

Jan. 6, 2022

Grace Period Rules

A policy must be effectuated for grace period rules to apply. Grace period rules are different for those who receive Advance Premium Tax Credits (APTC) for medical or dental policies versus those who don't.

Members Receiving APTC

- Members who receive APTC have a three-month grace period.
- The APTC three-month grace period *does not* apply to a member's non-APTC dental policy, even when paired with a APTC medical policy.
- The APTC three-month grace period *does* apply to passive renewal plan changes, even when mapped to a new or different plan (for example, HMO to PPO or PPO to HMO).
- A grace period begins one day after the last paid-through-date.
- Coverage is terminated on the last day of the first month of the grace period.
- If a member makes a payment that advances the paid-to-date, it doesn't extend the grace period. The member must be "paid current" to exit the grace period and retain coverage.
- Some on-exchange members do not have APTC and therefore do not qualify for the three-month grace period.

Members Not Receiving APTC

We provide a grace period and reinstatement period to all members with a qualified health plan who do not receive an APTC.

- The grace period is 32 days and the reinstatement period is 28 days. Effectuated members that are terminated for non-payment of premium after the 32-day grace period ends have a 28-day reinstatement window to become "paid current."
- A grace period doesn't necessarily begin on the first of the month.

Members Losing APTC

- If a member is receiving an APTC when the grace period begins, the original grace period length remains in effect. For example, if the member enters the grace period May 1, 2023, but loses APTC on June 1, 2023, then the 3-month grace period (May 1 through July 31) would still apply.