

## Health Connector Policy: Employer Group Termination of Coverage – Non-Payment

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Category: **Enrollment**

Effective date: **8/15/2017**

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Approved by: **Ed DeAngelo**

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### **Applicable to all Small Group products (Qualified Health Plan or QHP/ Qualified Dental Plan or QDP)**

#### **Payment:**

An enrolled employer group must pay its monthly premium in full by the payment due date each month.

The ongoing invoice is generated on or around the first (1<sup>st</sup>) day of the month for the next month's coverage and sent to the employer.

Payment must be received by the Health Connector (or its vendors) no later than 8:00 PM Eastern on the twenty-third (23<sup>rd</sup>) calendar day of the month prior to the coverage month. In the event that the date falls on a non-bank work day (*i.e.*, weekend or bank holiday), the payment due date will be moved forward to next regular bank operations day.

#### **Delinquency:**

An enrolled employer group that fails to pay its monthly premium in full by the payment due date will be considered delinquent and notified by mail fifteen (15) calendar days after the payment deadline. The notice will inform the employer of its delinquent status and that, if payment of its outstanding monthly premium in full is not received on or before the payment due date indicated in the notice, its coverage will be terminated retroactive to the last day of the coverage month for which the group's monthly premium was paid in full.

If the outstanding monthly premium in full is not received from an employer group on or before one (1) month after the payment deadline, the Health Connector will send a notice to all enrolled employees and COBRA qualified beneficiaries by mail stating that coverage will be terminated because of the employer's delinquency, the effective date of termination, and the employee or beneficiary's right to continuation of coverage.

If the outstanding monthly premium in full is not received from an employer group on or before one (1) month and fifteen (15) days after the payment deadline, the Health Connector will send the employer group a final delinquency notice.

For a delinquent employer group, if payment of its outstanding monthly premium in full is received by the due date indicated in the notice, the employer group will no longer be considered delinquent for the coverage month in question and coverage will remain active.

**Termination:**

For a delinquent employer group, if payment of its outstanding monthly premium in full is not received on or before two (2) months after the payment deadline, the Health Connector will send the employer group a notice that the group's coverage will be terminated as of the last day of the month for which the monthly premium was paid in full. This notice will contain the coverage end date and reinstatement options for the employer group.

All enrolled employees and COBRA-qualified beneficiaries will also be sent by either the Health Connector or the issuer by regular mail a written notice, which: states that the coverage has been terminated because of the employer's failure to pay premiums; provides the effective date of the termination; states that no claims for service will be honored after the date of the notice (which is three days after the date of mailing); and provides information about the employee or beneficiary's right to continuation of coverage.

**Reinstatement:**

If an enrolled employer's coverage has been terminated as a result of non-payment, an employer group may request a reinstatement of coverage after all of the following conditions are met:

1. All overdue balances are paid in full; and
2. The current month's premium is paid in full.

Reinstatement is allowed two (2) times during the life of an employer group's policy, as long as the coverage has not lapsed for more than sixty (60) days from the effective date of termination. The reinstatement must always be retroactive to the first day of the month following the effective date of termination.

Employer groups requesting reinstatement of coverage must contact the Customer Service Center by phone or email. Requests are subject to review by the Health Connector.

**Coverage Alternatives:**

Enrolled employees and COBRA-qualified beneficiaries of an employer group which has been terminated for non-payment may elect to purchase non-group coverage.