

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. B-03/16-293
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Appeal of)
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INTRODUCTION

The petitioner appeals a decision by Vermont Health Connect (VHC) denying his request for reimbursement of premiums he paid in January and February 2016 for a Qualified Health Plan (QHP) based on a delay by VHC in processing and effectuating his and his wife's coverage for those months. The issue is whether the regulations allow or contemplate reimbursements of premiums paid under such circumstances.

The following facts are based on the representations of the parties at and the documents submitted pursuant to a telephone hearing held on July 19, 2016.

FINDINGS OF FACT

1. In late 2015 the petitioner renewed his and his wife's enrollment for 2016 in the same QHP that had been in effect for them in 2015.

2. VHC admits that due to a processing error, its records mistakenly showed the petitioner as owing past due premiums for 2015. This error resulted in a delay in

processing and approving the petitioner's and his wife's 2016 coverage. There is no dispute that the petitioner has also timely paid all premiums for 2016.

3. In January 2016 VHC realized its error and orally informed the petitioner that he and his wife would have coverage for 2016 effective January 1, 2016. It does not appear, however, that either the petitioner or his wife incurred any medical expenses in January.

4. On or about February 10, 2016, the petitioner's wife went to a physical therapy appointment and was told by her provider that her insurance carrier was showing that her policy was inactive. She was understandably upset by this, and she left the provider that day without obtaining the service. It does not appear that either she or her provider attempted to contact VHC before she left the provider's office.

5. Later that day, the petitioner called VHC to inquire about the lack of coverage. VHC confirmed that there was still an ongoing delay in processing his and his wife's coverage for 2016. VHC informed the petitioner that as soon as his coverage could be instated for 2016 his providers would be required to resubmit any medical claims going back to January 1, 2016 to his insurance carrier, and that any provider who had charged him an out-of-pocket payment for

service in 2016 would then be required to reimburse him for that payment. VHC also informed the petitioner that he could obtain phone approval through VHC in advance for any urgent care that might be necessary prior to his insurance being instated for 2016.

6. The petitioner filed an appeal that day requesting reimbursement of or credit for the premiums he had paid for January and February 2016, thereby effectively delaying the start date of his 2016 insurance coverage to March 1, 2016. By the time of the hearing, however, the petitioner's and his wife's coverage for 2016 had been straightened out. The petitioner does not dispute VHC's position that he and his wife were, albeit retroactively, fully covered for January and February 2016, and that if they had incurred any billed or out-of-pocket medical expenses during that time, those expenses would have been fully covered according to the terms of their policy.

7. At the hearing the petitioner didn't allege any additional financial loss other than his wife's wasted trip to the physical therapy appointment in February. He suggests, not unreasonably, that VHC should provide some sort of information on its website or telephone recordings regarding the availability of reimbursement for expenses incurred by insured patients pending delays or errors in processing their

enrollment. He does not allege, however, that VHC ever informed him or his wife that they were not covered effective January 1, 2016.

ORDER

VHC's decision denying the petitioner reimbursement for the premiums he paid for insurance coverage in January and February 2016 is affirmed.

REASONS

The Board's review of VHC decisions is de novo. The petitioner appeals VHC's denial of his request to delay the effective date of his and his wife's insurance coverage to March 1 instead of January 1, 2016, and to reimburse or credit him for premiums paid and applied to his coverage prior to that date. Therefore, he has the burden of proving by a preponderance of evidence that he is eligible for a delay in the initiation of that coverage. Fair Hearing Rule 1000.3(O)(4).

VHC and federal rules specify the effective dates of coverage depending on when enrollment (or reenrollment) occurs during the annual open enrollment period (AOEP). HBEE § 71.02(f), 45 C.F.R. § 155.410(f)(2). These rules specify a January 1, 2016 start date when enrollment occurs on or before December 15, 2015. There is no question that VHC followed the

above rule when it determined that January 1, 2016 would be the effective date of the petitioner's and his wife's coverage for 2016. As noted above, other than admitted delays and errors in *processing* that coverage, there is no allegation or indication in the record that VHC ever informed the petitioner that he and his wife were not covered as of this start date. There is also no question that VHC, at least as of February 10, 2016, accurately informed the petitioner that, despite the errors and delay in processing his coverage, if he or his wife incurred any medical expenses as of January 1, 2016, those would be covered, even retroactively, to the extent of the insurance plan they had selected.

Despite the fact that there was a significant delay by VHC in processing the petitioner's 2016 coverage, there is no basis in the regulations to refund or credit premium payments made for any months of that coverage based solely on the fact that, *in retrospect*, the insured did not incur medical expenses during the months for which the premiums were billed.

In this case, other than their understandable frustration in being informed by a provider in February that their coverage was inactive, there is no claim or indication that the petitioner and his wife are now any worse off than they would have been had VHC been able to promptly process their 2015 application for 2016 coverage. Based on the foregoing,

it must be concluded that the Department's decision to deny petitioner's request to delay the effective date of its 2016 health coverage to any time later than January 1, 2016 is consistent with its regulations; and the Board is thus bound to affirm. 3 V.S.A. § 3091(d); Fair Hearing Rule No. 1000.4D.

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