

## CS21 Non-Financial – Non-Payment of Premiums



**Statute:** 2103(e)(3)(C)

**Regulation:** 42 CFR 457.570

### INTRODUCTION

This state plan page (fillable PDF) must be completed by states with separate child health assistance programs.

In this state plan page, states provide information about their policies and procedures with respect to non-payment of premiums. This state plan page is required only of states which impose premiums. States which do not impose premiums need not submit this state plan page.

### BACKGROUND

States imposing premiums or other cost sharing, with disenrollment as the consequence for non-payment, must provide certain enrollee protections, including:

- A grace period, of no less than 30 days from the beginning of a new coverage period, to pay any required premium or other cost sharing before enrollment may be terminated;
- Reasonable notice of and an opportunity for the enrollee to pay past due amounts prior to disenrollment;
- An opportunity for the enrollee's family to show that its income has decreased prior to disenrollment of the enrollee; and
- Ensuring that disenrollment policies do not present barriers to the timely determination of eligibility and enrollment in coverage of an eligible child in the appropriate insurance affordability program.

Additionally, states may not establish a premium lock-out period that exceeds 90 days. States with lock-out periods may not require the collection of past-due premiums or enrollment fees as a condition for reenrollment once the state-defined lock-out period has expired (42 CFR 457.570). These provisions were made final in rulemaking published on July 15, 2013 (78 FR 42160).

States are also required to provide the enrollee with an opportunity for an impartial review to address disenrollment from the program in accordance with 42 CFR 457.1130(a)(3).

### TECHNICAL GUIDANCE

#### PREREQUISITES:

None

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This state plan page is broken down into the following sections:

- Non-payment of Premiums or Enrollment Fees
- Assurance

### **Non-Payment of Premiums or Enrollment Fees**

This section begins with a Yes/No question for the state to indicate that it imposes premiums or enrollment fees.

#### **Review Criteria**

*If the state imposes premiums or enrollment fees, it must select yes to this question.*

If the answer is yes, the state then responds to another Yes/No question “Can non-payment of premiums or enrollment fees result in loss of CHIP eligibility?”.

#### **Review Criteria**

*The state must select either yes or no or this state plan page cannot be approved.*

If the answer to this second question is yes, the state then responds to another Yes/No question “Does the state have a premium lock out period?”

#### **Review Criteria**

*The state must select either yes or no or this state plan page cannot be approved.*

If the answer is no, then no further entry is required in this section and the state moves on to the last section of this state plan page labeled “Assurance” (see instructions below).

If the answer is yes, the state then enters a description in the space provided. The description should include an explanation of the overdue payment notification process along with the number of months which could potentially be overdue before eligibility is terminated.

#### **Review Criteria**

*The description must include an explanation of the overdue payment notification process along with the number of months which could potentially be overdue before*

***eligibility is terminated, and it should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s election meets applicable federal statutory, regulatory and policy requirements.***

The state is then asked “What is the length of the premium lock-out period?” The state selects the applicable time period from the displayed list.

### **Review Criteria**

***The state must select a time period or this state plan page cannot be approved.***

If the applicable time period is not on the list, the state selects “Other” and provides a description of the premium lock-out period, including the length in number of days.

### **Review Criteria**

***The description must include the number of days for the lock-out period, and it should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s election meets applicable federal statutory, regulatory and policy requirements. The number entered as the premium lock-out period cannot exceed 90 days.***

The state then also responds to the question “Are there are exceptions to the required lock-out period?” by selecting Yes or No.

If the answer is no, the state continues to the Assurance, described below.

If the answer is yes, the state then selects one, both or all three of the options listed.

### **Review Criteria**

***If the answer is yes, the state must select at least one of the options or this state plan page cannot be approved.***

If the state selects “Other financial hardship”, it also provides a description of the criteria used to determine financial hardship.

### **Review Criteria**

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*The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s election meets applicable federal statutory, regulatory and policy requirements.*

If the state selects “Other”, it also provides a description of the exception. If the state has more than one other exception, the state reselects the button to the left of the description field and repeats the process until all the exceptions are entered.

### **Review Criteria**

*The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s election meets applicable federal statutory, regulatory and policy requirements.*

### **Assurance**

If the state responded yes to “Can non-payment of premiums or enrollment fees result in loss of CHIP eligibility?” and no to “Does the state have a premium lock out period?”, the state must provide the following assurance:

“The state assures that it provides enrollees with an opportunity for an impartial review to address disenrollment from the program in accordance with section 457.1130(a)(3)”

The state provides this affirmative assurance by checking the box next to the assurance statement.

### **Review Criteria**

***The state must check the assurance box or this state plan page cannot be approved.***

If the state responded yes to both “Can non-payment of premiums or enrollment fees result in loss of CHIP eligibility?” and “Does the state have a premium lock out period?”, the state must provide the following assurance:

“The state assures that:

It does not require the collection of past due premiums or enrollment fees as a condition of eligibility for enrollment once the lock-out period has expired;

It provides enrollees with an opportunity for an impartial review to address disenrollment from the program in accordance with section 457.1130(a)(3); and

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The child will be reenrolled in CHIP during the lock-out period upon payment of past due premiums or enrollment fees.”

The state provides this affirmative assurance by checking the box next to the assurance statement.

### **Review Criteria**

***The state must check the assurance box or this state plan page cannot be approved.***