

Splitting Policies

Consumer Direct Broker Sales

July 2016

This document was created for informational purposes only and is not intended to provide legal and/or accounting advice and should not be relied upon as such. Individuals should consult with their own accountants and/or legal counsel if they have any questions regarding the financial and legal impacts of the Affordable Care Act.

Splitting Policies Overview

- This training will outline the process for splitting policies for both Affordable Care Act (ACA) and Grandfathered (GF) plans with various scenarios.
- CareFirst will begin implementing these business rules for GF and Off Exchange business starting on June 1, 2016.

CD Splitting Policy Due to Subscriber's Move to Medicare

This information is applicable when the subscriber and spouse are separating their policies due to the subscriber moving to a Medigap plan or to Medicare only.

Subscriber/dependents have a **Grandfathered Plan**

- Subscriber will move to his/her own Medigap plan or will term to go to Medicare only.
- Spouse/dependents can remain in the existing GF plan (no plan changes will be allowed, same deductible level will remain).
 - Spouse will be enrolled as the subscriber and receive a new Subscriber Identification (SID).
 - **Only the accumulators for the members remaining on the policy will remain along with the original effective date (un-aggregated deductible).**
 - **Aggregated deductible – one person can meet the family deductible) - if the subscriber has met that family's deductible, the remaining family members will benefit from that.**
 - **The former subscriber's deductible amounts will be moved to the new subscriber's accumulators bucket. This applies to medical deductibles and any other ancillary accumulators.**
 - Visit limits/dollars and all cost shares move with members remaining in a GF plan.
 - Also includes integrated cost share for ancillary services (i.e. pharmacy).

Red Text =
New for
June 1, 2016

CD Splitting Policy Due to Subscriber's Move to Medicare *continued*

This information is applicable when the subscriber and spouse are separating their policies due to the subscriber moving to a Medigap plan or to Medicare only.

Subscriber/
dependents
have a
**Grandfathered
Plan**
continued

- If there is no spouse, dependents can remain in the existing GF plan (no plan changes will be allowed, same deductible will remain). Remaining dependents also have the choice to use a Special Enrollment Period (SEP) or Limited Open Enrollment (LOEP) to move to an ACA plan.
- If dependents are remaining in the GF plan:
 - Each dependent will be enrolled into to his/her own GF plan.
 - Each dependent will be enrolled as a Subscriber and receive a new SID.
 - Accumulators and the original effective date for that dependent from the original policy will remain with the dependent and apply to their individual policy.
 - If a family deductible has been met before the policy is split (aggregate deductible), each dependent can receive credit for the subscriber's accumulators in order to meet, but not exceed, their new individual deductible (ONLY after their individual credits have been applied first).
 - Visit limits/dollars and all cost shares move with members remaining in a GF plan.
 - Also includes integrated cost share for ancillary services (i.e. pharmacy).

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CD Splitting Policy Due to Subscriber's Move to Medicare *continued*

This information is applicable when the subscriber and spouse are separating their policies due to the subscriber moving to a Medigap plan or to Medicare only.

<p>Subscriber/dependents have a Grandfathered Plan <i>continued</i></p>	<ul style="list-style-type: none">▪ Members are eligible for a LOEP if the subscriber or the spouse moves to Medigap.▪ If change takes place during the OEP or if the members not moving to Medigap would like to take advantage of a LOEP, the members can choose to give up their GF plan and status and purchase a new ACA plan.<ul style="list-style-type: none">○ Accumulators will NOT follow the members if they move to an ACA plan, either during the OEP or through a SEP/LOEP.
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Red Text =
New for June 1, 2016

CD Splitting Policy Due to Subscriber's Move to Medicare *continued*

This information is applicable when the subscriber and spouse are separating their policies due to the subscriber moving to a Medigap plan or to Medicare only.

