**What is the 90-day Grace Period?**

- Under one provision of the Affordable Care Act (ACA) insurers are required to allow a three-month grace period of nonpayment of premiums before they discontinue coverage for individuals enrolled in the exchange plans who qualify for the federal premium tax credits.

- Under final regulations issued by Centers for Medicare and Medicaid Services (CMS), if an enrollee fails to make a premium payment, insurers are required to cover claims for these patients during the first month of this grace period.

- For the remaining two months insurers are allowed to pend claims and ultimately deny them. This gives the insurers the power to retroactively deny claims for the final two months of the grace period.

**Notification to Providers**

- Health insurance companies are required to notify providers of a patient’s grace period status, however the timing and specific requirements of this notification have not been determined.

**What Should Providers do?**

- Be proactive. Find out how your patients’ contracted health insurance issuers will provide notice and handle other grace period issues.
  - Find out how and when you will be notified. Also request notice from health insurance issuers once a patient has paid their premiums and is no longer in the grace period.
  - Ask if health insurance issuers will relay grace period information in health insurance verification responses.

- Review current contracts and agreements.
  - Review your contracts with health insurance issuers to make sure you understand your rights and the health insurer’s rights. Find out if the health insurance issuer may attempt to recover payments made to you during the grace period if the patient later fails to pay the premiums.
  - Review financial agreements that patients are required to sign to ensure that these agreements cover patient cost sharing during the grace period.

- Be prepared. Take steps to minimize any possible non-payments from health insurers that are due to cancellation of coverage at the end of the grace period.
  - Develop procedures for how to notify and assist patients once they have entered the grace period.
Warnings for Providers

• Be aware the patient may not have received any notice that he or she has entered the grace period.
  o Discuss with the patient why it is important for them to pay their insurance premiums before the grace period expires.
  o You can provide a letter to the patient notifying them that they are obligated to pay the cost of coverage if they do not pay their premium.

• Rescheduling patients solely because they are within the grace period could be found to be discrimination or a violation of your contract with health insurance issuers.