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Kentucky Health Cooperative Put Into Rehabilitation

Department of Insurance takes over day-to-day operations to protect consumers

FRANKFORT, Ky. (Oct. 29, 2015) – The Kentucky Department of Insurance (DOI), with the cooperation of the Kentucky Health Cooperative (KYHC), today filed a petition to place KYHC into rehabilitation. This action permits DOI to oversee day-to-day operations of the nonprofit health insurance company to protect consumers and providers.

Franklin Circuit Judge Phillip J. Shepherd signed the order this afternoon.

KYHC previously announced it would not be participating in the 2016 open enrollment on kynect, the state's health insurance exchange, and said it had decided to complete a voluntary runoff of its business.

KYHC members have coverage through Dec. 31, 2015, but should contact an agent or shop on kynect for new coverage to begin Jan. 1, 2016. To have replacement coverage by Jan. 1, 2016, a consumer must purchase a plan by Dec. 15, 2015. Open enrollment begins Nov. 1, 2015, and runs through Jan. 31, 2016.

"Today's action placing KYHC into formal rehabilitation was necessary to ensure DOI is in a position to protect consumers and providers," said Kentucky Insurance Commissioner Sharon P. Clark. "Our central concerns are making certain policyholders receive the services to which they are entitled, and that the providers offering those services honor existing contracts and receive payment."

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Once a company is placed in rehabilitation, the Department of Insurance takes control of the company and handles the day-to-day operations. The state assumes no liability throughout this process because DOI works to preserve the estate's resources to pay for all expenses to the benefit of consumers and providers.

KYHC policyholders and providers with complaints or other issues related to the rehabilitation action should contact DOI at 800-595-6053.

Clark said the cooperative played an important role in Kentucky's implementation of the Affordable Care Act.

"The cooperative offered another option for many Kentuckians and the market is in a better place today – with more competition and choices – in large part because of the Kentucky Health Cooperative," she said.

With the number of insurers at a nearly two decade high, consumers may find more options and better coverage by shopping on kynect during the upcoming open enrollment.

Depending on the county where an individual lives, kynect enrollees could choose from as many as seven insurance companies with expanded provider networks offering a total of 86 private health insurance plans. The insurance carriers for 2016 are Aetna, Anthem, Baptist Health, CareSource, Humana, UnitedHealthcare and WellCare. Two insurers, Anthem and UnitedHealthcare of Kentucky, will offer plans to residents in all 120 Kentucky counties. To learn more about affordable health care options, visit <https://kynect.ky.gov> or call 855-4kynect (459-6328).

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