



Policy: PA.7100  
Title: **Premium and Share of Cost Collection**  
Department: CalOptima Health PACE  
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 12/05/2024

Effective Date: 11/07/2019

Revised Date: 10/01/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☒ PACE  
☐ Administrative

## I. PURPOSE

This policy establishes the processes for determining and collecting Premiums and Share of Cost associated with the CalOptima Health Program of All-Inclusive Care for the Elderly (PACE) program.

## II. POLICY

- A. Participants enrolled in CalOptima Health PACE shall be charged a monthly Share of Cost when they have a Share of Cost obligation that must be met prior to being eligible for Medi-Cal.
- B. Participants shall be notified of changes to the Premium amount in writing at least thirty (30) calendar days before the change takes effect.
- C. Premiums and Share of Cost are due the first day of the month for which services will be received. Late fees may be assessed in accordance with the Enrollment Agreement.
- D. Participants failing to pay the monthly Premium or Share of Cost may be involuntarily disenrolled in accordance with CalOptima Health Policy PA.2021: Involuntary Disenrollment.
- E. Participants with Premium or Share of Cost obligations may request an Installment Plan Agreement. Installment Plan Agreements are valid when mutually agreed upon by the Participant and the CalOptima Health Chief Financial Officer, with a signed, written agreement.
  - 1. Installment Plan Agreements are only available in situations in which the Participant is unable to make a single monthly payment due to an unforeseen circumstance. The effect of the circumstance will be limited to a single monthly payment and the Participant will be able to pay the combined monthly payment plus installment payment thereafter.

## III. PROCEDURE

- A. Determining Participant Share of Cost
  - 1. CalOptima Health PACE shall access the Medi-Cal eligibility verification system to determine if a Participant must pay a Share of Cost.
- B. Determining and Communicating Participant Premiums

<b>Participant</b>	<b>Premium</b>
Entitled to Medicare Part A, enrolled in Medicare Part B, and enrolled in Medi-Cal	No premium*
Not entitled to Medicare Part A, not enrolled in Medicare Part B, enrolled in Medi-Cal	No premium*
Entitled to Medicare Part A, not enrolled in Medicare Part B, enrolled in Medi-Cal	No premium*
Entitled to Medicare Part A, not enrolled in Medicare Part B, not enrolled in Medi-Cal	Medi-Cal Capitation + Medicare Part B capitation rate + Medicare Part D Premium
Entitled to Medicare Part A, enrolled in Medicare Part B, not enrolled in Medi-Cal	Medi-Cal capitation amount + Medicare Part D premium**
Not Entitled to Medicare Part A, enrolled in Medicare Part B, not enrolled in Medi-Cal	Medicare Part A capitation rate + Medi-Cal capitation amount + Medicare Part D premium**
Not entitled to Medicare Part A, not enrolled in Medicare Part B, not enrolled in Medi-Cal	Medicare Part A capitation rate + Medicare Part B capitation rate + Medicare Part D premium + Medi-Cal capitation amount

\* Medi-Cal Share of Cost Participants are responsible for their Share of Cost obligation.

\*\* Note that the Premium is for the PACE benefit only. The Participant must continue to pay Part B Premiums to Medicare.

#### 1. Participant Notification of Premiums

- a. During the Participant intake process, the Manager, Marketing and Enrollment, confirms if a Premium or Share of Cost obligation is required, based on current status of eligibility for:
  - i. Medi-Cal; and
  - ii. Medicare.
- b. The Manager, Marketing and Enrollment identifies the Premium or Share of Cost amount
  - i. The Premium or Share of Cost amount, if any, is written in the Enrollment Agreement prior to the prospective Participant being asked to sign the Enrollment Agreement and is reviewed with the prospective Participant during the Enrollment Conference by the designated PACE representative.
- c. Premium or Share of Cost Changes
  - i. At a minimum, Participants will be notified of changes to Premiums annually. Premium changes must be in writing and dated at least thirty (30) calendar days before the change takes effect.
  - ii. Notification to Participants of changes to Share of Cost amount is communicated by the County of Orange Social Services Agency.
  - iii. There are times when participants will reflect a Share of Cost due to the County of Orange Social Service Agency not receiving their annual recertification packet or not receiving all the required information. In these circumstances, CalOptima Health PACE will make every effort with the Participant to attempt and resolve the issues. The CalOptima Health PACE eligibility specialist will work with the county offices and Participant to attempt and fix the issue. If the issues are not resolved in two (2)-months from the time CalOptima Health PACE was made aware of the loss of eligibility,

CalOptima Health PACE will initiate an involuntary disenrollment due to loss of eligibility in accordance with CalOptima Health Policy PA.2021: Involuntary Disenrollment.

C. Collecting Premiums and Share of Cost

1. Accounting will generate a monthly invoice based on a list provided by PACE. The invoice will include:
  - a. Amount due;
  - b. Date of service month;
  - c. Due date of payment;
  - d. Reference to any amount past due; and
  - e. Notice advising Participants that failure to pay may result in involuntary disenrollment.

