

# Kentucky Health Cooperative Liquidation: Frequently Asked Questions

## **Why did the Department of Insurance (DOI) decide to move from rehabilitation to liquidation?**

After placing the Kentucky Health Cooperative (KYHC) into rehabilitation on Oct. 29, 2015, the deputy rehabilitators took over the day-to-day operations. Through that work, it became obvious that further attempts to rehabilitate the insurance company would increase the risk of loss to creditors and policyholders. Moving into liquidation was the next step to closing the operations and distributing the assets.

## **Once the assets have been sold, who will get paid first?**

The order of distribution is overseen by Franklin Circuit Court and the money will be distributed as outlined in the Kentucky Insurance Code.

## **What if there isn't enough money to pay all outstanding debts?**

While every attempt will be made to pay all debts in full, there is a possibility that some will be paid at a reduced rate or not at all.

## **In some states, the guaranty association handles payments in a case like this. Why isn't that an option in Kentucky?**

In Kentucky, entities with a health maintenance organization license (such as KYHC) are not eligible to participate in the guaranty association. For that reason, there is no coverage from that entity.

## **What is the timeframe for closing KYHC?**

All proof of claim notices must be submitted by Oct. 15, 2016. The liquidation is expected to take several years.

## **Will claims continue to be paid?**

At the time of liquidation, claims payments will stop until after all proof of claims have been reviewed and all assets collected. Any payments will proceed upon the order of Franklin Circuit Court.

## **Where do I get a proof of claim form?**

The form will be available on the DOI ([insurance.ky.gov](http://insurance.ky.gov)) and KYHC ([mykyhc.org](http://mykyhc.org)) websites.

## **Once I have completed the form, where do I send it?**

Please send all completed forms to:  
Kentucky Health Cooperative, Inc.  
Jeff Gaither, Special Deputy Liquidator  
9700 Ormsby Station Road, Louisville, KY 40223

**Providers:**

**What general information should providers know regarding claims and claims forms?**

By now, claims for most services have been submitted. Please submit any remaining claims as soon as possible. There is no need to file a proof of claim form for any claims submitted through the normal process established by KYHC. In particular, it is important that you do not submit duplicates of claims previously submitted. However, if you have been paid for claims and dispute the payment amount, you will need to file a proof of claim form for the difference.

**Consumers/Policyholder:**

**My in-network provider says I am responsible for the amount KYHC has not paid. Am I?**

You are responsible for any deductibles, co-payments or co-insurance amounts, as outlined in your policy. However, you are not responsible for paying the portion owed to your provider by KYHC, and the provider should not bill you for that amount.

**My out-of-network provider says I am responsible for the amount KYHC has not paid. What do I do?**

Unfortunately, when you use an out-of-network provider, you do incur the possibility of additional costs since there is no contract between KYHC and the provider. You can be held responsible for the remaining amount owed.

**Based on my EOBs, I overpaid a provider. The provider refuses to reimburse me. Do I need to file a proof of claim form?**

No, you should not file a proof of claim form. This needs to be handled between you and the provider.

**Do I need an attorney if I am filing a proof of claim form?**

Enlisting the help of an attorney is not required. However, if an attorney submits or completes the form on your behalf, please include the contact information in the appropriate place on the form.

**Agents:**

**KYHC owes me commissions. What do I need to do?**

Agents will receive a notice containing the amount of any commission shown in KYHC records as unpaid. These notices will be sent by March 15, 2016. No formal proof of claim form is necessary for agents if the amount on that notice is correct. If an agent does not receive notice or disputes the amount on the notice, a proof of claim form should be filed for the amount owed.