<p>Subscriber/dependents have an Off Exchange ACA Plan <i>continued</i></p>	<ul style="list-style-type: none">▪ Subscriber will move to his/her own Medigap plan or will term to go to Medicare only.▪ Spouse/dependents can remain in the existing off exchange ACA plan (no plan changes will be allowed).<ul style="list-style-type: none">○ Spouse will be enrolled as the Subscriber and receive a new SID.○ Only the accumulators for the members remaining on the policy will remain along with the original effective date (un-aggregated deductible).○ Aggregated deductible – one person can meet the family deductible) - If the subscriber has met that family deductible, the remaining family members will benefit from that.<ul style="list-style-type: none">• The former subscriber's deductible amounts will be moved to the new subscriber's accumulators bucket. This applies to medical deductibles and any other ancillary accumulators.○ Visit limits/dollars and all cost shares move with members remaining in ACA plan.○ Also includes integrated cost share for ancillary services (i.e. pharmacy).
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CD Splitting Policy Due to Subscriber's Move to Medicare *continued*

This information is applicable when the subscriber and spouse are separating their policies due to the subscriber moving to a Medigap plan or to Medicare only.

Subscriber/ dependents have an **Off Exchange ACA Plan**

- If no spouse, dependents can remain in the existing ACA plan (no plan changes will be allowed).
 - Each dependent will be enrolled into to his/her own ACA plan.
 - Each dependent will be enrolled as a Subscriber receive a new SID.
 - Accumulators and original effective date for that dependent from the original policy will remain with the dependent and apply to their individual policy.
 - If a family deductible has been met before the policy is split (aggregate deductible), each dependent can receive credit for the subscriber's accums in order to meet, but not exceed, their new individual deductible (the dependents deductible would be applied 1st, then the subscriber's deductible).
 - Visit limits/dollars and all cost shares move with members remaining in the ACA plan.
 - Also includes integrated cost share for ancillary services (i.e. pharmacy).
- Members are eligible for a LOEP if the subscriber or the spouse move to Medigap/Medicare.
- **Accumulators will NOT follow the members if they move to a new ACA plan, either during the OEP or through a SEP/LOEP.**

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CD Splitting Policy Due to a Life Change – Death

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This information is applicable when the policy is being split due to death of the subscriber or another member on the policy.

Subscriber/dependents have a Grandfathered Plan	<ul style="list-style-type: none">▪ Members have the option of keeping their GF plan (no plan changes will be allowed) OR using a SEP/LOEP to purchase a new ACA plan.▪ Members can remain in the existing GF plan (no plan changes will be allowed).<ul style="list-style-type: none">○ In the event of the subscriber's death, spouse will be enrolled as the subscriber and receive a new SID.○ Only the accumulators for the members remaining on the policy will remain along with the original effective date (un-aggregated deductible).○ Aggregated deductible – one person can meet the family deductible) - If the deceased subscriber has met the family deductible, the remaining family members will benefit from that.<ul style="list-style-type: none">• In the event of the subscriber's death, the former subscriber's deductible amounts will be moved to the new subscriber's accumulator bucket and applies to medical deductibles and any other ancillary accumulators.○ Visit limits/dollars and all cost shares move with members remaining in GF plan.○ Also includes integrated cost share for ancillary services (i.e. pharmacy).
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CD Splitting Policy Due to a Life Change – Death *continued*

This information is applicable when the policy is being split due to death of the subscriber or another member on the policy.

Subscriber/dependents have a **Grandfathered Plan**

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- If no subscriber or spouse remains on policy, dependents can remain in the existing GF plan (no plan changes will be allowed).
 - Each dependent will be enrolled into to his/her own GF plan.
 - Each dependent will be enrolled as a subscriber and will receive a new SID.
 - Accumulators for the dependents + the original effective date from the original policy will remain with the dependent + apply to their individual policy.
 - If a family deductible has been met before the policy is split (aggregate deductible), each dependent can receive credit for the deceased's accumulators in order to meet, but not exceed, their new individual deductible (the dependents deductible would be applied 1st, then the subscriber's deductible).
 - Visit limits/dollars and all cost shares move with members remaining in GF plan.
 - Also includes integrated cost share for ancillary services (i.e. pharmacy).
- **All members on the policy qualify for a LOEP if any member on the policy dies.**
- If a change takes place during the OEP or if the members use a SEP/LOEP, they can choose give up their GF plan and status and purchase a new ACA plan.
 - Accumulators will NOT follow the members if they move to an ACA plan, either during the OEP or through a SEP/LOEP.

