



Washington Health Benefit Exchange

FINANCIAL LITERACY AND PREMIUM PAYMENTS IN THE EXCHANGE

Christine Gibert, Senior Policy Analyst
Pam Cowley, Outreach Manager

BACKGROUND: PAYING FOR EXCHANGE COVERAGE

- The following payment methods are accepted by the Exchange:
 - Electronic
 - Paper
 - No Cash
- August 28, 2013, federal regulations:
 - Exchanges required to accept a variety of electronic and paper payment methods
 - Still do not require us to accept cash



INITIAL PAYMENT OPTIONS IN THE EXCHANGE

- Washington Healthplanfinder requires the initial premium payment to be made online:
 - Credit Card
 - Debit Card
 - Replenishable Pre-paid Debit Card
 - eCheck (ACH transfer from one's savings or checking account)



SUBSEQUENT PREMIUM PAYMENTS

- After the initial payment, Healthplanfinder will accept paper payments:
 - Paper Check with Remittance Coupon
 - Money Order with Remittance Coupon
 - Payments Directly to the Issuer



ISSUES WITH NON-ELECTRONIC PAYMENTS

- Exchange is agency of record
 - Payments directly to issuers delay payment processing
- If payment is rejected for any reason, delay in processing
 - Exchange cannot accept under- or over-payments
 - Very short turnaround time to correct a NSF payment or other error (e.g., forgetting to include the payment coupon)



UNBANKED CONSUMERS – INITIAL PAYMENT

- Pre-paid debit cards are a common method of electronic payment for unbanked consumers
 - Spending is limited to the amount loaded on the card
 - No interest rates
- Consumer Reports study comparing 26 prepaid debit cards
 - Value
 - Convenience
 - Safety
 - Fee accessibility and clarity



Consumer Reports (July 2013), “*Prepaid Cards: How They Rate on Value, Convenience, Safety, and Fee Accessibility and Clarity.*” Available at: http://defendyourdollars.org/wordpress/wp-content/uploads/2013/07/Prepaid_Report_July_2013.pdf

CONSUMER REPORTS TOP 10

The following cards were ranked the ten best:

1. Bluebird (with direct deposit)
2. H&R Block Emerald Prepaid MasterCard
3. Green Dot Card
4. Approved Prepaid MasterCard (Suze Orman - with direct deposit)
5. Approved Prepaid MasterCard (Suze Orman - without direct deposit)



CONSUMER REPORTS TOP 10 (CONT.)

6. Prepaid Visa RushCard (pay-as-you-go plan)

Bluebird (without direct deposit)

7. BB&T Prepaid Debit Card

8. Walmart MoneyCard

9. Chase Liquid

Western Union MoneyWise Prepaid MasterCard

10. Halogen Reloadable Prepaid Card



BEST PREPAID DEBIT CARDS

- Chart comparing 7 prepaid debit cards available across Washington
- Did not include all Top 10 ranked cards because:
 - WAHBE does not accept American Express
 - Only available for tax refund money (H&R Block)
 - Require direct deposit



COMPARISON CHART OF PREPAID CARDS

Two categories:

- “Temporary”
 - Purchased as a temporary pre-paid card for one time use
 - Consumer can go online and sign up for a permanent card, at which time monthly fees will begin to apply
 - If no action taken, card expires when money is used and no monthly fees apply
- “Permanent”
 - Purchased as a permanent card with an associated monthly fee, either online or in a bank branch
 - For one-time use, consumer must cancel the card
 - If no action taken, card does not expire until expiration date and monthly fees apply



