

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. B-06/17-308  
 )  
Appeal of )  
 )

INTRODUCTION

Petitioner appeals the termination of his insurance through Vermont's healthcare exchange for nonpayment of premiums, and the corresponding denial by the Department of Vermont Health Access ("Department") to reinstate him. The following facts are adduced from a telephone hearing held August 30, 2017, with the record held open until September 8.

FINDINGS OF FACT

1. Petitioner was enrolled in health insurance through Vermont Health Connect ("VHC") for calendar year 2017. He received individual coverage which, including federal and state subsidies, resulted in a premium obligation of \$219.80 per month.

2. Petitioner was current on his premiums as of the end of January 2017, meaning he had paid the premium for both January and February coverage. In February, VHC mailed him an invoice dated February 5, 2017, indicating that he had a

premium payment due of \$219.80. This premium notice (and all notices described herein) indicated that the premium was due by the 26<sup>th</sup> of the month, must be paid in full, and would be considered late unless made by the end of the month.

Payments are considered made (if by check) as of the date postmarked.

3. Petitioner did not make any payments in February, but did make a payment of \$219.80 on March 2, 2017. Therefore, although the invoice petitioner received in March, dated March 5, 2017, indicated no past due amount, his payment for March's coverage was considered late. As a result, his insurer mailed him a notice dated March 3, 2017, that his premium payment was late, he was in the first month of a grace period, and needed to pay the entire amount due on his invoice in order to become current on his premiums. The notice explained the grace period process and that failure to become current on premiums due would result in termination of coverage (retroactive to the first month of the grace period), following three consecutive months of being in a grace period.

4. Petitioner's March 5 premium invoice indicated he had a premium of \$219.80 due by March 26. Petitioner made no further payments in March.

5. Petitioner's April premium invoice, mailed by VHC on April 6, 2017, reflected a past due amount of \$219.80 in addition to \$219.80 due by April 26. Due to the arrearage, his insurer mailed him a notice dated April 7, 2017, that his premium payment was late and he was in the second month of a grace period, along with the same information described above as to operation of the grace period.

6. Petitioner made a payment of \$219.80 on April 17, 2017, but made no further payments in April. In May, his insurer mailed him a letter dated May 3, 2017, indicating that "you are in the third and final month of your grace period" along with the same information described above, contained within the first two grace period notices. VHC also mailed petitioner an invoice dated May 5, 2017, indicating that he had a premium due of \$219.80 by the 26<sup>th</sup> of the month, in addition to a past due amount of \$219.80.

7. Petitioner made a single month's premium payment in early May of 2017, but made no further payments in that month, and thus continued to carry a "past due" amount into June. As a result, his insurance was terminated by letter dated June 9, 2017, effective March 31, 2017.

8. Petitioner does not dispute receiving the grace period notices by regular mail. However, he indicates that

he was not aware that he was in "grace" status because he relies exclusively on VHC's online portal to receive invoices and other messages. He believes it was reasonable to expect that any notification of his grace status would have been communicated through the portal, and that he had no reason to believe that the paper notices he received would vary from the information he received through the portal, and so he (in effect) ignored all paper mailings.<sup>1</sup>

9. The Department indicates that the grace period notices are not included or accessible through the online portal because they are issued by the insurance carriers, not VHC (which operates the portal). The Department further represents (credibly) there is no indication in signing up for the online portal that it will include all communications related to an enrollee's account. The record was held open for petitioner to submit documentation from the online portal which might have led him to believe it would contain all such communications; to date, nothing has been submitted by petitioner.

---

<sup>1</sup> It is noted that petitioner also indicates he was informed in January by a payment line representative that he only needed to pay his premium "by the end of the month." Petitioner suggests that this led him to believe that his practice of paying his premium during the month of coverage (and not in advance of the month of coverage) was acceptable; however, the advisory to pay by the end of the month could only reasonably apply to the "current amount due" identified in each invoice as to the month the invoice is received, in advance of the month of coverage.

ORDER

The Department's decision is affirmed.

REASONS

Recipients of health insurance through VHC are required to pay premiums in the month prior to the month of coverage. See Health Benefits Eligibility and Enrollment ("HBEE") § 64.00(g). The rules allow the insurer to terminate coverage for nonpayment of premium(s) after the expiration of a three month "grace period" for individuals receiving a federal subsidy through an Advance Premium Tax Credit (APTC). See HBEE § 76.00(b)(2)(i)(A).

The three-month grace period is established in rule for individuals enrolled in a health plan through VHC and receiving an APTC subsidy. See HBEE § 64.06(a)(1)(i).<sup>2</sup> The grace period remains in effect so long as the enrollee is not fully current on their healthcare premium, for a maximum of three consecutive months, after which coverage is terminated. See HBEE § 76.00(b)(2)(i)(A). Under the regulations, the insurer has the obligation of providing notice of the grace period to the enrollee. See HBEE § 64.06(b)(1)(i)(A)

---

<sup>2</sup>Individuals not receiving a subsidy have a grace period of one (1) month. See HBEE 64.06(a)(1)(ii).

(specifying content of notice). If the nonpayment is cured in full after commencement of the grace period and prior to expiration of three consecutive months, the grace period ceases and termination of coverage is averted.<sup>3</sup> If coverage is ultimately terminated for nonpayment, it is effective as of the end of the first month of the grace period. See HBEE § 76.00(d)(4).

Petitioner does not dispute receiving the premium bills or the grace period notices from his private insurer. The grace period notices have consistently been upheld by the Board as sufficient to advise beneficiaries of the consequences of non-payment, as well as the opportunity to contact VHC with questions. See e.g. Fair Hearing No. B-06/17-267. Under these specific circumstances, notice was reasonably given, there is no credible evidence petitioner was misled by the online portal or any representative(s) of

---

<sup>3</sup> The grace period is not cumulative if it is interrupted by fully curing the nonpayment. If the nonpayment is cured while the period is in effect, the grace period ends, as it must run for three (3) consecutive months to result in termination. See HBEE 64.06(b).

VHC, and there is otherwise no dispute that petitioner failed to cure the grace period, despite the notices sent to him.<sup>4</sup>

As such, the termination of petitioner's insurance and the Department's denial of reinstatement is consistent with the applicable rules and must be affirmed. See 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

# # #

---

<sup>4</sup>While it does not affect the outcome here, the Board has previously indicated that VHC would be advised to develop a system and protocols that integrate all information regarding insureds' accounts between the VHC help and payment lines *and the insurer*, so that complete, accurate and timely information regarding an insured's payment history *and grace period status* is available to whichever VHC telephone number an insured might call for help and information. See Fair Hearing No. B-06/17-304. The same would be applicable to the online portal.