

Individual Premium Aggregation Option

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Individual Premium Aggregation

Enrollee options for paying premiums for individual coverage through the Exchange:

- Enrollees can pay plans directly
- The Exchange can offer to collect premiums from enrollees and pool or “aggregate” the individual premiums into a single payment for each plan

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Board Recommendation Brief published in May considered three options:

1. Exchange managing collection and aggregating payments to plans
2. Contracting with a vendor to manage collection and aggregation
3. Having enrollees pay plans directly

Note: The Exchange also has the option to receive directly payments from Indian Tribes and other tribal organizations that pay premiums for their members. The Brief does not address this issue pending discussions with Tribal representatives.

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We received stakeholders comments:

- Support for the cost savings that would result from not duplicating existing payment processes.
- Concern that not paying premiums through the Exchange may diminish enrollees' identification with the Exchange as a source of coverage.

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Recommended approach: Direct payment by enrollees to plans

- Less costly
- Simpler to administer
- Avoids the predictable losses related to dishonored payments, and
- Avoids the potential confusion of Exchange enrollees regarding where payments are to be made for their coverage.

The Exchange may want to consider ways to enhance the identification of enrollees with the Exchange.