

May 20, 2024

## Three Month Grace Period for Members Electing APTC Subsidy

How it works –

Members enrolled in a Kaiser Permanente Individuals and Families (KPIF) plan often elect to receive the federal premium subsidy to help them pay their monthly premium. When they make this election and they do not pay their monthly premium payment on time, they are entitled to a three-month grace period pursuant to federal law. During the first month of the grace period, the member's claims must be processed by Kaiser Permanente. If the member fails to make payment during the second and/or third months (so that all the premiums owed for the three months are paid on or before the last day of the grace period), the member's claims are held and not processed, until the end of the grace period.

If premiums are not paid in full by the end of the grace period, the Member's coverage terminates on the last day of the first month of the grace period. Any claims incurred in the second and third months will be denied due to the retroactive termination of coverage based on the Member's failure to be enrolled on the date(s) of service due to their non-payment of premiums.

Kaiser Permanente notifies providers in writing of their patient's claim status when the patient enters the second month of the grace period. Providers may seek reimbursement directly from the member at the end of the three-month grace period, if the claim is denied for the member not being enrolled (and, therefore, ineligible), due to termination of coverage based on the non-payment of premiums.

Kaiser Permanente encourages providers to continue to see members as they may become current in their premiums. However, if they do not pay all premiums that are due on or before the last day of their grace period, then the member's coverage will be terminated as of the last day of the first month of the grace period. The former (terminated) member will be responsible for payment to the provider if they are terminated at the end of their grace period for services provided during the second and third months of their grace period.