Sample letter: Grace period notice to patients

Dear <<name of patient>>:

Our records indicate that you are receiving assistance with your health insurance premium payments through an Advance Premium Tax Credit (APTC), also known as premium subsidy. Your health insurer, <<insert name of health insurer>>, and/or you <<name of patient>> has/have informed us that you have not paid your health insurance premiums in full under the APTC program. If you do not catch up on your premiums, you may lose your insurance coverage. This letter is intended to let you know that if you lose your coverage, you may be obligated to pay the full cost of services that we provide to you.

Background

Under a program created by the Affordable Care Act, the federal government is helping you pay your insurance premiums through an APTC. However, the federal government does not subsidize all of your premiums. This means you have to pay a portion of your premiums.

Under the APTC program, you do not automatically lose coverage if you miss or only partially make a premium payment. Instead, you enter into a 90-day period of time referred to as the grace period. This grace period gives you time to catch up on your premiums so that you do not lose your coverage. During the time you are in the grace period, we will continue to serve as your physicians.

During the first thirty (30) days of the grace period, federal law requires your health insurer to keep your health insurance coverage in place for services that we provide to you during those thirty (30) days. However, if you do not catch up on your premiums before your next payment is due, you will enter into the next sixty (60)-day phase of the grace period. Federal law allows your health insurer to withhold payments for services that we provide you during those sixty (60) days. If you pay your premiums in full before the end of the grace period, you will keep your health insurance coverage, and the health insurer will pay us for services we provide to you during the sixty (60) days. If you do not pay your premiums in full by the end of the sixty (60) days, the health insurer will retroactively cancel your coverage for the second and third month of the grace period. If your coverage is canceled, the health insurer will not pay us for any services we provide you during the sixty (60) days. This means that you will have to pay us the entire bill for services rendered to you during this time, rather than being obligated to paying only co-payments, deductibles and co-insurance.
What do you need to do?

When your next premium payment is due, be sure you pay that month’s premium in full as well as any past due premium amounts. You will need to understand what you need to pay to get fully caught up—paying most or “almost all” of (past) due amounts will not take you out of the grace period. To ensure that you retain your coverage and avoid having to pay the entire bill out of your own pocket for health care services (in addition to any co-pay, deductible or co-insurance obligations you may have), make sure you pay your next premium and any past due premium amounts in full when your next health insurance premium is due.

Can we help?

Please contact us immediately or visit our office in person if you have any questions or concerns about this notice. Also, please let us know if there has been an unexpected change in your financial situation (e.g., loss of employment, death in your family or serious disability, etc.) that has caused you to fall behind on your premiums, as there may be informational resources and/or other types of health insurance coverage to which we can direct you. You can contact us through our website at <<your practice’s website>> or call us at <<the practice’s phone number>>.

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