



## TOP 10 TIPS

### Helping Clients Pay the First Month's Premium

As the health insurance market evolves, we continue to make operational changes in order to offer sustainable health plan options to our members in the individual, under 65 market. In August, Blue Cross and Blue Shield of Texas (BCBSTX) announced that premium payments for the first month of coverage must be paid before consumers can use their healthcare plans.

Here are some tips about the first month's premium you should know when helping those enrolling – and in some cases renewing – in 2017 qualified health plans.

**1. Without 100% of the first month's premium, an application cannot be effectuated.**

**2. Applicants can enroll and pay the first month's premium online via the Retail Shopping Cart.**

Quotes developed in the Retail Producer Portal (RPP) and emailed to your clients lead them to the Retail Shopping Cart and attach your producer information to subsequent online enrollments. Enrolling online via the Retail Shopping Cart and paying the first month's premium at the same time is a great way to make sure your client is covered on Jan. 1, 2017. (Note that on-exchange applications submitted without the first month's premium are not visible in the RPP.)

**3. The first month's premium requirement could affect renewing members.**

Paying the first month's premium to effectuate coverage doesn't only affect new applicants/enrollees. Renewing members may be required to pay the first month's premium when they actively renew in a new plan. For example, if a member changes from an on-exchange plan to an off-exchange plan, or vice-versa, the first month's premium will be required.

Our renewing members may need your help understanding the complete financial picture of how payments may overlap. For example, on Nov. 30, an existing member could pay for the coverage month of December and then actively enroll in a new 2017 plan that requires the first month's premium to effectuate coverage.

**4. The first month's premium processing begins right away.**

We begin processing the first month's premium as soon as the applicant submits it. For example, if an applicant enrolls online Nov. 28, 2016, with an effective date of Jan. 1, 2017, and uses a credit card for the first month's premium, the credit card is charged within 24 hours. For plan year 2017, applicants can't schedule the first month's premium to pay at a later date.

**[Click here for how and where your clients can make their first month's premium.](#)**

**5. Off-exchange online apps can only be submitted with the first month's premium.**

The online submission of a new or renewing *off exchange* plan via the Retail Shopping Cart requires the applicant pay the first month's premium.

**6. Applicants will receive calls, emails and/or letters on how to pay the first month's premium.**

Applicants that have not paid 100% of their first month's premiums when they submitted enrollment applications will receive communications via phone, email and/or letter that include the payment options available.

**7. Applicants/members should follow the payment instructions in their letters and emails.**

If submitting the first month's premium separately from the application, new applicants and renewing members should follow the payment instructions in their letters and emails.

**8. Submitting enrollment applications and the first month's premium separately may result in a disruption in service.**

When applications are sent to us without the first month's premium, member outreach attempts are made via phone, email and mail. When the first month's premium is then sent separately from the application, this adds processing time as we must match the application with the separate payment.

**9. If 100% of the first month's premium isn't made by the due date, the application is withdrawn.**

Applicants have a period of time during which they must pay the first month's premium to effectuate coverage. If the first month's premium isn't paid in full during this time, the application is withdrawn. Below are the due dates applicants have to pay the first month's premium:

**OFF EXCHANGE DUE DATE:**

by either the coverage effective start date or 30 days from when we first request payment, whichever date is later

**ON EXCHANGE DUE DATE:**

by either the coverage effective start date or 25 business days from the application receipt date, whichever date is later

**10. Members receive plan materials only after paying the first month's premium.**

New applicants or actively renewing members that enroll in new 2017 plans will begin to receive ID cards and policy fulfillment kits in mid-December *if* they have paid their first month's premiums. After mid-December, these materials will be mailed when the first month's premiums are paid.

[Click here for how and where your clients can make their first month's premium.](#)