CD Splitting Policy Due to a Life Change – Death *continued*

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This information is applicable when the policy is being split due to death of the subscriber or another member on the policy.

Subscriber/dependents have an **ACA Off Exchange Plan**

- Members have the option of keeping their ACA plan (no plan changes will be allowed) OR using a SEP/LOEP to purchase a new ACA plan.
- Members can remain in the existing ACA plan (no plan changes will be allowed).
 - In the event of the subscriber's death, spouse will be enrolled as the subscriber and receive a new SID.
 - Only the accumulators for the members remaining on the policy will remain along with the original effective date (un-aggregated deductible).
 - Aggregated deductible – one person can meet the family deductible) - If the deceased has met the family deductible, the remaining family members will benefit from that.
 - In the event of the subscriber's death, the former subscriber's deductible amounts will be moved to the new subscriber's accumulators bucket. This applies to medical deductibles and any other ancillary accumulators.
 - Visit limits/dollars and all cost shares move with members remaining in the ACA plan.
 - Also includes integrated cost share for ancillary services (i.e. pharmacy).

CD Splitting Policy Due to a Life Change – Death *continued*

This information is applicable when the policy is being split due to death of the subscriber or another member on the policy.

Subscriber/dependents have an **ACA Off Exchange Plan**

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- If no subscriber or spouse remains on the policy, the policy will terminate for the dependents on the last day of the month of the subscriber's death.
 - Dependents will qualify for a SEP/LOEP.
 - Accumulators will NOT follow the dependents to their new plan.

- All members on the policy qualify for a LOEP if any member on the policy dies.
 - Again, accumulators will NOT follow the members to their new plan.

CD Splitting Policy Due to a Life Change - Divorce

This information is applicable when the subscriber and spouse are separating their policies due to a divorce. These rules also apply to dissolution of domestic partners. **In all cases, the subscriber is the owner of the policy and has control of the policy, except where there are specific court orders.**

Subscriber/dependents have a Grandfathered Plan	<ul style="list-style-type: none">Subscriber keeps the GF plan and ex-spouse is removed from the policy.Through a SEP/LOEP, ex-spouse (and other dependents, if applicable) can purchase a new ACA plan.Dependents can stay on the GF plan.Subscriber can remove dependents if ex-spouse will be covering them under their new policy and/or the dependents can be enrolled in their own policy.Changes to dependent coverage (adding or deleting) will follow custody or legal agreements, where applicable.Accumulators will NOT follow any members moving to a new ACA plan.
Subscriber/dependents have an Off Exchange ACA plan	<ul style="list-style-type: none">Subscriber keeps the ACA plan and ex-spouse is removed from the policy.Through a SEP/LOEP, the ex-spouse can purchase a new ACA plan. The other members of the policy, including the subscriber, are also eligible for a SEP/LOEP due to the removal of a spouse.Dependents can stay on the ACA plan.Subscriber can remove dependents if ex-spouse will be covering them under their new policy and/or the dependents can be enrolled in their own policy.Changes to dependent coverage (adding or deleting) will follow custody or legal agreements where applicable.Accumulators will NOT follow any members moving to a new ACA plan.

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On Exchange Members

- On Exchange members need to go back to the Exchange to make any changes to their policy.
- Currently, we have no way of knowing if an On Exchange member has split a policy unless he/she comes through the escalated case process.
 - The enrollment files from the Exchange have no place to indicate that information.
 - So – accumulators will not be moved to new plans.
- We will be working with the three Exchanges to determine if there is a way to pass on split policy information.