Comparison of Recommended Prepaid Debit Cards

						Associated Costs								Washington retailers where card is available
Consumer Reports Ranking	Prepaid Card	Visa Logo Y/N	MasterCard Logo Y/N	Expiration Date Y/N	How is money put on card?	Purchase price	Activation Fee	Cost per transaction	Reloading Fee	Monthly Fee	Cancellation fee	Use of Customer Services Rep.		
Temporary Cards														
3	Green Dot Card (Green Dot Bank)	Yes	Yes	Yes	Temporary card is purchased with cash at register of retailer. Permanent card may be ordered online, it will arrive in 7-10 business days, and is taken to authorized retailer to load money.	\$4.95	\$0	\$0	\$4.95 for reload at retailer register or MoneyPak ReLoad.	\$5.95 per month if permanent card is ordered.	\$0 Call to cancel or close account online. Balance is refunded.	\$0	Green Dot Cards may be purchased at Walmart (52), Rite Aid (140), 7-Eleven (224), Walgreens (130), Kmart (19), and Kroger (QFC and Fred Meyer stores) (122)	
6	Prepaid Visa RushCard pay-as-you-go plan (Green Dot product)	Yes	No	Yes	Purchase and load money on card at register. Reload card at register of Walgreens, Walmart, Western Union, or MoneyGram.	\$5.00	\$0	\$1 (the next billing cycle reimburses for transactions over 10 (so if you have 25 transactions you'll get \$15 credit)).	\$4.95	\$0	\$0 Balance is refunded.	\$0	Walgreens (130)	
8	Walmart Money Card (Green Dot product)	Yes	Yes	Yes	Temporary card is purchased and loaded at retailer. May order permanent card online.	\$3.00 (refunded if a permanent card is ordered within 10 days).	\$0	\$0		\$3 per month if permanent card is ordered.	\$0 Balance is refunded.	\$0	Walmart (52)	
10	Halogen Reloadable Prepaid Card (Kmart) (Green Dot product)	No	Yes	Yes	Temporary card is purchased with cash at retail stores (Kmart only). Permanent card may be ordered online.	\$3.95	\$0	\$0	\$3.95 (Kmart) - \$4.95 (other retailers)	\$5.95 if permanent card is ordered.	\$0 Balance is refunded.	\$0	Must be purchased at Kmart (19); may be relaoded at Kmart, Western Union (395), and with MoneyPak	

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Permanent Cards													
5	Approved Prepaid MasterCard (Suze Orman) without direct deposit	No	Yes	Yes	Permanent card is ordered online and mailed to consumer; money can be loaded and reloaded at authorized retailer.	\$3.00	\$0	\$0	\$3.50 (MoneyGram) - \$4.95 (Western Union)	\$3.00 (unless cancelled).	\$0 Spend any remaining funds at a retail store. Balance may be refunded. May withdraw funds at an ATM (\$2 fee + other applicable ATM fees).	First call in a month is free; \$2 per additional call.	MoneyGram (395) or Western Union (196)
9	Chase Liquid	Yes	No	Yes	Permanent card is purchased with cash and reloaded at Chase Bank locations.	No cost to purchase. (Minimum of \$25.00 initial load.)	\$0	\$0	\$0	\$4.95 monthly fee (unless cancelled). Must pay at least first month fee.	\$0 Balance is refunded.	\$0	Chase Bank (276)
9	Western Union MoneyWise Prepaid MasterCard	No	Yes	Yes	Permanent card may be purchased with cash and loaded at authorized retailers.	\$4.95	\$0	\$0	\$4.95 if reloaded with cash at retailer.	\$2.95 monthly fee (after 120 days of inactivity).	Card balance must be spent down and will not be refunded. If balance on card at expiration, a new card is issued.	\$0	Western Union (395); 7-Eleven (224)

NEXT STEPS

- Immediate
 - Gather stakeholder feedback re recommended pre-paid cards
 - Discuss with Lead Organizations
- Future years
 - Exploring options for v2.0 to accept paper checks for initial payment
 - Will require changing information flow
 - Potential impacts on enrollment
- Ongoing: working with banks and financial institutions to facilitate easy first premium payment, explore options for subsequent payments, and encourage financial literacy





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click. compare. covered.