healthplanfinder*. Failure to directly report the change to the Exchange within the required timeframe could cause *Washington Healthplanfinder* and Carrier systems to become out of synch. The Sponsor is also responsible for notifying the Exchange of individuals being removed at least ten (10) business days before the next payment is due.

Premium Payment(s): Premium payment(s) will be made by Sponsors directly to Carriers on behalf of sponsored enrollees. Payment deadlines may vary by Carrier. Effectuation of an enrollment will not occur until the Sponsor submits a binding payment to the corresponding Carrier.

Sponsorship information is transmitted from the Exchange to Carriers at the enrollment level. Sponsors will be expected to pay the full invoice amount for all household members seeking coverage through a single enrollment ID. If a Sponsor only elects to sponsor specific members of a household, the household will need to be assigned separate Enrollment IDs (EID) within the same application. Sponsorship will be assigned to the EID of the sponsored enrollee(s), in *Washington Healthplanfinder*. More detailed information can be found in the 834 Companion Guide.³ Each Sponsor will be billed for the medical coverage selected by the household members seeking coverage and transmitted to

³ Most recent 834 Companion Guide available at: <https://www.wahbexchange.org/about-the-exchange/committees-and-workgroups/plan-certification-workgroup/>



Carriers using the enrollment 834 transactions.⁴

If a premium payment is not made on behalf of the sponsored enrollee, a delinquency, grace period or termination could occur. Each sponsored enrollee is responsible for ensuring their premium payment has successfully been made. If a sponsored enrollee submits a premium payment, enrollees should coordinate with their Carrier and/or Sponsor in seeking a refund for premiums.

- Enrollments require a binder payment to become effectuated. The binding payment is the first month premium. Binding payment due dates are no earlier than the coverage effective date and no later than 30 calendar days from the coverage effective date. For retroactive or future effective dates, the binding payment is due no later than 30 calendar days from the date the Carrier receives the enrollment transaction. Binding payment due dates must allow 15 business days for premium payment after invoice is received.
- Households not receiving Advance Premium Tax Credits (APTCs), or Cascade Care Savings have a 1-month grace period to make payments. If payment is not made during the thirty (30) day grace period, they will be disenrolled effective the last day of the month prior to their grace period. For example, if payment for an unsubsidized enrollee for the coverage period of April 1- April 30 is not made, coverage will terminate effective March 31.
- Households that are receiving Advance Premium Tax Credits (APTCs) or Cascade Care Savings are eligible for a three-month grace period to make payments. The health insurance Carrier is required to pay claims during the first month of the grace period but may suspend claims in the second and third months. If a payment is not made during the three-month- grace period, coverage will terminate effective the last day of the first month of the grace period. For example, if a subsidized enrollee fails to make a payment in March (payment deadlines may vary by Carrier) for the coverage period of April 1- April 30, they will enter the grace period on April 1. If no payment is made during their April 1 – June 30 grace period, coverage will terminate effective April 30.

MLR Rebates: For purposes of Carriers providing an MLR rebate to enrollees, federal regulation defines enrollee as “the subscriber, policyholder and/or government entity that paid the premium for health care coverage received by an individual during the respective MLR reporting year.” 45 CFR 158.240(b).

- **Governmental Entity Sponsor:** If a Sponsor is a tribal, federal, state, or local governmental entity, it is the Sponsor’s responsibility to notify the Carrier if the Sponsor’s pro rata portion of the MLR rebate should be paid directly to the enrollee. Attached is a list of all governmental entity sponsors on the Exchange.
 - **Notice:** Such Sponsor shall notify the Carrier as to whether the Sponsor’s pro rata portion of the MLR rebate should be paid directly to the enrollee within seven (7) calendar days of receiving notice from the Carrier of intent to issue MLR rebates.
- **Non-Governmental Entity Sponsor:** If a Sponsor is a non-governmental entity, the Sponsor

⁴ Sponsor organizations unable to subsidize dental coverage will need to clearly state that as a program eligibility requirement and ensure that sponsored enrollees understand they need to submit payment for dental coverage.



may decide whether to enter an agreement with a sponsored enrollee to forward the pro rata portion of any MLR rebate paid by the Sponsor to the Sponsor. Sponsors using restricted funds to pay Sponsored enrollees' premiums may need to enter such an agreement to ensure compliance with applicable laws and/or regulations regarding the use of the restricted funds.

Carrier Responsibilities

Provide a point of contact: Carriers must provide at least one point of contact on the Carrier Information Template that Sponsors, and the Exchange. If an Carrier utilizes a third-party vendor to support enrollment or billing activities, a direct employee of the Carrier (not third-party) must be provided as a contact to include on communications. These contacts will be utilized to sponsorship related policy and program issues. These may include, but are not limited to enrollment, billing, access to care issues and other urgent issues.

