

## Medicare Supplement

# Important Reminder for ACH Initial Payment Mode on Med Supp Apps



10/28/2009

O.PHS.OT.B.G

OPERATIONS

There are three payment options available to clients on the Med Supp applications. If your client is selecting ACH as the initial payment mode (options A and C below), please be aware that **the premium will be taken out of the applicant's bank account the day we process the application.**

Medicare Supplement Premium Payment Options:	YES	NO
A. Pay premiums (1st month and monthly renewals) by Electronic Funds Transfer..... (ACH is used for initial payment and BSP is used for renewal payments.)	<input type="checkbox"/>	<input type="checkbox"/>
B. Pay initial premium by signed paper check and pay monthly renewals by BSP .....	<input type="checkbox"/>	<input type="checkbox"/>
C. Pay initial premium by ACH and pay renewals by direct bill ( <u>monthly direct billing is not offered</u> ) .....	<input type="checkbox"/>	<input type="checkbox"/>

**Option A: Pay premiums (1st month and monthly renewals) by Electronic Funds Transfer (EFT).**

Automated Clearing House (ACH) is used for initial payment and Bank Service Plan (BSP) is used for renewal payments. When choosing to pay both the initial and monthly renewals by EFT, the applicant must complete the form and submit it with the application. DO NOT submit a signed check for payment under this option. To avoid potential delays in processing, submit a voided check and complete the account information (routing/account numbers, name of financial institution) on the form.

**Option B: Pay 1st month by paper check and monthly renewals by BSP**

When choosing to pay the initial premium via paper check and the monthly renewals by BSP, the applicant must complete the form and submit it with the application. A signed check for the initial monthly premium must be submitted with the application.

**Option C: Pay 1st month by ACH and pay renewals by direct bill (monthly direct billing is not offered)**

When choosing to pay the initial premium by ACH and renewal premiums by direct billing (annually, semiannually, or quarterly), the applicant must complete the form and submit it with the application. DO NOT submit a signed check for the initial premium payment under this option. To avoid potential delays in processing, submit a voided check and complete the account information (routing/account number, name of financial institution) on the form.

**Please review this with your client when they complete the ACH/BSP authorization form.**

If you have questions, please call Sales Support at 1-800-693-6083.