SummaCare

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Policy Number: CSCL0011
Manual Name: SMO Policy Manual
Policy Name: Processing of Claims during the Grace Period
Approved By: Stephen Adamson
Last Revised: 07/08/2019

# SMSO Policy Manual
# PROCESSING OF CLAIMS DURING THE GRACE PERIOD

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| Executive Sponsor: | Stephen Adamson, Chief Operations Officer |
| Issuing Department: | Claims |
| Gate Keeper: | Melissa Rusk, Director Claims |

## COMPLIANCE STATEMENT:

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| **Enforcement:** | All members of the workforce are responsible for compliance with this policy. Failure to abide by the requirements of this policy may result in corrective action, up to and including termination. Workforce members are responsible for reporting any observed violations of this policy. |
| **Review Schedule:** | This policy will be reviewed and updated as necessary and no less than every two years. |
| **Monitoring and Auditing:** | The Issuing/Collaborating Department(s) is responsible for monitoring compliance with this policy. |
| **Documentation:** | Documentation related to this policy must be maintained for a minimum of 10 years. |

**Applies to:**

- ☒ SummaCare
- ☐ Summa Health Management Company
- ☐ Apex
- ☒ Summa Insurance Company

**Line of Business:**

- ☒ Commercial Groups
- ☐ Medicare Supplemental
- ☐ Off-Exchange
- ☐ Medicare
- ☒ On-Exchange
- ☐ Self-Funded

**Purpose:**

1.1 To ensure that claims are processed in an efficient manner, and in accordance with any regulatory guidelines specific to the plan.

**2.0 Policy:**

2.1 Claims for Marketplace members receiving advanced payment of the premium tax credit (APTC) will be provided a grace period.

**3.0 Procedure:**

3.1 SummaCare must provide a grace period of three consecutive months if a member receives (APTC) and has previously paid at least one full month's premium during the benefit year.

3.2 Members not paying their premium in full will enter a 90-day "grace period." During the first month of the grace period, SummaCare will continue to pay health care services provided to the member during that time.

3.3 However, if the member enters the second or third month of the grace period, SummaCare will pend claims for services provided to the member during that time and notify the member and provider of service.

3.4 If the member pays premiums in full before the end of the grace period, the member retains health insurance coverage for the second and third months of the grace period, and SummaCare will pay the pended claims.

3.5 If the member does not pay the health insurance premiums in full before the end of the grace period, the SummaCare will not extend coverage for the second or third months of the grace period and will deny claims for services provided during that time.

3.5.1 In this case, the member is then responsible for paying the entire bill for services rendered during the second and third months.

3.6 Melissa Rusk, Director, Claims & BPO Operations has the authority and responsibility for the activities in this policy or procedure.

3.7 The Issuing Dept. is responsible for monitoring/enforcing the compliance with this policy.

3.7.1 Compliance will conduct periodic reviews to monitor and audit compliance with this policy.

**4.0 References:**

4.1 Source of the policy (regulatory citation, accreditation standard, internal standard)

4.1.1 45 CFR § 156.270(c )

4.2 Are there any references to other documents, regulations, or intranet locations?

4.2.1 None

4.3 Are there other policies that work in conjunction with this policy?

4.3.1 None

4.4 Replaces (if applicable):

4.4.1 None

**5.0 Definitions:**

5.1 Grace period

5.1.1 The time between the premium payment considered late and when the enrollee's coverage is terminated

5.2 Pending claim

5.2.1 A claim that has been received by SummaCare but is not able to be paid or denied

**6.0 Key Words or Aliases (Optional):**

6.1 Grace Period, Marketplace

ORIGINAL *EFFECTIVE DATE*: 8/16/2012
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REVISED: 7/8/2019 (format)