

Title: PEBB Program Premium Payment and Premium Surcharge Collection and Write-off

DRAFT: Policy 93-1

Contact:	Rules Specialist, PEB Division	Effective:	January 1, 2017
		Rescinded:	
Associated RCW:		Supersedes:	
Associated WAC:	182-08-015 182-08-180 182-08-245		
Assoc. fed law/reg:	Treasury Regulation 54.4980B-8	Owner:	Policy & Rules Manager, PEB Division
Associated Procedures:	Policy 19-1B		
Associated Forms & Communication	PEBB Employer Group Interlocal Agreement	Approved by:	
		Position:	PEB Division Deputy Director
		Date approved:	

Purpose:

This policy outlines the criteria used by PEBB Insurance Accounting to determine when a premium payment or premium surcharge owed on a subscriber's account will be deemed uncollectable and subsequently written off.

This policy does not apply to state agencies, employer groups, charter schools or collection of a claim or benefit by an HCA contracted plan or third party administrator.

Definitions:

"Write-off" means the PEBB Insurance Accounting will not pursue payment from the subscriber or his or her estate.

"Insignificant shortfall" means a premium balance owed that is less than or equal to the lesser of \$50 or 10% of the premium required by the health plan as described in Treasury Reg 54.4980B-8.

Policy:

1. The PEBB Insurance Accounting staff are responsible for maintaining all financial aspects of PEBB subscriber accounts.
2. Premiums and any applicable premium surcharges are due monthly from the subscriber or the subscriber's legal representative. All payments received by the PEBB Insurance Accounting will be applied to the oldest month where a premium or applicable premium surcharge is unpaid or underpaid in the following order:

- a. The oldest month owed, first insurance coverage premium and then any applicable premium surcharge; and
 - b. The next oldest month owed, first insurance coverage premium and then any applicable premium surcharge.
3. Invoices are sent at regular intervals of 30 and 60 days, reflecting prior months' balance and current balance due.
4. Past due amounts will be written off when the account is terminated and one or more of the following criteria is met:
 - a. The debt is discharged in bankruptcy and there is no guarantor or successor.
 - b. The account balance owed is less than or equal to an insignificant shortfall and the subscriber has not responded to the past due notice.
5. Once an account balance is written off, the PEBB Insurance Accounting will not pursue payment from the subscriber or his or her estate.