



Blue Cross Blue Shield North Carolina Third Party Premium Payment Policy

Generally and Program-Specific:

- BCBSNC's decision to accept payment through a premium assistance program is for one year only. Continued acceptance of payments from any or all third parties beyond 2016 is not guaranteed and will be reviewed annually.
- BCBSNC may decide at any time to cap the number of programs or program participants that it will accept in a given year.
- This policy is intended to address premium assistance programs, regardless of whether the individual is on a Qualified Health Plan (QHP) or receiving subsidies through the Federally Facilitated Marketplace (FFM).
- Although BCBSNC's decision to accept payment from a particular program will not take into consideration whether the eligible population will or will not be eligible for federal subsidy, BCBSNC's recommendation to organizations offering these programs is that focusing on the population that is not eligible for premium subsidies may help those with the greatest challenge in affording coverage.
- As required by the Centers for Medicare and Medicaid Services (CMS), BCBSNC will accept premium and cost-sharing payments made on behalf of QHP enrollees by the Ryan White HIV/AIDS Program, other Federal and State government programs that provide premium and cost sharing support for specific individuals, and Indian tribes, tribal organizations, and urban Indian organizations.
- BCBSNC will administer this third-party premium assistance program in compliance with the law and guidance from various regulatory agencies. BCBSNC maintains sole discretion and may make changes in this program at any time to maintain compliance with the law and / or regulatory guidance.

Eligibility Requirements:

As recognized by CMS, payment by third parties can potentially create conflicts of interest and increase the risk of adverse selection – which is detrimental to the long-term viability of the individual insurance market overall and can increase rates for the rest of the risk pool. In order to reduce this risk, CMS discourages health care providers from making such payments and encourages insurers to reject them. CMS does not extend this stance to cases where: a) third parties are private, not-for-profit foundations/organizations b.) payment is made on behalf of QHP enrollees who satisfy defined criteria which are based on financial status and do not consider enrollees' health status, and c.) payment is made for the entire policy year. CMS neither encourages nor discourages insurers' acceptance of third parties in this scenario. BCBSNC is concerned about adverse selection, and will consider this risk even when the third party payer is a private, not-for-profit foundation/organization. We therefore will apply the condition of eligibility for premium assistance based on financial status and not on health status as addressed below.

1. The third party premium assistance program must be offered by an existing private, not-for-profit foundation/organization.
2. Participation in the assistance program must not be conditioned upon an individual's relationship with a specific healthcare provider (e.g., have to be a patient of "X Medical Practice"). Eligibility for participation in the premium assistance program must be based on an individual's financial status and may also be based on geography such as county or town of residence.
3. Premium assistance must be guaranteed for an entire calendar year (though administratively, premiums must be paid on a monthly basis.)
4. Solicitation for participation in the assistance program must not be made by or at the site of:
 - a.) a health care provider or facility; or
 - b.) an agency or organization that serves individuals based on their health status or healthcare needs (e.g., a provider or community agency that serves individuals who suffer from a specific medical condition).



5. Premium assistance recipients should not be limited in choice of plans, including insurer, plan tier (metal level), benefit design or network type, except that selection of a Cost Sharing Reduction Plan may be required for individuals who are eligible for this assistance.
6. Premium assistance programs may include requirements that recipients apply for and accept federal premium subsidies (Advance Payment Tax Credits) or other state or federal assistance for which they are eligible.
7. Individuals receiving assistance cannot be employees of the not-for-profit foundation/organization that is providing the assistance.

Application to BCBSNC to Accept Payment:

Each applicant not-for-profit foundation/organization must provide the following:

1. Description of the eligibility criteria for the premium assistance program, including the target population, financial status criteria and how it will be measured, and any geographic criteria
2. Description of planned outreach efforts and list of planned partner organizations
3. Source of funding
4. Program cap, if any (e.g., total funds available or number of program participants)

Administrative Requirements:

- Not-for-profit foundation/organization must provide BCBSNC a list of all members participating in this program.
- Premium payments must be made in full; partial payments will not be accepted. In the event there is member liability remaining after taking into account the premium assistance, the not-for-profit foundation/organization must collect from the individual (however it determines appropriate) their share of premium and send a single check for the full amount due from the member.
- Payer must send one check per member payment, with member information on the check in order for payment to post to correct account.
- Payer must use BCBSNC-provided payment form and follow lockbox instructions.
- If member's coverage is terminated for any reason, refund of any account balance will go to the member and not to the organization paying on their behalf.

Exception:

- BCBSNC has one exception to this policy for existing Medicare Advantage and Medicare Supplement members with policies in place on 12/17/15 who are part of the American Kidney Fund (AKF) Health Insurance Premium Program. For these members, BCBSNC will accept direct premium payment from AKF in 2016.

Exclusions:

- Per CMS [guidance](#), BCBSNC will not accept premium payment from "hospitals, other healthcare providers, and other commercial entities who may be considering supporting premium payments and cost-sharing obligations with respect to qualified health plans purchased by patients in the Marketplaces".

January 1, 2016