



Horizon Blue Cross Blue Shield of New Jersey

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HorizonBlue.com

July 11, 2014

Sarah Lechner
General Counsel
NJ Hospital Association
760 Alexander Road
P.O. Box 1
Princeton, NJ 08543-0001

Dear Sarah:

Horizon Blue Cross Blue Shield of New Jersey is committed to providing our members with high-quality care at an affordable cost within the requirements of the Affordable Care Act and the Centers for Medicare & Medicaid Services (CMS).

Horizon BCBSNJ is currently accepting third party payments to pay for premiums and cost sharing for enrollees in qualified health plans (QHPs), including stand-alone dental plans (SADPs), in accordance with the recent CMS guidance. According to CMS, payments may be accepted if they are made on behalf of QHP enrollees who satisfy defined criteria that are based on financial status and do not consider enrollees' health status. The premium and any cost-sharing payments should cover the entire policy year. I have attached the document from CMS for your information.

Notwithstanding the foregoing, Horizon BCBSNJ reserves the right to modify or change our position in the future based upon subsequent state or federal guidance regarding third party payments.

Thank you for your continued support of improving health care in New Jersey.

Sincerely,

Michelle Merchant
Manager, Network Hospital Relations

cc: James F. Albano, Horizon BCBSNJ
James Dell'Arena, Horizon BCBSNJ

Enclosure



Date: February 7, 2014

Subject: Third Party Payments of Premiums for Qualified Health Plans in the Marketplaces

On November 4, 2013, the Center for Medicare & Medicaid Service (CMS) issued a frequently asked question (FAQ) related to third party payments of premiums for qualified health plans (QHPs) in the Marketplace.¹ Since then, questions have arisen whether this FAQ applies to payments of premiums and cost sharing made on behalf of QHP enrollees by certain types of third party payors.

Q1. Does the November 4, 2013 FAQ apply to QHP premium and cost sharing payments on behalf of QHP enrollees from Indian tribes, tribal organizations, urban Indian organizations, and state and federal government programs or grantees (such as the Ryan White HIV/AIDS Program)?

A1. No. The November 4, 2013 FAQ does not apply to payments for premiums and cost sharing made on behalf of QHP enrollees by Indian tribes, tribal organizations, urban Indian organizations, and state and federal government programs or grantees (such as the Ryan White HIV/AIDS Program). QHP issuers and Marketplaces are encouraged to accept such payments.

As CMS stated in its 2015 Draft Letter to Issuers on Federally-facilitated and State Partnership Exchanges,² pursuant to section 1312 of the Affordable Care Act, section 402 of the Indian Health Care Improvement Act, and 45 CFR 155.240(b), a Marketplace may permit Indian tribes, tribal organizations, and urban Indian organizations to pay QHP premiums on behalf of members who are qualified individuals, subject to terms and conditions determined by the Marketplace. Indeed, Federal law specifically provides for this approach.

In addition, guidance from the Health Resources Services Administration (HRSA) on the Ryan White HIV/AIDS Program³ specifically describes how grantees can use grant funds to pay premiums and cost sharing for eligible individuals enrolled in QHPs.

¹ Available at: <http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/third-party-qa-11-04-2013.pdf>.

² Available at: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/draft-issuwr-letter-2-4-2014.pdf>. The 2015 Draft Letter would continue the policy announced previously by CMS in the 2014 Letter to Issuers on Federally-facilitated and State Partnership Exchanges, available at: http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2014_letter_to_issuers_04052013.pdf.

³ Available at: <http://hab.hrsa.gov/manageyourgrant/pinspals/pcn1305premiumcostsharing.pdf>.

Q2. Does the November 4, 2013 FAQ apply to QHP premium and cost sharing payments on behalf of QHP enrollees from private, not-for-profit foundations?

A2. No. The concerns addressed in the November 4, 2013 FAQ would not apply to payments from private, not-for-profit foundations if: (a) they are described in Question 1, or (b) if they are made on behalf of QHP enrollees who satisfy defined criteria that are based on financial status and do not consider enrollees' health status. In situation (b), CMS would expect that premium and any cost sharing payments cover the entire policy year.