



**Ohio Association of Health Underwriters
Ohio Regulatory Alert!
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Ohio Department of Insurance Places InHealth into Receivership

Last Thursday, May 26th, the Ohio Department of Insurance (ODI) appointed Lt. Governor/Ohio Department of Insurance Director, Mary Taylor as receiver for CoordinatedHealth Mutual, Inc. (InHealth) to oversee the liquidation of the health insurer.

Based on OAHU's research into the issue and based on discussions with the Ohio Department of Insurance, here is what we know:

Ø Ohio law provides that the Ohio Life and Health Insurance Guaranty Association shall pay up to \$500,000 of an InHealth policy holder's claims starting with claims incurred on May 26, 2016.

Ø There have been problems with InHealth's pharmacy benefit manager authorizing payment of pharmacy claims. ODI is working with the PBM to insure they correct the problem.

Ø ODI has advised OAHU to encourage our members who represent InHealth group plans to seek new coverage as soon as possible. OAHU is seeking further clarification as to what is the exact timeframe for group plans to have new coverage in place.

Ø ODI has every reason to believe that CMS will be announcing an InHealth Special Enrollment Period (SEP) soon. In fact, some OAHU members reported today that calls to the Federal Marketplace seem to indicate that Marketplace representatives are aware that a SEP is in the works.

ODI has a few locations on their website with information regarding the InHealth liquidation. Below are the following:

(1) The Ohio Department of Insurance's press release announcing the appointment of Lt. Governor Taylor as the Receiver for InHealth, and

(2) Information provided by the Office of the Ohio Insurance Liquidator including a "Frequently Asked Receivership Questions" section.

**Press Release
STATE OF OHIO
DEPARTMENT OF INSURANCE
COMMUNICATIONS OFFICE
5/26/2016**

InHealth Mutual Filing Ohio Insurance Department Takes Control

COLUMBUS - Lt. Gov. Mary Taylor was appointed receiver for Coordinated Health Mutual, Inc. today following the Ohio Department of Insurance (ODI) request to liquidate the company which provides health insurance to nearly 22,000 Ohioans under its InHealth Mutual brand. The action allows ODI to assure that claims of policy holders, providers and vendors are provided for in an orderly manner while it winds down company operations.

Franklin County Common Pleas Judge Kim Brown granted the ODI request to operate the company, pay policy holder claims, and control the cash reserve held by the company. Under the order, InHealth policy holders must continue to pay their premiums; providers must continue to honor their contract for service to InHealth policy holders; and, vendors must work with Taylor to continue to provide necessary services to the company.

"Our examination of the company's financials made it clear that the company's losses would prevent it from paying future claims should its operations continue," Lt. Gov. Mary Taylor, also Ohio Director of Insurance, said.

“Under Ohio law, we acted with certainty to protect the consumers,” she said, adding: “Now, policy holders should learn their options by visiting the special page on the Ohio Department of Insurance web site or calling our consumer services division.”

ODI’s action triggers the availability of the Ohio Life & Health Insurance Guaranty Association made up of companies who engage in life and health insurance business in the state. Should the reserve and receipts of Coordinated Health Mutual not be sufficient to operate InHealth during this process, the law provides that the Ohio Life & Health Insurance Guaranty Association support up to \$500,000 of a policy holder’s claims.

Current InHealth policy holders who want to keep their federal health care subsidy should visit the federal health insurance exchange within the next sixty days to replace their InHealth policy with a policy offered by another company on the federal exchange.

Coordinated Health Mutual, Inc. was licensed by ODI in October 2013. It is organized as a Consumer Operated and Oriented Plan (CO-OP) under the Affordable Care Act. The Act sought to create CO-OP companies to compete with private sector companies that traditionally marketed health insurance plans. Fully operational since January 2014, the company sold its InHealth products for both individual and group health coverage.

The company has policy holders throughout the state with the largest concentrations in central Ohio followed by concentrations in the Cincinnati and Dayton areas.

Consumers with questions may call the insurance department’s help line at 1-800-686-1526. Consumers, providers and vendors will find information at <http://insurance.ohio.gov/liq/Pages/LIQTab1.aspx>.

Office of the Ohio Insurance Liquidator

The Office of the Ohio Insurance Liquidator was established in the early 1990s separate from the Ohio Department of Insurance to fulfill the Superintendent’s non-regulatory duties as the court-appointed rehabilitator or liquidator responsible for the receivership (rehabilitation or liquidation) of any Ohio-domiciled insurance companies, pursuant to Ohio Revised Code Chapter 3903, the Insurers Supervision, Rehabilitation and Liquidation Act. The Office of the Ohio Insurance Liquidator represents the Director of the Ohio Department of Insurance in her capacity as the Liquidator or the Rehabilitator of any insurer placed into

receivership in the State of Ohio.

The purpose of this website is to offer general information to the public regarding insurers placed into receivership in Ohio.

Global Receivership Information Database (GRID)

GRID is a database maintained by the National Association of Insurance Commissioners pertaining to insurance companies in receivership. The data, provided by states' insurance receivers, includes company assets and liabilities, distributions made, claim liability detail, and other useful company information for consumers, claimants, and other parties.

InHealth Mutual

Lt. Gov. Mary Taylor was appointed receiver for Coordinated Health Mutual, Inc. today following the Ohio Department of Insurance (ODI) request to liquidate the company which provides health insurance to nearly 22,000 Ohioans under its InHealth Mutual brand. The action allows ODI to assure that claims of policy holders, providers and vendors are provided for in an orderly manner while it winds down company operations.

