



**Kentucky Personnel Cabinet**  
**501 High Street**  
**Frankfort, KY**

**IC Memorandum 12-28**

**TO:** KEHP Insurance Coordinators and Billing Liaisons

**FROM:** Kentucky Employees' Health Plan

**SUBJECT:** New Steps for Processing and Terminating Coverage for Accounts 90 Days Past Due

**DATE:** July 27, 2012

Effective August 1, 2012, the Financial Management Branch (FMB) will start sending letters to you, and your employees, regarding unpaid benefit premiums. You will both receive a *60 Day Past Due Letter*, requesting immediate payment, or plan(s) will be terminated for non-payment of premiums. All past due premiums must be paid before the account is 90 days past due. After the account is 90 days past due, the member's health coverage will be terminated.

The past due notice for the employee will notify them of potential termination of health insurance, and will instruct your employee to call you, their insurance coordinator, regarding the unpaid bill(s).

To avoid unnecessary calls and, most importantly to avoid the risk of coverage being terminated due to non-payment, we ask that you process your bill(s) on-time each month. This includes closing and releasing the bill once you have "worked" it. The term "worked" means you must compare the bill's detail to the related payroll withholding amount(s) and make necessary adjustments to the bill to ensure both match.

**Note** – If you have not worked and released the bill, your employees will be considered "non-paid" and are subject to termination due to non-payment of premiums. Even though you send money to FMB, we cannot apply the money to the individual employees because the bill remains in "open" status. Therefore, the employees remain in arrears until the bill is released. You must release the bill.

We must receive payment(s) for the past due amount(s) within two weeks after receipt of the *60 Day Past Due Letter* to ensure health coverage is not terminated when the account is 90 days past due. *Note: If health coverage is terminated, Humana will recover any medical claims paid and the member(s) will be responsible for paying the providers the full cost of the claims.*

To avoid receiving a *60 Day Past Due Letter*, it is very important that you review your account to ensure that the bill has been accurately worked, that it is in "posted" status, that the payment and coupon amount(s) match, and that payment(s) have been remitted to FMB. Please communicate with your FMB Representatives at (502) 564-9097 to help ensure your account is current and/or to promptly resolve any past due balance(s).

Thank you for your help in this endeavor.