

# PROVIDER Update



REGULATORY | NOVEMBER 4, 2022 | UPDATE 22-927m | 3 PAGES

## Updated Letter Templates for Coverage Suspension for Enrollee Using APTCs

### Use the letter templates to notify providers of coverage suspension for nonpayment within the three-month grace period

Provisions of the Affordable Care Act and California law require Health Net\* to allow members receiving federal Advance Premium Tax Credits (APTCs) and/or California premium subsidies a **three-month grace period** to pay premiums before coverage is terminated. Members' eligibility is suspended if they are delinquent on premium payments during the second and third month of the grace period.

It is imperative that providers verify benefits, eligibility and cost shares each time a member is scheduled to receive services. A member identification (ID) card is not a guarantee of eligibility.

#### Notice of coverage suspension letter templates

Delegated participating physicians groups (PPGs) must use the following letter templates to notify providers of member premium delinquency status. Evidence of provider notification must be included with the member's records. The letter templates can be accessed at [iceforhealth.org > Library > Health Plan Specific Letter Templates > Health Net](https://iceforhealth.org/Library/HealthPlanSpecificLetterTemplates/HealthNet)

#### • Claims Delegates:

- *Type 3B–APTC Claims Look-Back letter.* Send this notice to all participating and nonparticipating providers who submitted claims during the two months prior to the enrollee's federal grace period and during the grace period.

#### • Utilization Management Delegates:

- *Type 4–APTC Authorization Rescind letter.* Send this notice to all providers, with a currently approved authorization for the delinquent member, to inform providers that unless certain services have been rendered, Health Net

#### THIS UPDATE APPLIES TO CALIFORNIA PROVIDERS:

- Physicians
- Participating Physician Groups
- Hospitals
- Ancillary Providers
- Community Supports (CS) Providers
- Enhanced Care Management (ECM) Providers

#### LINES OF BUSINESS:

- IFP
  - Ambetter HMO
  - Ambetter EPO
  - Ambetter HSP
- Employer Group
  - HMO/POS/HSP
  - EPO
  - PPO
- Medicare Advantage (HMO/PPO) (Wellcare By Health Net)
- Cal MediConnect (Los Angeles/San Diego)
- Medi-Cal
  - Kern
  - Los Angeles
  - Molina
  - Riverside
  - Sacramento
  - San Bernardino
  - San Diego
  - San Joaquin
  - Stanislaus
  - Tulare

#### PROVIDER SERVICES

[provider\\_services@healthnet.com](mailto:provider_services@healthnet.com)

**Enhanced Care PPO** – 844-463-8188

**Health Net Employer Group HMO, POS, HSP, PPO, & EPO** – 800-641-7761

#### PROVIDER PORTAL

[provider.healthnetcalifornia.com](https://provider.healthnetcalifornia.com)

#### PROVIDER COMMUNICATIONS

[provider.communications@healthnet.com](mailto:provider.communications@healthnet.com)

#### Discover Helpful Tools to Support Your Office

Go to the Provider Library at [providerlibrary.healthnetcalifornia.com](https://providerlibrary.healthnetcalifornia.com) to quickly access information to help you in your everyday interactions with our Plan. The library includes:

- Provider manuals
- Forms and References
- Education, Training and Other Materials
- Updates and letters
- Contacts
- Health Equity, Cultural and Linguistics Resources

\*Health Net of California, Inc. and Health Net Community Solutions, Inc. are subsidiaries of Health Net, LLC and Centene Corporation. Health Net is a registered service mark of Health Net, LLC. All other identified trademarks/service marks remain the property of their respective companies. All rights reserved. CONFIDENTIALITY NOTE FOR FAX TRANSMISSION: This facsimile may contain confidential information. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, or the person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained in this transmission is strictly PROHIBITED. If you have received this transmission in error, please notify the sender immediately by phone or by return fax and destroy this transmission, along with any attachments. If you no longer wish to receive fax notices from Provider Communications, please email us at [provider.communications@healthnet.com](mailto:provider.communications@healthnet.com) indicating the fax number(s) covered by your request. We will comply with your request within 30 days or less.

or the delegated PPG rescinds authorization for coverage of the service, effective immediately. This is applicable to both inpatient and outpatient service requests.

### Three-month grace period overview

When a APTC enrollee has failed to make a premium payment by the due date, Health Net or delegated CommunityCare participating physician groups (PPGs) will take the following actions:

Month	Actions
<b>First</b>	<p>During the first month of the three-month grace period.</p> <ul style="list-style-type: none"> <li>• Health Net will send a notification to the APTC enrollee and their primary care provider (PCP). This will notify the recipients that a payment delinquency has triggered the three-month federal grace period starting from the date of the last premium payment received.</li> <li>• Use the letter templates (see page 1) to notify providers of changes to a member’s status within the three-month grace period. The letters must be sent to providers no earlier than the 16th but no later than the last day of the first month of the grace period.</li> </ul>
<b>Second and third</b>	<ul style="list-style-type: none"> <li>• By the first day of the second month, the PPG must make necessary system adjustments to the PPG’s real-time eligibility and verification system to reflect the APTC enrollee’s suspension of coverage. <ul style="list-style-type: none"> <li>– If the PPG did not send notice of coverage suspension to the APTC enrollee’s providers or did not update their real time eligibility status by the first day of the second month within the three-month grace period, the PPG shall be responsible for services rendered.</li> <li>– Providers are under no contractual obligation to provide services during the suspended coverage period. Providers may require patients to pay for care directly or agree to a payment guarantee in the event that the member eventually disenrolls at the end of the grace period.</li> </ul> </li> <li>• PPGs shall suspend or pend claims for services rendered for members in months two and three of the three-month grace period. Use the following terms to communicate the status of the enrollee: <b>“Coverage Pending,” “Coverage Suspended,” or “Inactive Pending Investigation.”</b></li> </ul>
<b>After the grace period</b>	<p>After the expiration of the grace period, the PPGs shall do the following:</p> <ul style="list-style-type: none"> <li>• If all premiums due during the grace period are paid in full, and the APTC enrollee’s coverage is reinstated, release claims and process for payment based on contract benefits.</li> <li>• If all premiums due are not paid in full by the end of the grace period, the APTC enrollee’s coverage is terminated (termination shall be the day after the last day of the first month within the grace period), claims should be processed with member denial letters for coverage terminated. Providers may choose to bill the member in full for services rendered during the second and third months of the grace period.</li> </ul>

---

### **Additional information**

Providers are encouraged to access Health Net's provider portal online at [provider.healthnetcalifornia.com](https://provider.healthnetcalifornia.com) for real-time information, including eligibility verification, claims status, prior authorization status, plan summaries, and more.

If you have questions regarding the information contained in this update, contact the Health Net Provider Services Center by email at [provider\\_services@healthnet.com](mailto:provider_services@healthnet.com) within 60 days, by phone or through the Health Net provider website as listed in the right-hand column on page 1.