

Direct and/or Indirect Third-party Payment of Member Premiums and Cost-Sharing Policy

Background

The Centers for Medicare & Medicaid Services (CMS) has expressed significant concerns with certain third parties, including hospitals, health care providers, and other commercial entities, making premium payments or copayments, deductibles, or other cost-sharing payments (collectively, Cost-Sharing Payments) to health insurers for individual health plans on behalf of enrolled individuals (“Members”).

To address such concerns, CMS issued regulations at 45 CFR 156.1250, which require that issuers offering individual market Qualified Health Plans (QHPs) accept premium payments made on behalf of QHP enrollees only in certain enumerated circumstances. The regulation made clear that it did not prevent health insurers from contractually prohibiting other third-party payments. The regulation also reiterated that CMS discouraged premium payments and Cost-Sharing Payments made by certain entities, including hospitals and other health care providers, and discouraged health insurers from accepting payments from such providers. Independence Blue Cross, LLC, and its affiliates (collectively, “Independence”) shares CMS’s concerns with certain third parties making premium payments and Cost-Sharing Payments on Members’ behalf.

Policy

Independence will not accept premium payments or Cost-Sharing Payments made by third parties on behalf of its Commercial and Medicare Members except as noted below.

Accepted Third-Party Payments

In accordance with applicable laws, regulations, and regulatory guidance, this policy does not apply to premium payments or Cost-Sharing Payments made by:

- (1) a Ryan White HIV/AIDS Program under title XXVI of the PHS Act;
- (2) an Indian tribe, tribal organization, or urban Indian organization; or
- (3) a local, state, or Federal government program, including a grantee directed by a government program to make payments on its behalf.

In addition, Independence will accept third-party payments:

- (1) from family members.
- (2) made by bona fide religious institutions and other bona fide not-for-profit organizations only when each of the following criteria is met:
 - a) the assistance is provided on the basis of the insured’s financial need,
 - b) the institution or organization is not a health care provider or supplier,
 - c) the premium payments and any Cost-Sharing Payments cover an entire policy year, and
 - d) the institution or organization does not have any direct or indirect financial interests. For illustrative purposes only:
 - i. a direct financial interest may exist if the third-party itself has a financial interest in the payment of health insurance claims;

- ii. an indirect financial interest may exist, for example, if the third-party receives funding from other individuals or entities that have a financial interest in the payments of the health insurance claims; and
- iii. in the case of a nonprofit foundation or other charitable entity (including without limitation a religious organization), a financial interest may exist if the entity receives a financial contribution from a health care provider or supplier.

If Members are not certain if Independence will accept payment from a third-party, they may contact Independence as follows: (1) Commercial Members may contact Independence Customer Service at 1-844-BLUE-4ME (1-844-258-3463) (TTY: 711); and (2) Members with Medicare coverage may contact Independence Customer Service at 1-888-926-1212 (TTY: 711).

In addition, Providers are required to comply with all applicable rules and regulations.

Violation of Policy

Independence will monitor third-party payments to assure compliance with this policy and long-standing anti-fraud regulations. Any premium payments or Cost-Sharing Payments received in violation of this policy will not be applied to the Member's benefit plan. If premium payments or Cost-Sharing Payments have been made by third parties in violation of this policy, the Member will be provided with an opportunity to secure alternative funding through qualified sources. Reimbursement to health care providers or suppliers for services provided to such Members may be subject to retroactive adjustment by Independence to the extent such premium funding is or was in violation of this policy or the earlier version of this policy.

Independence maintains sole discretion with respect to its acceptance of third-party payments that are permitted under this policy and may make changes to its administration of this policy at any time to the extent needed to support compliance with the law and/or applicable regulatory guidance. This policy may be updated from time to time.

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