



Payment Policies

Individual/Family Plans

Effectuation or Initial Month Payment – For a policy to become effective, the initial premium payment must be received no later than the effective date of the policy.

Example: A policy purchased on December 15th for January 1st coverage

Payment Due Date:	January 1st (we are currently allowing one day more than federal mandate)
Payment Amount:	Full amount due (full premium or premium adjusted by APTC)

Monthly Payment after the Initial Month – Once effective, the monthly recurring premium payments are due by the last day of each month of coverage.

Example: A policy with an effective date of January 1st coverage

Payment Due Date:	January 31st
Payment Amount:	Full amount due (full premium or premium adjusted by APTC)
Non-payment Penalty:	If full payment is not received, the policy enters the “grace period” the next day (February 1st in this example)

Grace period – Members have grace period rights that are consistent with both Federal and State regulations. The terms and duration of the grace period are based upon the following criteria:

IFP purchased on the Marketplace AND Member is RECEIVING an Advanced Premium Tax Credit = 3-month Grace Period	ALL OTHERS = 31-day Grace Period
31-day grace period for benefits – claims may be processed and paid	
31-day grace period for payment (concurrent with benefit grace period)	
Extended grace period for payment only that make all payments due before the end of the third month. The first month runs concurrent with the 31-day grace period.	FULL payment must be made during the 31-day grace period to avoid termination of the policy at the end of the 31st day



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Group Plans

Effectuation Payment – For a new group to effectuate, the initial premium payment must be received prior to the policy effective date.

Example: A policy purchased for coverage to begin on July 1st

Payment Due Date:	June 30th
Payment Amount:	Full monthly premium amount due

Monthly Payment after the Initial Month – Once effective, the recurring monthly premiums are due by the last day of each month of coverage.

Example: A policy with an effective date of July 1st

2nd Payment Due Date:	July 31st
Payment Amount:	Full monthly premium amount due
Non-payment Penalty:	If full payment is not received, the policy enters the “grace period” on August 1st

Grace period – Groups are provided with a grace period for benefits and payment. The terms and duration of the grace period are as follows:

31-day Grace Period	
31-day grace period for benefits – claims may be processed and paid; however, EMPLOYER is responsible for repayment of claims if policy ultimately lapses	
31-day grace period for payment (concurrent with benefit grace period)	
FULL payment must be made during the 31-day grace period to avoid termination of group and all benefits at the end of the 31st day	