



Policy Directive 2021-02-01

Title: Premium Delinquency – COVID-19

Date: Feb 3, 2021

From: Policy Managers

Program(s) Impacted: All Medical Programs

The purpose of this directive is to provide guidance regarding all premium delinquencies for both CHIP and Working Healthy programs from prior to January 2020. This directive is effective upon release.

Premium Delinquency Forgiveness

With the onset of the COVID-19 Public Health Emergency (PHE) declared by the State of Kansas on March 23, 2020, discontinuances for failure to pay premiums were suspended beginning March 1, 2020 throughout the scope of the emergency with no penalties applied per [PD2020-03-01](#). Outstanding premiums for January and February 2020 will also be waived post-PHE. Effective with this directive, all premium delinquencies from prior to January 2020 will also be excluded from consideration when determining delinquent premium penalties.

For CHIP cases, system updates will be implemented with the fiscal agent premium logic to accomplish this outcome. Premium Billing will manually add a penalty status of "Served" for each CHIP case with outstanding premiums for dates prior to 2020. Staff will need to be aware of the change in order to avoid applying a penalty in error for delinquent premiums from the specified timeframe.

For Working Healthy (WH) cases, no penalty data will be created. Instead, delinquency actions for outstanding WH premiums for dates prior to 2020 will be handled as part of the manual process used by Clearinghouse/KDHE staff for delinquent WH cases. Staff should be aware that any delinquent premiums from this time period will not be considered when determining WH eligibility; delinquency records may exist, but they will have no effect on the overall eligibility outcome.

Note: The logic above will allow for CHIP payments to be posted in newest to oldest invoice order; however, WH payments will continue to be posted in oldest to newest invoice order.

This directive will only apply to unpaid premiums that would have resulted in a penalty at the time of processing. Any premiums that have already been paid will not be refunded. Penalties already applied and served will remain unaffected.

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff below.

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