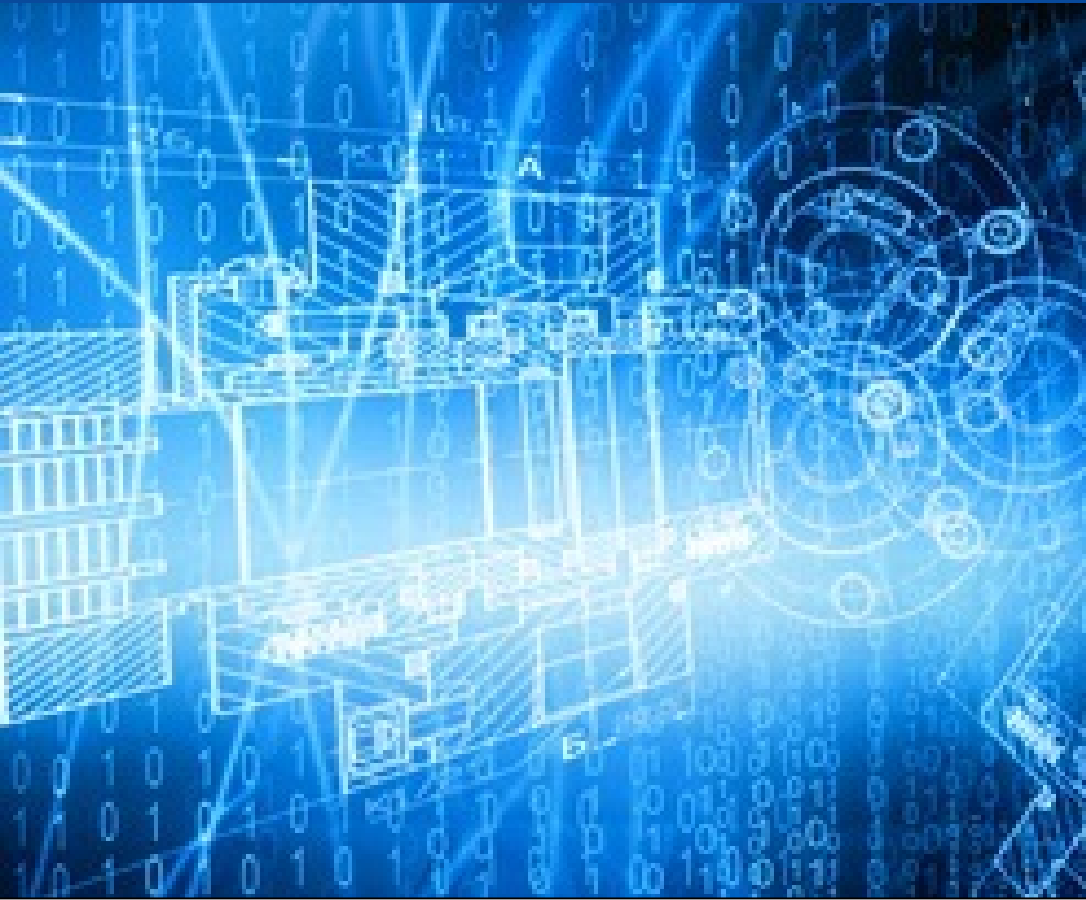




Payment and Grace Period Flexibilities Associated with the COVID-19 National Emergency

Frequently Asked Questions (FAQ's)



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<https://www.regtap.info/FFENR.php>

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Overview of Guidance

- On March 24 CMS issued guidance indicating that if an FFE or SBE-FP issuer, in connection with the COVID-19 emergency, extends premium payment deadlines and delays cancellations or terminations of coverage for non-payment of premiums with the permission of the applicable state regulatory authority, CMS will exercise enforcement discretion with regard to regulatory premium payment requirements regarding the deadline for payments to effectuate coverage.

State Regulatory Requirements

- An issuer's payment extension must have the permission of the applicable state regulatory authority.
- CMS does not need advance evidence from the state regulator that it concurs with an issuer's extension of payment deadlines during the COVID emergency, but issuers must follow state regulatory policies and apply any extensions uniformly.
- If issuers elect to utilize this payment flexibility, issuers are expected to maintain evidence of this policy decision for 10 years (45 CFR § 156.705).
- For future APTC audits, CMS expects issuers to maintain applicable documentation of the state regulatory flexibility, and SOPs demonstrating this flexibility was applied uniformly.

Overview of Guidance (continued)

- Once a grace period is triggered, however, the basic requirements applicable to the grace period would remain unchanged.
- For example, for an issuer complying with a State Department of Insurance order or recommendation to not terminate individual market health coverage before May 31, the issuer should adjust premium due dates so that it is paying claims (not pending) on behalf of the enrollee through May, and may retain APTC through May for those who are retroactively terminated May 31 if they fail to exit delinquency.

FAQ #1

- Are issuers permitted to pause their grace period, or not act upon their grace period and operate under the emergency guidance?

FAQ #1

- Yes. The best way to do that is to extend payment due dates, which have the effect of extending the grace period.
- For example, if an enrollee entered grace in February and was set to expire at the end of April, by extending premium due dates by one month, the enrollee would now have until the end of May to pay any premium due for the months of February, March, and April to resolve the delinquency, maintain coverage, and exit grace.

FAQ #2

- If issuers pay claims during payment extensions (for example, April, May, and June) will issuers receive APTC payments for all 3 months?

FAQ #2

- Issuers may continue to collect APTC as long as they continue to pay claims, but must refund APTC for any months in which they pend claims if they subsequently retroactively terminate due to the expiration of grace. CMS has not set a limit on the number of months an issuer can extend an enrollee's payment deadlines, but the issuer should make sure any extensions are applied uniformly and have the permission of the applicable state regulatory authority.

Resource

- The CMS guidance on payment flexibilities is at <https://www.cms.gov/files/document/faqs-payment-and-grace-period-covid-19.pdf>