What Forms to Use to Remove a Subscriber/ Dependent

Maryland

- GF and Off Exchange members MUST use a change form to remove the subscriber or dependent.
- On Exchange members MUST go back to the Maryland Health Benefits Exchange to remove a subscriber or dependent(s) and then apply to enroll in a new plan.”

DC

- GF members MUST use a change form to remove the subscriber or dependent.
- On Exchange members must go back to DC Health Link.

Virginia

- GF and Off Exchange members must fill out an application for the remaining members on the policy and attach a note as to what change they would like made to the policy.
 - The proper documentation (death certificate, divorce decree or copy of a Medicare card) needs to be attached.
- OR if a member is moving from a CareFirst under 65 plan to a CareFirst Medigap plan, the member can attach a note to their Medigap application, asking to remove him/her from the current under 65 plan.
- On Exchange members must go back to healthcare.gov.

LOEP Documentation for Split Policies

QUALIFYING EVENT	REQUIRED DOCUMENTATION	DOCUMENTATION MUST BE REC'D WITHIN	BASE EFFECTIVE DATE ON	ADD'L NOTES
<p>In the case of a subscriber or spouse moving to Medicare, this can be used as a qualifying LOEP event for the remaining family members on the policy. The qualifying event will fall under Loss of Minimum Essential Coverage. This LOEP is only applicable to existing CareFirst members.</p>	<p>Documentation that shows the subscriber or spouse is now eligible for Medicare - letter from CMS or copy of Medicare card</p>	<p>60 Days prior to event and 60 days post event</p>	<p>Based on first day of the following month. (Example: both application and LOEP documentation received 1st through 30th/31st then effective date will be 1st of the following month.)</p>	<p>Subscriber moving to Medicare is business as usual. Subscriber/remaining family members receiving a LOEP if the spouse moves to Medicare is a courtesy CareFirst is extending to existing customers.</p>
<p>In the case of death of any family member (subscriber, spouse, dependent) this can be used as a qualifying LOEP event for the remaining family members. The qualifying event will fall under Loss of Minimum Essential Coverage. This applies to existing CareFirst members and new-to-CareFirst applicants.</p>	<p>Copy of death certificate</p>	<p>60 Days from the event</p>	<p>Based on first day of the following month. (Example: both application and LOEP documentation received 1st through 30th/31st then effective date will be 1st of the following month.)</p>	<p>Policy will be split the day after the death - business as usual. The effective date of the change is based on the column to the left.</p>

LOEP Documentation for Split Policies

QUALIFYING EVENT	REQUIRED DOCUMENTATION	DOCUMENTATION MUST BE REC'D WITHIN	BASE EFFECTIVE DATE ON	ADD'L NOTES
<p>In the case of divorce, losing a dependent (the ex-spouse) qualifies anyone on the policy for a LOEP. The qualifying event will fall under Loss of Minimum Essential Coverage. This applies to existing CareFirst members and new-to-CareFirst applicants.</p>	<p>If an existing CareFirst member - copy of divorce decree</p> <p>If coming from another carrier - official termination letter from previous carrier or employer on letterhead, or copy of divorce decree</p>	<p>60 Days from the event</p>	<p>Based on the first day of the following month. (Example: both application and LOEP documentation received 1st through 30th/31st then effective date will be 1st of the following month.)</p>	<p>Policy will be split the end of the month that the documentation is received - business as usual.</p>

Applying for a LOEP as a Result of a Split Policy

- Use the LOEP chart to determine the proper check box to use on the application or on the private exchange site.
- In order to complete the application, the required documentation noted on the chart must be received as well.
- The chart will be updated for 2017 on www.carefirst.com.
 - Death will be added as its own triggering event for 2017.
- Please note that accumulators will NOT move if there is a plan change through a LOEP.

This document was created for informational purposes only and is not intended to provide legal and/or accounting advice and should not be relied upon as such. Individuals should consult with their own accountants and/or legal counsel if they have any questions regarding the financial and legal impacts of the Affordable Care Act.