



**Ohio Association of Health Underwriters
Ohio Regulatory Alert!
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Prepared by John T. McGough

ODI announces InHealth Special Enrollment Period (SEP)

Today, the Ohio Department of Insurance announced the approval of a 60 day Special Enrollment Period (SEP) for InHealth enrollees due to its recent financial problems which resulted in Lt. Governor/ODI Director MaryTaylor being appointed liquidator of InHealth. The SEP will run from May 26, 2016 to July 26, 2016.

Below is a "Frequently Asked Questions" section prepared by the Liquidator's office. If you have any further questions that you would like OAHU's assistance on, please email OAHU's government affairs representative John McGough at jmcgough@mcgough-inc.com.

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

Attention: Individual policy members of InHealth Mutual qualify for a 60 day Special Enrollment Period (SEP) between May 26, 2016 and July 26, 2016. If a member would like a June 1, 2016 or July 1, 2016 effective date, please call 1-800-318-2596 (TTY: 1-855-889-4325) by June 30, 2016 to select a new plan.

Please note: The Department is aware of InHealth members having problems accessing pharmacy benefits and has been working to resolve these issues. The Department has received confirmation that as of June 2, 2016 that pharmacy benefits have been restored and InHealth consumers pharmacy benefits should

process as normal. Consumers who continue to experience issues, please contact the Consumer Services Division at 1-800-686-1526.

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 premiums 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.

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