Carrier sponsorship contacts will respond to inquiries from Sponsors and the Exchange and provide resolution as follows:

- For Medically Urgent cases, also known as "Code Red": one (1) business day
- For general inquiries: five (5) business days

The Exchange or Sponsors may request ad hoc or stand-up meetings to review enrollment and billing specifics. Carriers are expected to support meeting requests and ensure staff availability to attend. If an Carrier utilizes a third-party vendor to support enrollment or billing activities, a direct employee of the Carrier (not third-party) must be present at any meeting with the Exchange and/or Sponsor.

Provide Sponsors with an accounting of the total amount owed: Carriers are required to inform the Sponsor, on at least a monthly basis, of the total amount(s) owed on behalf of each Sponsored enrollee (to include any balances owed from prior or current month(s)). This information must be provided to Sponsors no earlier than the 16th of the month and no later than 7 business days before the Carrier's payment deadline. This allows Sponsors enough time to remit payment prior to coverage start date (for initial binding payments) and prior to monthly payment deadline (for ongoing payments).

In the event Sponsors are not receiving invoices timely, Carriers may be required to notify the Exchange when Billing/Payment is sent to Sponsors until the timeliness concerns are resolved.

Alternative processes may be used to inform Sponsors of the total amount owed if such alternative processes are mutually agreed upon between the Carrier and the Sponsor and written documentation is provided to the Exchange.⁵

⁵ For example, some sponsors are currently proactively sending payments to Carriers prior to receiving monthly invoices or a monthly list bill. Carriers are reconciling payments and then sending Sponsors a list of discrepancies. This process is preferred by some Sponsors and Carriers.



Invoicing: Carriers are required to clearly communicate full and/or partial premium assistance amounts to enrollees as a part of the invoicing and payment process, so enrollees understand what net premium payment amount is owed by them to the Carrier (if any).⁶

Accept payments from, and issue refunds to, Exchange-registered Sponsors:

Payments: Carriers are required to accept third-party payments from Exchange-registered Sponsors. As detailed in section 5.0 of the Carrier Enrollment and Payment Process Guide (EPPG), this includes accepting all required forms of payment, including payment by paper check, cashier’s check, money order, EFT, and general-purpose prepaid debit card.

Carriers shall apply payments made by Sponsors to the sponsored enrollment only. Carriers are not to apply sponsor payments to outstanding balances owed unless agreed to by the Sponsor.⁷

Premium Refunds (not including MLR rebates): Carriers are required to issue any refunds of a Sponsor’s premium payment directly to the Sponsor. Refunds of a Sponsor premium payment shall not be issued to a Sponsored enrollee unless directed by the Sponsor.

Issue MLR rebates to and/or provide MLR rebate recipient information to Exchange-registered Sponsors:

MLR Rebates: For purposes of Carriers providing an MLR rebate to an enrollee, federal regulation defines enrollee as “the subscriber, policyholder and/or government entity that paid the premium for health care coverage received by an individual during the respective MLR reporting year.” 45 CFR 158.240(b).

- **Governmental Entity Sponsor:** If a Sponsor is a tribal, federal, state, or local governmental entity, an Carrier shall pay the pro rata portion of the MLR rebate to the Sponsor unless otherwise directed by the Sponsor. ⁸ Attached is a list of all governmental entity sponsors on the Exchange, including the Exchange which is responsible for administering State sponsored programs, including Cascade Care Savings Program The following example demonstrates how a Sponsor’s pro rata portion of the MLR rebate, based on the portion of the premium paid by the Sponsor, is calculated:
 - **Example: Policy is issued a 5% MLR rebate.**
 - Policy premium= \$500
 - Tax Credit = \$400
 - Sponsor payment = \$100

⁶ RCW 48.43.795, effective 7/25/2021, this change in invoicing will also be required for state subsidy invoicing.

⁷ Some Sponsors would like the flexibility to pay for outstanding balances owed, some Sponsors are already doing this, and some Sponsors do not want to do this. Sponsors wishing to pay for outstanding balances owed will need to communicate that information to the Carrier and work in partnership with the Carrier to determine a business process to support.

