

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. Y-08/15-864
)
Appeal of)

INTRODUCTION

Petitioner appeals a decision by Vermont Health Connect ("VHC") to terminate health insurance coverage for her and her husband under a Qualified Health Plan ("QHP"). The issue is whether VHC's termination of petitioner's QHP is consistent with its regulations.

The following facts are adduced from the testimony of petitioner and a VHC representative during a telephone hearing on September 15, 2015, and copies of VHC records received by the Human Services Board ("Board") on September 16, 2015.¹

FINDINGS OF FACT

1. Petitioner and her husband had health insurance through a QHP issued by MVP ("MVP Plan") in 2014. Their child had health coverage through Dr. Dynasaur for a monthly premium of \$15.00. Coverage for the family was automatically renewed for 2015 on December 17, 2014.

¹ VHC's records were admitted as evidence without objection.

2. VHC mailed petitioner an invoice dated December 17, 2014 reflecting that, after deducting \$673.12 in federal and state subsidies, the total monthly premium for the MVP Plan and Dr. Dynasaur coverage for 2015 was \$117.52.

3. Petitioner made a payment of \$102.52 in December for MVP coverage in January, but did not pay the \$15.00 premium for Dr. Dynasaur because VHC was unable to accept payments of Dr. Dynasaur premiums at that time.

4. VHC mailed petitioner an invoice dated January 5, 2015 that correctly showed a total amount due of \$132.52 for Dr. Dynasaur premiums for January and February and the MVP premium for February.

5. VHC received a payment of \$132.52 from petitioner on January 20, 2015.

6. VHC mailed petitioner an invoice dated February 5, 2015 that incorrectly showed a total amount due of \$132.52 (instead of \$117.52) for March.

7. Petitioner did not make a premium payment in February.

8. VHC received petitioner's next payment of \$132.52 on March 13, 2015. This payment was late, but at that time petitioner had paid all premiums due through March, and her next payment for April was due by the end of March.

9. Petitioner did not make another premium payment in March. VHC mailed petitioner an invoice dated April 5, 2015 that correctly showed a total premium amount of \$220.04 due for April and May.

10. Petitioner mailed her next payment of \$220.04 on April 29, 2015. Although her premium payment for April was late, her premium payment for May was timely.

11. VHC mailed petitioner an invoice dated May 5, 2015 that correctly showed a total premium amount of \$117.52 due for June. As this invoice shows that petitioner had timely paid all premiums due through May, it is found that she was not in a grace period in May, and that she had cured any grace period she might have otherwise been in for April.

12. Petitioner did not mail any premium payments to VHC in May. VHC mailed petitioner an invoice dated June 5, 2015 that correctly showed a total premium amount of 235.04 due for June and July.

13. VHC produced copies of MVP grace period letters dated April 9, 2015, May 12, 2015 and June 9, 2015 that were addressed to petitioner. VHC also produced a copy of a notice of termination from MVP dated July 6, 2015 that stated that petitioner's health insurance coverage had been terminated effective April 30, 2015.

14. VHC mailed petitioner an invoice dated July 3, 2015 showing \$352.26 in past due premiums for MVP coverage. This amount was invoiced as past due in error as petitioner only owed \$235.04 for coverage through July.

15. Petitioner mailed a payment of \$235.04 to VHC on July 3, 2015. Upon VHC's acceptance of this payment, petitioner had paid a total of \$822.64 due for her 2015 coverage through July.

16. VHC mailed petitioner an invoice dated August 5, 2015 showing \$235.04 in past due premiums for MVP coverage. This amount was invoiced as past due in error as petitioner had made a payment of \$235.04 on July 3rd.

ORDER

VHC's decision to allow termination of petitioner's MVP Plan for 2015 is reversed, and the matter is remanded to VHC to reinstate petitioner's coverage effective May 1, 2015.²

² "Reinstate" means "to restore eligibility after cancellation or closure." HBEE § 3.00. After VHC reinstates petitioner, she will need to pay the past due premiums for 2015 as a condition of her reinstatement. HBEE § 76.00(e)(3) (reinstatement "results in restoration of an enrollment with no break in coverage"). Petitioner may request another fair hearing if VHC does not reinstate her pursuant to this decision and complete her reinstatement pursuant to VHC's regulations.

REASONS

The Board's review of VHC decisions is *de novo*. As petitioner appeals the termination of her MVP Plan for 2015, VHC has the burden of proving by a preponderance of evidence that its decision to allow termination of her coverage complied with its regulations. Fair Hearing Rule 1000.3.0(4). VHC has not met its burden here.

VHC's rules provide that individuals who are enrolled in a health insurance plan through VHC must pay a premium for each month of coverage under that plan. Health Benefits Eligibility and Enrollment Rules ("HBEE") § 64.01(a). The amount due for each month must be paid in full in order for an enrollee to maintain coverage. HBEE § 64.05(a). Pursuant to the process for paying for plans offered on the Exchange, VHC bills enrollees and collects premium payments for insurers. HBEE § 64.04. When billing enrollees, VHC must send a monthly premium invoice by the 5th day of each month stating that the payment is due on or before the last day of the month for coverage for the following month. HBEE § 64.04(a)(1) and (2). If the premium payment is received or postmarked by the last day of the month, an enrollee's coverage continues into the next month. HBEE § 64.04(b) and (c).

If a premium is not timely paid, the rules provide for a grace period of three consecutive months for enrollees, such as petitioner in this case, who receive federal Advanced Premium Tax Credit subsidies. HBEE § 64.06(1)(i).³ In the event of nonpayment, the insurer has the obligation of providing grace period notices which meet certain minimum requirements. HBEE § 64.06(b)(1). If the enrollee's nonpayment is cured in full before the grace period has been exhausted, coverage continues.⁴ Conversely, if the premiums that accrued during the grace period are not received in full by the end of the three months, VHC must, in the absence of a pending fair hearing, allow insurers to terminate coverage for non-payment of premiums. HBEE § 76.00(b)(2).

VHC records show that petitioner was not in a grace period for three consecutive months. Even if petitioner had been in a grace period in April, her timely payment of the premiums due for April and May on April 29th would have cured the April grace period and averted a second grace period month in May. As such, even if a grace period had been properly

³ Individuals not receiving a subsidy have a grace period of one (1) month. HBEE 64.06(a)(1)(ii).

⁴ The grace period is not cumulative if the nonpayment is cured while the period is in effect, as the grace period must run for three (3) consecutive months to result in termination. See HBEE 64.06(a)(1)(i).

noticed in June, it would have been only the first of the three consecutive months of grace period that must be exhausted before QHP coverage may be terminated. HBEE § 64.06(b)(1). Therefore, it must be concluded that VHC had no basis to allow MVP to terminate petitioner's coverage at the end of June.

In conclusion, VHC's decision to allow termination of petitioner's coverage was inconsistent with its regulations because she did not have three consecutive months of grace period from April through June. Therefore, VHC's decision must be reversed and the matter remanded to VHC to reinstate petitioner as directed in this decision and pursuant to VHC's rules. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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