D. Monitoring Collection

1. Accounting will provide PACE with a report monthly, or upon request, of outstanding balances and days past due as a tracking tool.
2. The PACE Center Manager or their Designee will monitor the tracking tool to initiate the involuntary disenrollment process, as described in CalOptima Health Policy PA.2021: Involuntary Disenrollment for Participants who do not resolve their balance.
3. Payments made to CalOptima Health PACE must be mailed to the remittance address on the invoice. CalOptima Health PACE staff do not accept payment but may assist in providing a remittance envelope.
4. If a Participant is voluntarily or involuntarily disenrolled from CalOptima Health PACE, the PACE Program Specialist will notify Accounting prior to the next invoicing period.
5. If a Participant with a past due balance disenrolls from CalOptima Health PACE, staff will evaluate all available legal recourse to collect the remaining balance prior to moving the balance to uncollectable.
6. Participants with Share of Cost or Premium obligations may request an Installment Plan Agreement. Eligibility for Installment Plan Agreements shall be evaluated in accordance with Section II.G. of this policy.
  - a. Installment Plan Agreement requests may be made in writing, email, or mailed addressed to the PACE Center, or verbally to the PACE Program Director. If the Participant makes a verbal request, the Participant's request is submitted by the PACE Director, in writing, to the Chief Financial Officer.
    - i. If an Installment Plan Agreement is approved for a Share of Cost obligation, the concept of obligating Share of Cost is met.
  - b. The Chief Financial Officer or Designee has authority to approve Installment Plan Agreements.

- i. Monthly installment payment must be at least ten percent (10%) of past due balances plus current month's Premium, and
- ii. If the installment payment is not received within fifteen (15) calendar days of the established due date, the total balance is due immediately. Late installment payments will result in initiation of the involuntary disenrollment process for failure to pay Premium or Share of Cost.
- iii. In the event of unexpected financial hardship, CalOptima Health may review other installment plan options for Participants.
  - a) The Participant may submit a financial hardship installment plan request in writing or verbally to the PACE Director.
  - b) All financial hardship installment plan requests shall be reviewed by the CFO in compliance with the Medicare installment plan criteria.
  - c) A decision shall be rendered no later than the DHCS disenrollment cut-off date, every capitation month, for all financial hardship installment plan requests received within the past thirty (30) calendar days.

**E. Disenrollment due to Death**

- 1. CalOptima Health shall only collect Premiums and Share of Cost from active Participants in accordance with Title 42, of the Code of Federal Regulations (CFR) §460.186.
- 2. CalOptima Health shall automatically disenroll a Participant at their death, in accordance with Title 42, of the Code of Federal Regulations (CFR) §460.160(a).
- 3. Thus, a PACE participant is automatically disenrolled from PACE after death and CalOptima Health must stop collecting the share of cost at that point. The obligation to collect the Share of Cost ends at disenrollment due to death.

**F. CalOptima Health PACE shall submit the Enrollee Log to DHCS in accordance with CalOptima Health Policy PA.2010: Enrollment and Intake.**

**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**

- A. CalOptima Health PACE Contract with the Department of Health Care Services for the PACE Program
- B. CalOptima Health PACE Participant Enrollment Agreement Terms and Conditions: Chapter 9 - Monthly Fees, Prepayment Fees
- C. CalOptima Health PACE Program Agreement (CalOptima Health and CMS PACE Program Agreement, No. H7501), Appendix M: Medicare and Medicaid Payment Amounts
- D. CalOptima Health Policy PA.2010: Enrollment and Intake
- E. CalOptima Health Policy PA.2021: Involuntary Disenrollment
- F. Centers for Medicare and Medicaid Services (CMS) PACE Manual: Chapter 13 – Payments to PACE Organizations, §40.3 PACE Premiums: Premiums for Persons who are Medicare Eligible
- G. Title 42, Code of Federal Regulations (CFR) §§460.160(a), 460.186 & 460.6.

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
11/07/2019	Regular Meeting of the CalOptima Board of Directors

**VIII. REVISION HISTORY**

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	11/07/2019	PA.7100	Premium and Share of Cost Collection	PACE
Revised	02/01/2022	PA.7100	Premium and Share of Cost Collection	PACE
Revised	01/01/2023	PA.7100	Premium and Share of Cost Collection	PACE
Revised	10/01/2024	PA.7100	Premium and Share of Cost Collection	PACE

## IX. GLOSSARY

Term	Definition
Designee	CalOptima Health employee authorized to perform a task on behalf of a supervisor.
Enrollment Agreement	A Contract between CalOptima Health PACE and Member which establishes the terms and conditions for Enrollment.
Enrollment Conference	The in-person meeting where a CalOptima Health PACE representative reviews the terms and conditions with the prospective PACE Participant. To enroll in CalOptima Health PACE, the prospective Participant signs the Benefits and Coverage Signature Pages.
Installment Plan Agreement	A signed, written agreement where the Participant and CalOptima Health Chief Financial Officer mutually agree upon a time-limited repayment plan for owed Premium or Share of Cost obligation.
Participant	An individual enrolled in the CalOptima Health PACE program.
Premium	The amount that a PACE organization can charge a Participant as a monthly Premium depending on the Participant's eligibility under Medicare and Medicaid/Medi-Cal.
Share of Cost	The amount some Medi-Cal beneficiaries must pay, or agree to pay, on a monthly basis towards their medical expenses before they qualify for Medi-Cal benefits.