⁸ For purposes of issuing an MLR rebate, federal guidance does not distinguish between an enrollee who chooses to pay the health insurance premium upfront and claim the premium tax credit (PTC) when they file taxes, and an enrollee who chooses to apply the PTC against the premium in advance. Therefore, when a portion or all of a policyholder’s premium was paid with PTC, the Carrier must provide the PTC portion of the rebate to the policyholder. [CCIIO Technical Guidance \(CCIIO 2015—0001\): Questions and Answers Regarding the Medical Loss Ratio \(MLR\) Reporting and Rebate Requirements \(May 27, 2015\).](#)



- MLR rebate = \$25
 - Pro rata calculation based on 20% of premium paid by Sponsor, 80% by individual tax credit
 - Pro rata amounts = \$5 (20% of rebate) due to Sponsor, \$20 (80% of rebate) due to enrollee
- **Non-Governmental Entity Sponsor:** If a Sponsor is a non-governmental entity, Carriers are required to pay the MLR rebate directly to the sponsored enrollee.
 - **Notice and Identification of Sponsored Enrollees and Amount of MLR Rebate Attributable to the Sponsor:**
 - Carriers shall notify WAHBE and Sponsors of intent to issue MLR rebates within, at a minimum, 14 calendar days of filing the Carrier's Annual MLR Reporting Form with CMS.
 - Carriers shall send each Sponsor the following information prior to MLR rebate distribution:
 - 1) a list of Sponsored enrollees designated to receive the MLR rebate; and
 - 2) for each Sponsored enrollee, the dollar amount of the MLR rebate attributable to the Sponsor based on the premium paid by the Sponsor.
 - Carriers shall coordinate with WAHBE as needed to provide this list to Sponsors.

More information on the payment and refund processes Carriers must adhere to can be found in the WAHBE Enrollment and Payment Process Guide.⁹

Participation Agreement: Prior to each plan year, Carriers must enter into a Participation Agreement with WAHBE. The Participation Agreement requires Carriers to adhere to all health plan certification criteria, Carrier Enrollment and Payment Process Guide, 834 and 820 Companion Guides, Sponsorship Policy, and Cascade Care Savings Policy.

⁹ Most recent Enrollment and Payment Process Guide available at: <https://www.wahbexchange.org/about-the-exchange/committees-and-workgroups/plan-certification-workgroup/>



Exchange Responsibilities

Provide a point of contact: The Exchange must provide at least one point of contact that Sponsors and Carriers can contact directly to discuss sponsorship related policy and program issues.

Approve and manage active Sponsors: The Exchange will provide staff to manage the sponsorship program and provide training and additional administrative support as needed (e.g., host periodic webinars/calls for program participants, generate periodic reports to assist Sponsors and Carriers with program administration and future planning).

Assign and remove Sponsors to/from households in *Washington Healthplanfinder*: Based on information received from each Sponsor, the Exchange will assign and remove Sponsors in *Washington Healthplanfinder* and transmit that information to Carriers using the enrollment 834 transactions. More detailed information can be found in the 834 Companion Guide.¹⁰

Copies of Correspondence

The Exchange sends eligibility and enrollment related correspondence directly to sponsored enrollees. Authorized representatives (designated by the enrollees in their *Washington Healthplanfinder* account) will receive copies of these correspondences.

Insurance cards, invoices, and all other policy and payment related notifications will be sent directly from the Carrier to sponsored enrollees. Authorized representatives (designated by the enrollees in their *Washington Healthplanfinder* account) will receive copies of these correspondences.

Sponsored enrollees will be billed directly for any out-of-pocket costs, such as co-pays or deductibles, or their share of covered services provided. Sponsors will not receive copies of customer correspondence and should coordinate with individual enrollees to obtain necessary correspondence.

¹⁰ Most recent 834 Companion Guide available at: <https://www.wahbexchange.org/about-the-exchange/committees-and-workgroups/plan-certification-workgroup/>



Active Sponsor Entities

Sponsor	
Tribal	Confederated Tribes of Colville
	Jamestown SKlallam Tribe
	Kalispel Tribe
	Lower Elwha Klallam Tribe
	Lummi Health Center
	Makah Tribe
	Muckleshoot Indian Tribe
	Nisqually Indian Tribe
	Quinault Indian Nation
	Shoalwater Bay Tribe
	Squaxin Island Tribe
	Swinomish Indian Tribal Community
State	Washington State Health Care Authority – Compact of Free Association (COFA)
	Washington State Health Benefit Exchange – Cascade Care Savings Program
Non-State or Federal	Evergreen Health Insurance Program
	Project Access Northwest
	Pierce County Project Access

Review/Revision Date	Reviewer/Revisor Job Title, Name	Version	Review/Revision Comments/Notes
10.16.24	Sponsorship Manager, Shayna Curry	v.3	Reviewed policy, minor edits to punctuation, contact list, and formatting. New section added re: Navigator access