



PROVIDER BULLETIN
#02-2017

TO: Participating hospitals

FROM: Linda Paterson
Vice President, Provider Network Services

DATE: January 24, 2017

SUBJECT: Update: Direct and/or indirect third-party payments of member premiums and cost-sharing

This bulletin explains there has been an update to the Independence Blue Cross (Independence) policy on direct and/or indirect third-party payments of member premiums and cost-sharing.

The Centers for Medicare & Medicaid Services (CMS) has expressed significant concerns with certain third parties, including hospitals, health care providers, and other commercial entities, making premium payments or copayments, deductibles, or other cost-sharing payments (collectively, Cost-Sharing Payments) to health insurers for individual health plans on behalf of enrolled individuals (“Members”).

Our position

Independence has a policy to not accept premium payments or other Cost-Sharing Payments made by certain third parties, including, without limitation, payments made directly or indirectly by a health care provider or supplier.

Please carefully review Independence’s updated policy attached to ensure that you are not in violation of the policy. It should be noted that reimbursement to health care providers or suppliers for services provided to such Members may be subject to retroactive adjustments by Independence to the extent such premium funding is or was in violation of this policy.

Our policy

The following policy applies to all Independence-participating providers. This updated language will be incorporated into the *Hospital Manual for Participating Hospitals, Ancillary Facilities, and Ancillary Providers*.

continued on next page

We encourage you to share this information with appropriate members of your staff.

Direct and/or Indirect Third-Party Payments of Member Premiums and Cost-Sharing

Independence will not accept premium payments or Cost-Sharing Payments made by third parties on behalf of its Commercial and Medicare Members except as noted below.

Accepted Third-Party Payments

In accordance with applicable laws, regulations, and regulatory guidance, this policy does not apply to premium payments or Cost-Sharing Payments made by:

- (1) the Ryan White HIV/AIDS Program under title XXVI of the PHS Act;
- (2) an Indian tribe, tribal organization, or urban Indian organization; or
- (3) a local, state, or Federal government program, including a grantee directed by a government program to make payments on its behalf.

In addition, Independence will accept third-party payments:

- (1) from family members.
- (2) made by bona fide religious institutions and other bona fide not-for-profit organizations only when each of the following criteria is met:
 - a) the assistance is provided on the basis of the insured's financial need,
 - b) the institution or organization is not a health care provider or supplier,
 - c) the premium payments and any Cost-Sharing Payments cover an entire policy year, and
 - d) the institution or organization does not have any direct or indirect financial interests. For illustrative purposes only:
 - i. a direct financial interest may exist if the third-party itself has a financial interest in the payment of health insurance claims;
 - ii. an indirect financial interest may exist, for example, if the third-party receives funding from other individuals or entities that have a financial interest in the payments of the health insurance claims; and
 - iii. in the case of a nonprofit foundation or other charitable entity (including without limitation a religious organization), a financial interest may exist if the entity receives a financial contribution from a health care provider or supplier.

In addition, Providers are required to comply with applicable rules and regulations.

continued on next page

Violation of Policy

Independence will monitor third-party payments to assure compliance with this policy and long-standing anti-fraud regulations. Any premium payments or Cost-Sharing Payments received in violation of this policy will not be applied to the Member's benefit plan. If premium payments or Cost-Sharing Payments have been made by third parties in violation of this policy, the Member will be provided with an opportunity to secure alternative funding through qualified sources. Reimbursement to health care providers or suppliers for services provided to such Members may be subject to retroactive adjustment by Independence to the extent such premium funding is or was in violation of this policy or the earlier version of this policy.

Independence maintains sole discretion with respect to its acceptance of third-party payments that are permitted under this policy and may make changes to its administration of this policy at any time to the extent needed to support compliance with the law and/or applicable regulatory guidance. This policy may be updated from time to time.

Questions

If you have any questions regarding this policy, please contact your Network Coordinator.