

NEW YORK

STATE  
SENATE

ALBANY, NEW YORK 12247



November 10, 2015

Hon. Anthony J. Albanese  
Acting Superintendent  
NYS Department of Financial Services  
One Commerce Plaza  
Albany, NY 12257

Hon. Donna Frescatore  
Executive Director  
NY State of Health  
Corning Tower, 14<sup>th</sup> Floor  
Albany, NY 12237

Dear Superintendent Albanese and Executive Director Frescatore:

We are writing with grave concern over how your offices are handling the shutdown of Health Republic Insurance of New York's business. While it will be imperative to perform a full investigation into how Health Republic failed, at this time it is of utmost importance to provide a seamless transition for the more than 200,000 Health Republic members into new coverage for the month of December and into the 2016 plan year, as well as minimizing the impact on providers and other insurers. Today's news that payment of claims will likely be "modest" at best is alarming and sends the wrong message.

Several days ago, you announced plans to assist Health Republic consumers by extending the special enrollment period to November 30<sup>th</sup> and auto-enrolling certain individuals in new health insurance plans; however, it is unclear how the mechanics of this will be implemented. These details must be made available given the extremely short time frame within which everyone is working.

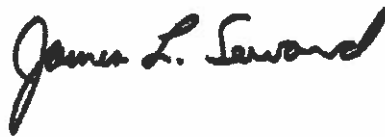
In addition, more information must be provided to address the concerns about small group policies on the marketplace. Employees covered through Health Republic small group policies will need to be advised as soon as possible if their employer is ceasing to provide group coverage in order to ensure they can secure coverage by the November 30<sup>th</sup> deadline. Further, we believe much more information is needed regarding how consumers and providers will be protected from unpaid claims, how consumers will be credited for prior payments toward their deductible, and how transitional care will be addressed, particularly for consumers receiving care from providers such as Memorial Sloan Kettering, which does not currently participate in any other plan network.

We appreciate you working with Senate staff to address concerns we are hearing from stakeholders and constituents and are available and willing to discuss any legislative remedies that may be necessary to ensure the smoothest transition possible. We urge that you keep us abreast of further administrative actions you take to reach those affected. Once the various issues have been addressed and we have moved past the transition period, we will be reviewing the prior approval process as well as the Department of Financial Services' oversight responsibilities. It is extremely important to determine what led to Health Republic's failure, and it is our intention to pursue legislation to avoid such a catastrophe in the future.

Sincerely,



Senator Kemp Hannon  
Senate Health Committee Chair



Senator James L. Seward  
Senate Insurance Committee Chair