

**Premium Payment Plan Program - April/May/June/July 2020****WHO**

- We are offering a flexible payment plan option to the following Blue Shield customers whose premium payment for April, May, June and/or July 2020 coverage is delinquent:
  - Individual Family Plan (IFP) Off-Exchange subscribers, IFP On-Exchange subscribers without subsidy, and Small Group employers:
    - whose accounts were current for June coverage and newly entered a grace period in July
    - enrolled in the Premium Payment Plan Program in June
  - IFP On-Exchange subscribers with subsidy and Medicare Supplement subscribers:
    - whose accounts were current for June coverage and newly entered a grace period in July
    - in a grace period (month 1 only for the On-Exchange grace period) in June and enrolled in the Premium Payment Plan Program
  - Subscribers or groups may only enroll in the program for up to two months.
- Generally, payment is delinquent when the Total Amount Past Due is not received on or before the due date (e.g., May 31). The subscriber or group is then entitled to a grace period.
- In order to enroll in our Premium Payment Plan Program, a subscriber or small group must meet and agree to all program terms and conditions, which includes becoming current for the Total Amount Past Due premiums. Once paid, a subscriber or small group may be enrolled in the Premium Payment Plan Program, for up to two months, with a minimum 25% premium payment.
- For the purpose of this document, the market segments eligible for the payment plan, described above, will be referred to as "target audience."
- Enrollment into the program must be by the subscriber or small business administrator; brokers cannot enroll in the program on their behalf.
- This document does not include information regarding IFP On-Exchange (with subsidy) subscribers entering months 2 and 3 of their 3-month grace period. Contact Producer Services for more information.
- Subscribers or small groups who have paid their premium payments are not eligible for this program.
- Large Group employers (101+ employees) are not eligible for this program.

**WHAT**

- The target audience will receive a legally required "Notice of Start of Grace Period." Included in that mailing is an insert (buck-slip) advising them to call Blue Shield to discuss payment options.
  - The legal requirements for grace period notices changed as of 4/1/20. If you have any questions regarding grace periods and what it means for your clients, please contact Producer Services.
- For the target audience only, we offer an option to defer up to 75% of premiums due and subscriber / small group customer's account remains current (i.e. must pay a minimum of 25%). For example, July premium is \$1,000. Subscriber can defer \$750. July payment due is \$250.
- So long as the subscriber or small group enrolls in the program or pays the Total Amount Past Due before the end of the grace period, coverage will not be cancelled after the applicable grace period ends.

## WHEN

- The program is for premiums due for coverage in April, May, June and July 2020 only. Blue Shield will continue to monitor the unique situation caused by COVID-19 and respond accordingly.
- The deferred amount must be paid back within a 9-month period.
- The grace period for the target audience are the following number of days/months:
  - **30 days:** IFP subscribers (on-exchange with no subsidy and off-exchange); Medicare Supplement subscribers; and Small Group employers.
  - **3 months:** IFP subscribers on-exchange with subsidies (federal and/or state) only. Note: claims are paid in the first month, and pended during months two and three.
- Subscribers and small groups participating in our Premium Payment Plan Program are encouraged to make the initial payment (minimum 25%) as soon as possible to exit the grace period, and shift their account from “late” to “current” status.
- If a client is cancelled for non-payment, they may seek reinstatement through our existing policies, which could include enrollment into the Premium Payment Plan Program.

## HOW

- Communications:
  - Target Audience receive a legally required “Notice of Start of Grace Period”. Included in that mailing was an insert (buck-slip) advising them to call Blue Shield to discuss payment options.
  - Phone call outreach to Medicare Supplement target audiences
  - Subscriber website updated for Target Audience (after login) with information
  - Email outreach to the Target Audience
  - Phone call outreach to the Small Group Target Audience
  - Phone call outreach to IFP Target Audience
- The deferred amount will be billed over a 9-month period, added to their usual premium bill. For example, \$1,000 April premium due. \$750 deferral. \$750 paid over 9-months = \$83.33 per month.
- The agreed to premium payment can be made as follows:
  - Active Autopay enrollment (no updates or changes needed if currently enrolled in Autopay).
  - Subscribers can make online payments or by calling us directly to make payment.
  - Small Groups can manage their online payments directly via Employer Connect or can call us to make payment.
  - Checks can be mailed to our standard lock box address (please note there is extra processing time and with the current shelter in place directive, it is advised that checks are mailed 7-10 days prior to due date).

## WHY

- Blue Shield of California is supporting our customers who have been impacted financially due to novel coronavirus (COVID-19) by introducing flexible premium payment options to help ensure coverage through this health and economic emergency.