

# Good Cause Processes



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# Good Cause Changes

- Plans handle all aspects of good cause process
  - ONLY plan premium disenrollments
    - NOT Part D-IRMAA disenrollments
  - Starts for disenrollments effective January 1, 2016

# Good Cause Determinations

- Good cause exists when:
  - Person paying premiums (i.e., member or other person)
  - Unable to pay premiums timely (within the plan's grace period)
  - Because of uncontrollable/unforeseen circumstance
- Rare circumstances

# Favorable Determination Examples

- Serious illness, institutionalization and/or hospitalization for significant portion of grace period
- Recent death of spouse, immediate family member, caregiver, or person living in household

# Favorable Determination Examples

- Occurring during the plan's grace period:
  - Prolonged illness not chronic in nature
  - Serious complication to chronic condition
  - Rapid deterioration of the member's health (or health of spouse, person living in household, member's caregiver, or person paying premiums)

# Favorable Determination Examples

- Home severely damaged by fire, natural disaster or other uncontrollable event preventing timely payment
- Extreme weather-related, public safety or other event declared as a Federal or state level of emergency - any point in grace period

# Unfavorable Determination Examples

- Non-receipt of bills due to unreported change in address, vacations, out of town, etc.
- Person paying bills simply didn't pay timely
- Couldn't afford to pay premiums

# Unfavorable Determination Examples

- Didn't understand would be disenrolled for nonpayment
- Needs prescriptions or other services provided by plan



# Case Study 1

Mr. Smith was disenrolled on August 31, 2015, following a plan's two-month grace period. He states that he recently was diagnosed with cancer and has been in the hospital receiving treatment since July 10<sup>th</sup>. He was released on September 3<sup>rd</sup> and just found out he was disenrolled.

**What is the determination?**

A. Favorable

B. Unfavorable

# Case Study 1

**Answer: A. Favorable**

Why is this the answer?

- A. The event was unexpected and he was recently diagnosed with cancer, a serious illness.
- B. The event was unexpected and he was hospitalized.
- C. The event was unexpected, he was hospitalized, and was in the hospital for the majority of the grace period.

# Case Study 1

**Answer: C.** The event was unexpected, he was hospitalized, and was in the hospital for the majority of the grace period.

If Mr. Smith had been hospitalized for one week for chemotherapy as part of his cancer treatment plan, the determination would be unfavorable because his hospitalization/period of incapacitation was not for a significant portion of the plan's grace period.

# Case Study 2

Mrs. Culpepper was disenrolled on May 31, 2015, following the plan's two-month grace period. She states that her husband has diabetes, recently had kidney failure and started dialysis in May. Because she was taking care of him, she was unable to pay her premiums on time.

**What is the determination?**

A. Favorable

B. Unfavorable

# Case Study 2

**Answer: A. Favorable**

Why is this the answer?

- A. The complication to the husband's chronic condition occurred during the grace period.
- B. The wife was caregiving for her husband.
- C. It is reasonable that she couldn't have made timely payment due to the seriousness of the situation.
- D. All of the above

# Case Study 2

**Answer: D.**

Mrs. Culpepper was caring for her husband whose recent and serious illness was a complication to a chronic condition, which occurred during the plan's grace period and is the reason she was unable to pay on time.

# Case Study 3

Mr. Long was disenrolled on April 30, 2015, following a plan's three-month grace period. He states that a kitchen pipe broke, and it flooded the basement of his home. He had to make expensive repairs, and he wasn't able to pay his premiums.

**What is the determination?**

A. Favorable

B. Unfavorable

# Case Study 3

**Answer: B. Unfavorable**

Why is this unfavorable?

- A. There was no declared state of emergency.
- B. The flooding didn't destroy his home.
- C. The flooding in his basement didn't prevent him from being able to make his payments.
- D. Not being able to afford the premiums is irrelevant.



# Case Study 3

**Answer: C.**

Because Mr. Long's home wasn't severely damaged, it is reasonable to expect that he had the ability to pay his premiums timely. In addition, his expenses to repair his basement and kitchen pipe are not a factor in making good cause determinations. It is also reasonable to expect that a person enrolls into a plan for which they can afford to pay the ongoing monthly premiums.

# Case Study 4

Mrs. Sanchez was disenrolled on April 30, 2015, following a plan's two-month grace period. She states that her husband took care of their bills, but he passed away this February. She doesn't have any family to help her, and she needs coverage because she requires heart medication.

**What is the determination?**

A. Favorable

B. Unfavorable

# Case Study 4

## **Answer A: Favorable**

Why is this favorable?

- A. She didn't understand the ramifications of not paying because her husband paid the bills.
- B. The husband died relatively close in time to the plan's grace period; this was unexpected.
- C. She needs medications.

# Case Study 4

## **Answer B:**

Because her husband died recently, it is reasonable to expect that she was in mourning and unable to pay the premiums timely.

Encourage individuals who get favorable determinations to sign up for premium withholding or scheduled electronic payments, if offered, to not be at risk for disenrollment

# Case Study 5

Mr. Green was disenrolled on July 31, 2015, following the plan's three-month grace period. He states that he got bills and warning letters from the plan but didn't pay his premiums because he requested premium withholding when he enrolled. He states that the disenrollment is a mistake.

**What should the plan do next?**

- A. Issue a determination
- B. Investigate the plan error
- C. Reinstate for plan error

# Case Study 5

**Answer: B. Investigate the plan error.**

The plan checks the records and finds that there is no error on their part and that they sent a notification to the address on record regarding the delay in his withholding and the ramifications if he doesn't pay premium bills until his withholding begins.

**What is the determination?**

A. Favorable

B. Unfavorable

# Case Study 5

**Answer: B. Unfavorable.**

Since the plan sent the notification informing Mr. Green of his responsibility to pay the premiums until his premium withholding begins, it is reasonable to expect that he was able to make payment timely. There is not a circumstance that was unexpected or outside his control which prevented him from making timely payment.

# More Information

- 2015 Spring Conference Materials – summary of good cause process changes
- HPMS memo recently released on good cause policies
- Enrollment Guidance update for 2016
  - <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/>
  - <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicarePresDrugEligEnrol/index.html>