### Billing Policy

**Policy: Premium Payment**

Policy Number: BI-001-All

<table>
<thead>
<tr>
<th>Owners &amp; Approvers</th>
<th>Applicable Lines of Business</th>
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</thead>
<tbody>
<tr>
<td>Business Owner: Jaime Morrison, Operations Analyst, Eligibility and Billing</td>
<td>☐ All</td>
</tr>
<tr>
<td>Approving Manager: Brett Lotito, Senior Director, Insurance Operations</td>
<td>☐ New York</td>
</tr>
<tr>
<td>Compliance Approver: Dorian Needham, VP, Compliance</td>
<td>☐ New Jersey</td>
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<tr>
<td>☒ Individual</td>
<td>☐ California</td>
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<td>☐ Small Group</td>
<td>☐ Texas</td>
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<td>☐ Self-Insured</td>
<td>☐ Ohio</td>
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<td>☐ Internal</td>
<td>☐ Tennessee</td>
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<tr>
<th>Status &amp; Details</th>
<th>Review &amp; Revision History</th>
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<tr>
<td>Status: Board-Approved</td>
<td>Type</td>
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<tr>
<td>Effective Date: 2018.08.08</td>
<td>Original</td>
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<td>Latest Review Date: 2018.08.08</td>
<td>Revision</td>
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<td>Retired Date: N/A</td>
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**Purpose**

The purpose of this policy is to ensure compliance with regulatory requirements and promote efficient business operations through the standardization and streamlining of the process for premium payments by individuals or third parties where permissible.

**Policy Summary**

Members must make individual premium payments by the due date or their policies may be terminated/cancelled.

Oscar accepts paper checks, cashier’s checks, money orders, electronic fund transfers (EFTs) (including Automated Clearing House (ACH)), and all general purpose prepaid debit cards as methods of payment.

**Payment Due Dates**

**Binder premium payments**

For members with regular effective dates, binder payments are due on the effective date of the policy. Oscar provides an additional, no fault, 10-day grace period. If payment is not received by the end of the 10th calendar day after the effectuation date the member’s coverage will be canceled.

For members with special effective dates, binder payments are due within 30 days of the enrollment date. There is no additional grace period provided for members utilizing a special effective date.

**Premium payments**
The due date for all premiums is the first day of the month. Members have an additional no fault grace period of 30 days. If Oscar does not receive payment by the end of the grace period, the member will be terminated or, if the member is subsidized, enter the delinquency period required per regulations.

Third party payments

Under 45 CFR §156.1250, issuers offering individual market QHPs, and their downstream entities, must accept premium and cost-sharing payments on behalf of plan enrollees from the following third-party entities (in the case of a downstream entity, to the extent the entity routinely collects premiums or cost sharing):

(a) A Ryan White HIV/AIDS Program under title XXVI of the Public Health Service Act; (b) An Indian tribe, tribal organization, or urban Indian organization; and (c) A local, state, or federal government program, including a grantee directed by a government program to make payments on its behalf. If an enrollee or third-party entity notifies the QHP issuer of coordinated premium payment with one of the third-party entities described in 45 CFR §156.1250, issuers should allow for timely premium payment to prevent termination of enrollments for non-payment.

Oscar may review all other third-party payments, including payments made by private, not-for-profit foundations, on a case-by-case basis. Oscar may decline to accept third-party payments, including payments by third-party individuals, that raise concerns for potential conflicts of interest, adverse selection, or fraud. In its review, Oscar will take into consideration factors recommended by HHS, including whether eligibility was based solely on the enrollee’s financial status, without consideration of the enrollee’s health status, and if assistance is provided for the entire policy year. Oscar may review, and reserves the right to decline, all third-party payments from provider-affiliated organizations (including nonprofit organizations affiliated with providers), with which HHS has identified various concerns, including the potential for future financial harm to consumers. When determining whether or not to accept a third-party payment, Oscar may ask to see the application that the organization used to determine whether the member was eligible for premium and/or cost-sharing support.

Reports of Unauthorized Charges

If Oscar is notified that an account is being debited and the owner of that account is not an Oscar member and did not authorize payments, Oscar will advise the caller to contact their bank to dispute the charges and to inform local authorities. Oscar will disclose applicable protected health information only to the extent permitted by applicable state and federal law. Oscar will only turn off automatic premium payments upon receipt of a stop-payment request from a bank or a subpoena/injunction from a suitably empowered official. Funds will only be returned per a legal or judicial request.

Procedure

Mail

Oscar requests that members mail their check or money order to a PO Box that is attached to a designated lockbox. Any check or money order delivered to the PO Box is automatically deposited into Oscar’s bank account. Each state where an Oscar entity provides services has its own assigned PO Box for collecting member premiums. This serves to separate the funds for accounting purposes as well as to provide a local address for members to submit payment.

ACH

Members can make ACH payments by calling Oscar’s customer service line or through hioscarr.com. Electronic payments can also be set for automatic withdrawal on the first of each month.

Unidentified payments
In the event that a check or money order is received without the member's Oscar number, the funds will be deposited into a holding account until the correct member can be identified. The correct member is typically identified by matching the payment amount, name on the check, address, account number or some combination thereof. If a match cannot be made, the funds will remain in the holding account until the member contacts Oscar and identifies the held funds.

**Undeposited Checks**

When Oscar receives a check or money order that cannot be deposited by the bank due to the check or money order missing information such as pay-to or amount. In these cases, the bank creates a copy of the check or money order and mails it to Oscar. Oscar customer service representatives then reach out to the member and resolves the issue.

**Definitions**

**Binder payment** is the first premium payment a member submits to Oscar for an uninterrupted span of coverage.

**Grace period** is the period of time after a payment is due that the member may make payment without risk of cancelation or termination.

**On-going payments** are all premium payments received by Oscar after the binder payment.

**Regular effective date** means if the enrollment is received between the 1st and the 15th day of any month, the coverage effective date is the first day of the following month. If the enrollment is received between the 16th and the last day of any month, the coverage effective date of the first day of the second following month.

**Special effective date** means the policy effective date does not follow the rule for regular effective dates.

**Third party payor** is any entity or individual who submits a premium payment on behalf of an Oscar member.

**Record retention**

Records shall be maintained by Oscar for ten years. For additional information, refer to Oscar’s Record Retention Policy.

**Questions and Further Guidance**

If you have additional questions regarding this policy, please contact Eligibility and Billing at eligibility@hioscar.com.

**Citations**

45 C.F.R. § 156.265(d)
45 C.F.R. § 156.1250
45 C.F.R. § 155.240
45 C.F.R. 155.400(e)
28 CCR § 1300.65(f)(4)
45 CFR §156.1240(a)(2)