Coordinated Health Mutual, Inc. ("InHealth") Frequently Asked Question

Please note: The Department is working with CMS regarding special enrollment periods (SEP) for consumers affected by the InHealth liquidation. We expect to be able to provide more information as soon as it becomes available.

Consumers

1. What is the status of Coordinated Health Mutual, Inc. ("InHealth")?

The Ohio Department of Insurance determined that Coordinated Health Mutual, Inc. (InHealth Mutual) is in a hazardous financial condition. On May 26, 2016, the Franklin County District Court issued an order appointing the Superintendent as liquidator of InHealth Mutual. The company will continue to serve existing policyholders, but the Superintendent is granted authority to manage the company.

2. What does liquidation mean?

An insurance company is ordered into liquidation when it no longer has the necessary cash and assets to meet its financial obligations. A state liquidation proceeding for insurance companies is similar in many ways to a federal

bankruptcy proceeding for other types of companies. When a company is liquidated, the liquidator collects the remaining assets of the company, verifies the amount that the company owes and works through the Court to pay off the unpaid liabilities.

3. If I have insurance through InHealth, is my coverage cancelled immediately?

No, the law provides for the continuation of coverage if an insurance company goes out of business. However, any continued coverage would be subject to a \$500,000 maximum.

4. If I have health insurance through InHealth, what do I need to do to secure other coverage?

- If you have a policy with a subsidy, you are strongly encouraged to apply for other coverage through Healthcare.gov.
- If you have a policy without a subsidy, you should contact an agent or broker to discuss obtaining other coverage or you may contact another insurance company directly.

5. What should I consider when applying for new coverage?

There are a number of factors to consider when deciding which is the best option for you, including whether you are receiving a federal subsidy and how much of your deductible and out of pocket expenses remain on your policy. Here are some specifics to consider:

- If you are receiving a subsidy and choose to find another plan through Healthcare.gov, you will be allowed to utilize any available premium subsidy, but your deductibles and out of pocket maximum may reset and your benefits and provider network may change.
- If you are not receiving a subsidy and choose to find another plan, your deductibles and out of pocket maximums may reset and your benefits and provider network may change.
- If you choose not to obtain other coverage, your current deductibles may stay in place but your overall coverage will be subject to a \$500,000 maximum. As a result, this option may cause you to be subject to the individual mandate penalty. You should contact the IRS or a tax professional to discuss further. In addition, any subsidy that you may have been receiving will not apply to continued coverage.

6. Can I change to another carrier?

The liquidation of Coordinated may cause the plan to no longer qualify as minimum essential coverage. This means it may not satisfy the individual mandate.

Loss of minimum essential coverage allows you to apply for a Special Enrollment Period (SEP) to find coverage with another carrier. For information on the SEP and to switch plans you can contact any company directly or the Health Insurance Exchange online at HealthCare.gov or call 1-800-318-2596, TTY 1-855-889-4325. The Exchange call center is open 24 hours a day, 7 days a week. You can also consult an agent, broker, navigator or certified application counselor.

7. If I want to continue to receive subsidies for health insurance and change insurance companies, where do I go?

Contact the Health Insurance Exchange online at HealthCare.gov or call 1-800-318-2596, TTY 1-855-889-4325. The Exchange call center is open 24 hours a day, 7 days a week. You can also consult an agent, broker, navigator or certified application counselor.

8. Should I keep paying my premium?

Yes, to avoid a gap in coverage, you must pay your monthly premiums when due. Payment methods should continue as normal for as long as you choose to keep the plan or until you secure other coverage.

9. When will my current coverage end?

Your individual coverage will end when you either switch to another plan, your plan year ends or you reach the \$500,000 maximum provided by Ohio law.

10. Will this change my premium?

If you do not sign up for a new plan, your overall premium will remain the same, however, you may no longer qualify for a federal subsidy through the exchange, which means the amount of premium you are responsible for would increase.

If you choose to sign up for a new plan, your premium may change. However, if you previously had a subsidy, you may be eligible for continued federal subsidy to offset the new premium amount if you sign up through Healthcare.gov.

11. Can I still submit claims?

Yes, submit your claims to InHealth as usual.

12. Will my claims be paid?

Yes, claims will be paid up to \$500,000 per individual.

13. Can my provider refuse to see me because of this situation?

No, Providers (your doctors, hospitals, pharmacies, etc.) are required by their contracts to continue treating you. If a doctor in your network refuses to honor their network agreements, contact InHealth directly at 800-580-8502 or the Consumer Services Division of the Ohio Department of Insurance at 1-800-686-1526.

14. What happens if I cancel my policy?

Your coverage with InHealth Mutual will stop and claims will not be paid after cancellation. If you do not purchase replacement insurance to continue minimum essential coverage, you may be subject to the individual mandate penalty.

15. Will my subsidy be affected?

Yes, if you are eligible for a subsidies, your subsidy is likely affected. You will need to contact Healthcare.gov to discuss your subsidy.

16. I have a procedure scheduled well in advance, how will this impact me? Do I have to reschedule?

You will need to ensure that your coverage is in effect the day of the procedure. If you switch plans, you will need to ensure that the procedure and providers are covered under your new plan. You may have to reschedule to ensure your coverage is in place.

Government Affairs Office

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