



# COVID-19 update

## Keeping you prepared

### Flexibility for those who need it most

#### **Supporting our Individual and Family Plan, Medicare Supplement, and Small Business members**

Blue Shield of California is supporting our customers who have been impacted financially due to novel coronavirus (COVID-19) by introducing flexible premium payment options to help ensure coverage through this health and economic emergency.

Beginning the week of April 6, we will send our standard notifications to customers who have not submitted payment for April 2020 premiums. These notifications will include an additional insert informing them that payment options are available and to contact Blue Shield to discuss those options.

Additionally, customers who received a notice during their previous payment period that their payment was delinquent and included information about their grace period, or were scheduled to have their coverage canceled at the end of their grace period, will receive an updated notice with the insert.

We are now offering customers the option to enroll in our Blue Shield Premium Payment Program.

To continue coverage and avoid cancellation due to nonpayment, customers must meet and agree to all of the terms and conditions to enroll in the Premium Payment Program. The terms and conditions include, the requirement to pay the Total Amount Past Due in full and a minimum payment of 25% of their April premium as soon as possible, but no later than April 30.

Brokers can track their clients' status through our online client list (OLCL) on Broker Connection. Consistent with our existing practices, broker commissions are paid based on premiums received.

Our Premium Payment Program is only available to our Individual and Family Plan, Medicare Supplement, and Small Business customers. Our customer care teams have an outreach program for Medicare members whose payments are delinquent, and large group employers (101+) should contact their Blue Shield account team to discuss their options.

Find more information on our Premium Payment Program [here](#).

Small group customers should also be aware of financial resources available for qualifying small businesses through the federal [Paycheck Protection Program \(PPP\)](#). The application deadline is June 30, 2020. The PPP is a program created and administered by U.S. Small Business Administration. Blue Shield is not a financial institution and does not provide general financial or tax advice. Small business clients can consult a financial or tax advisor.

We are continuing to explore ways to meet the needs of our members through this challenging time, and will continue to keep you informed. Stay up to date with Blue Shield on our [News Center](#) or have updates delivered to your mailbox by [subscribing here](#).

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## Premium Payment Plan Program - April 2020

### WHO

- We are offering a flexible payment plan option to Blue Shield customers whose premium payment for April 2020 coverage is delinquent and are from the following segments:
  - IFP On-Exchange and Off-Exchange members
  - Medicare Supplement members
  - Small Group employers
- Generally, a member's or group's payment is delinquent when they did not pay the Total Amount Past Due on or before the April due date (i.e., March 31). The member or group is then entitled to a grace period.
- In order to enroll in our April Premium Payment Plan Program, a Member or Small Group must meet and agree to all program terms and conditions, which includes paying all past the Total Amount Past Due premiums through the end of March 2020 and the initial 25% of April's premium payment. Once paid, a Member or Small Group may be enrolled in the April Premium Payment Plan Program.
- For the purpose of this document, the market segments eligible for the payment plan, described above, will be referred to as "target audience."
- This document does not include information regarding IFP On-Exchange (with subsidy) members entering months 2 and 3 of their 3-month grace period in April. Contact Producer Services for more information.
- Members or Small Groups who did not have a delinquent payment in April are not eligible for this program.
- Large Group employers (101+ employees) are not eligible for this payment plan program.

### WHAT

- The target audience will receive a legally required "Notice of Start of Grace Period" in early April. Included in that mailing was an insert (buck-slip) advising them to call Blue Shield to discuss payment options.
  - The legal requirements for grace period notices changed as of 4/1/20. If you have any questions regarding grace periods and what it means for your clients, please contact Producer Services for more information.
- For the target audience only, we offer an option to defer up to 75% of April's premium to remain a paid current Member / Small Group customer (i.e. must pay a minimum of 25%). For example, April premium is \$1,000. Member can defer \$750. April payment due is \$250.
- So long as the Member or Small Group enrolls in the program or pays the Total Amount Past Due before the end of the grace period, the Member or Small Group will not be cancelled after the applicable grace period ends.
- Blue Shield will override all IFP On Exchange pharmacy delinquent denials due to error code 441, "Patient not eligible due to non-payment", regardless of a member's ability to bring their policy paid current. This will be effective from April 1 through April 30, 2020.

## WHEN

- The target audience will receive a legally required “Notice of Start of Grace Period” in early April.
- The grace period for the target audience are the following number of days/months:
  - **30 days:** IFP members (on-exchange with no subsidy and off-exchange); Medicare Supplement members; Small Group employers.
  - **3 months:** IFP Members on-exchange with Subsidies (federal and/or state) only. Note: only the first month qualifies for a grace period, the remaining two months the member is in suspension with non-active status.
- Members and Small Groups participating in our Premium Payment Plan Program are encouraged to pay the agreed upon amount for April as soon as possible to exit the grace period, and shift from “late” to “current” status.
- The deferred amount must be paid back within a 9-month period.
- The program is for April 2020 only. Blue Shield will continue to monitor the unique situation caused by COVID-19 and may make adjustments accordingly.

## HOW

- The deferred amount for the Member or Small Group will be billed over a 9-month period, added to their usual premium bill. For example, \$1,000 April premium due. \$750 deferral. \$750 paid over 9-months = \$83.33 per month.
- The agreed to premium payment can be made as follows:
  - Active Autopay enrollment (no updates or changes needed if currently enrolled in Autopay).
  - Members can go online and choose to pay as they go by scheduling online payments online or by calling us directly.
  - Small Groups can manage their online payments directly via Employer Connect or can call us to make payment.
  - Checks can be mailed to our standard lock box address (please note there is extra processing time and with the current shelter in place directive, it is advised that checks are mailed 7-10 days prior to due date).

## WHY

- Blue Shield of California is supporting our customers who have been impacted financially due to novel coronavirus (COVID-19) by introducing flexible premium payment options to help ensure coverage through this health and economic emergency.