

Washington Health Benefit Exchange (WAHBE) PREMIUM SPONSORSHIP PROGRAM

For 2018 Plan Year

Background

Affordable Care Act

In 2010, Congress passed and President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (ACA), which in part creates health insurance exchanges. Federal ACA regulations allow 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 (See 45 CFR 155.240(b)).

Federal regulations (See 45 CFR §156.1250) also require that Issuers 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

In 2012, the Washington Legislature passed Engrossed Second Substitute House Bill 2319 (E2SHB 2319), which furthers implementation of the state-based Washington Health Benefit Exchange (WAHBE). E2SHB 2319 directs the Exchange 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 on behalf of qualified enrollees (See RCW 43.71.030(3)). These entities are known as Sponsors.

The procedures below describe how Sponsors will be able to pay premiums on behalf of qualified enrollees.

Sponsor Responsibilities

Legal Authority: The Exchange is willing to work with any entity interested in paying premiums 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. Conflict.

Participation Agreement: Prior to each plan year, participating Sponsors must submit a signed Sponsor Participation Agreement, which acknowledges that the Sponsor will adhere to program requirements and identifies a primary point of contact that Issuers and the Exchange can contact directly to discuss sponsorship related policy and program issues.

Training: Prior to each plan year, participating Sponsors must participate in a training 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 (if applicable, see description below).

Each Sponsor may have program eligibility requirements that impact an individual's continued eligibility (e.g., a Sponsor may only cover individuals up to certain income level, or may only coverage individuals who live in a certain area, or who select a certain metal tier).¹ 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 issuer 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.

Conflict of Interest: If a Sponsor receives any compensation, directly or indirectly, from an issuer for enrolling individuals or employees in insurance coverage, then the Sponsor must disclose that fact to the Exchange and the sponsored individuals at the time of enrollment.

Duration: So that WAHBE may effectively support the sponsorship program, each Sponsor must commit to sponsoring an enrollee for a plan benefit year (or the remainder of the plan benefit year if join 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 duration requirement does not apply if the sponsored individual fails to comply with a Sponsor's rules of participation.

Adding or removing sponsored households: The Sponsor must notify the Exchange as soon as possible when a sponsored household needs to be added or removed from their sponsorship program, so the change can be recorded in *Healthplanfinder*. Failure to directly report the desired change to the Exchange in a timely manner could cause *Healthplanfinder* and issuer systems to become out of synch. The Sponsor is also responsible for notifying individuals who are being removed at least ten (10) business days before the next payment is due.

Premium Payments: Premium payment(s) on behalf of sponsored enrollees will be made by Sponsors directly to issuers on behalf of sponsored enrollees. Payment deadlines may vary by issuer. To complete the initial enrollment for sponsored enrollees, Sponsors will need to submit payment on their behalf.

¹ People purchasing a Qualified Health Plan (QHP) through Washington Healthplanfinder may be eligible for government subsidies (through a tax credit) that can lower the cost of their premiums. Health Insurance Premium Tax Credits (HITPCs) will be provided to people with a family income between 100% and 400% of the Federal Poverty Level (FPL). HITPCs will be paid by the federal government directly to the insurance issuer to lower the cost of premiums. Sponsor organizations may want to consider requiring individuals to apply the maximum amount of HIPTC to their monthly premium. 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.

Sponsorship information is transmitted from the Exchange to health insurance issuers at the household level. Sponsors will be expected to pay the full invoice amount for all household members seeking coverage through a single application. If a Sponsor only wants to sponsor one member of a household, this household member will need to complete a separate application seeking coverage only for him/herself. Each Sponsor will be invoiced for all the services covered household members are seeking coverage for (e.g., medical and dental).²

If a premium payment is not received by the issuer on behalf of the sponsored enrollee, delinquency, grace period and termination could occur. Sponsors are responsible for verifying with the issuer that their payment has been received. If a premium payment is not received, the issuer will send a notice to the mailing address in the sponsored enrollee's account. In these cases, the enrollee must submit premium payment to their health insurance issuer to be removed from delinquency status. Each sponsored enrollee is responsible for ensuring their premium payment was successfully made.

- Households not receiving Health Insurance Premium Tax Credits (HIPTCs) have a 1-month grace period. 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 Health Insurance Premium Tax Credits (HIPTCs) are eligible for a 3-month grace period to make payments. The health insurance issuer 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 90 day 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 issuer) for the coverage period of April 1- April 30, he/she 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.

Issuer Responsibilities

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

Provide Sponsors with an accounting of the total amount owed: Issuers 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 less than 7 business days before the issuer payment deadline to allow Sponsors enough time to remit payment prior to coverage start date (for initial binding payments) and prior to monthly payment deadline (for ongoing payments).

² 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 that coverage.

Alternative processes may be used to inform Sponsors of the total amount owed as long as such alternative processes are mutually agreed upon between the Issuer and the Sponsor and written documentation is provided to the WAHBE.³

More information on the process issuers will use to provide Sponsors with an accounting of the total amount owed can be found in the WAHBE Enrollment and Payment Process Guide.⁴

Accept payments from, and issue refunds to, Exchange-registered sponsors: Issuers are required to accept third-party payments from Exchange-registered Sponsors. This will include accepting all required forms of payment, including payment by paper check, cashier's check, money order, EFT, and general purpose pre-paid debit card. Issuers are also required to issue any refunds of sponsored premium payments directly to the Sponsor as the payor. Refunds will not be issued to sponsored enrollees unless directed by the Sponsor. More information on the payment and refund processes issuers must adhere to can be found in the WAHBE Enrollment and Payment Process Guide.⁵

Exchange Responsibilities

Provide a point of contact: the Exchange must provide at least one point of contact that Sponsors and Issuers 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 health insurance issuers with program administration and future planning).

Assign and remove Sponsors to/from households in Healthplanfinder: Based on information received from each Sponsor, the Exchange will assign and remove sponsors in *Healthplanfinder* and transmit that information to Issuers using the enrollment 834 transactions. More detailed information can be found in the 834 Companion Guide.⁶

Copies of Correspondence

The Exchange sends eligibility and enrollment related correspondence directly to sponsored enrollees. Authorized representatives (designated by the enrollees in their *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 issuer to the mailing address in the sponsored enrollee's account. Authorized representatives (designated by the enrollees in their *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.

³ For example, some sponsors are currently proactively sending payments to Issuers prior to receiving monthly invoices or a monthly list bill. Issuers are reconciling payments and then sending Sponsors a list of discrepancies. This process is preferred by some Sponsors and Issuers.

⁴ Most recent Enrollment and Payment Process Guide available at: <http://www.wahbexchange.org/about-the-exchange/committees-and-workgroups/plan-management-workgroup/>

⁵ See above

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