



April 2, 2020

Dear Health Plan:

I am writing regarding premium payment and grace period rules during the COVID-19 public health emergency for NY State of Health programs: Essential Plan, Child Health Plus, and Qualified Health Plans. These rules are not applicable for the Medicaid program because there is no premium. NY State of Health's goal during the COVID-19 emergency is to reach those currently uninsured and retain existing enrollees, to the greatest extent possible.

Essential Plan

Health plans should refrain from disenrolling enrollees who fail to pay their \$20 monthly premium contribution for the Essential Plan program until subsequent notice from the Department, which will be provided prior to or upon the expiration of the state disaster emergency declared by Executive Order No. 202. Essential Plan premiums are applicable for households between 150 and 200 percent of Federal Poverty Level (FPL), which is EP 1(NY SSL § 369-gg(5)(a)(i)). Health plans should continue to attempt to collect the premium contribution on a monthly basis but if the payment is not received, enrollees should remain enrolled and any covered services should continue to be provided during this period. The State will continue to reimburse plans for the state/federal share of the premium.

While plans are not required to provide a grace period to Essential Plan + Vision and Dental enrollees for the Vision + Dental portion of the premium, health plans may extend a grace period at their discretion. We encourage health plans to make this grace period available to families who are experiencing a financial hardship during this difficult time.

Child Health Plus

Subsidized Population

As set forth in the March 31, 2020 Health Plan letter from Gabrielle Armenia, health plans should refrain from disenrolling children who fail to pay their monthly premium contribution for the CHPlus program for the period of the emergency. Health plans should continue to attempt to collect the family premium contribution on a monthly basis but if the payment is not received, children should remain enrolled and any covered services should continue to be provided during this period. The State will continue to reimburse plans for the state/federal share of the premium.

Full Premium Population

While plans are not required to provide a grace period to children in the full payment category, actions for this population should be consistent with the NYS Department of Financial Services



issued guidance. We encourage health plans to make this grace period available to families who are experiencing a financial hardship during this difficult time.

Qualified Health Plans

Premium Tax Credit Population

Consistent with guidance issued on March 24, 2020 by the Centers for Medicare and Medicaid Services, [Payment and Grace Period Flexibilities Associated with the COVID-19 National Emergency](#), Qualified Health Plan issuers shall extend payment deadlines for monthly premium payments for 30 days for enrollees receiving federal premium tax credits. As outlined by CMS, when a payment deadline is extended, the start of a grace period is delayed. Issuers must continue to pay claims during this extension period and CMS has indicated that it will continue to pay premium tax credits. When the three-month grace period is triggered, the rules for this period apply [45 CFR 156.270(d)], meaning issuers must pay all appropriate claims for services during the first month and may pend claims in the second and third months. If the three month period expires without payment, tax credits received in the second and third months of the grace period are returned.

For example, an issuer extends an April coverage payment deadline from April 1 to May 1. If a consumer formerly in good standing fails to pay the premium in April, she doesn't enter the grace period, as she is not yet in delinquency. Claims and federal tax credits are paid for the extension month (April). If she continued to fail to pay outstanding premiums, she would enter the grace period in May and receive a May 31 termination date. As is done now, issuers pay appropriate claims for services during the first month of the grace period (May) and may pend claims in the second and third months of the grace period (June and July). Providers would receive notice that claims in June and July may not be paid. The issuer would receive the federal advanced premium tax credit for April and May, and if the consumer was terminated as of May 31, the issuer would repay June and July tax credits.

Full Premium Population

While plans are not required to provide a grace period to enrollees in the full payment category, actions for this population should be consistent with the NYS Department of Financial Services issued guidance. We encourage health plans to make this grace period available to families who are experiencing a financial hardship during this difficult time.

New York State Insurance Law prohibits unfair discrimination between individuals of the same class (NY Insurance Law 4224(b)). If grace period flexibility will be offered during the period of the COVID-19 emergency, it must be offered uniformly across all enrollees of the same category (e.g., all Qualified Health Plan enrollees eligible for tax credits, or all Qualified Health Plan enrollees, all CHPlus subsidized enrollees or all CHPlus enrollees).



Issuer communications to Qualified Health Plan and CHPlus full premium and Qualified Health Plan-premium tax credit enrollees should make clear that if an enrollee fails to pay outstanding premium within the applicable grace period and is terminated, they will be responsible for claims from health care providers. In addition, enrollees should be reminded to update their application on NY State of Health if they have a change in circumstance which may make them eligible for subsidized coverage at a lower premium contribution level or potentially eligible for fully subsidized coverage. Health plan assistors should assist families with this process if needed.

Please feel free to contact me at donna.frescatore@health.ny.gov, Danielle Holahan (212-417-4991 or danielle.holahan@health.ny.gov), Margaret Middleton (518-473-9635 or Margaret.middleton@health.ny.gov), Gabrielle Armenia (518-473-0566 or gabrielle.armenia@health.ny.gov), or your contract manager if you have any further questions regarding this matter.

Sincerely,

Donna Frescatore
Executive Director, NY State of Health
and
New York State Medicaid Director