Frequently Asked Questions for Kentucky Health Cooperative Members

What is happening to the Kentucky Health Cooperative?
On October 9, the Kentucky Health Cooperative (KYHC) voluntarily withdrew from the insurance market and announced it would not be selling policies on kynect in either the individual or small group market for the 2016 plan year.

On October 29, the Kentucky Department of Insurance (DOI) petitioned Franklin Circuit Court to place the cooperative into rehabilitation. This allows DOI to handle the day-to-day operations of the company. DOI will be able to ensure that policyholders receive the services to which they are entitled, and that providers offering those services honor existing contracts and receive payment. The KYHC board voluntarily agreed to this action and a representative appeared in court with DOI officials. Department of Insurance staff members were on site immediately after the order was signed by Franklin Circuit Judge Phillip J. Shepherd.

Do I still have coverage?
Yes, you will have coverage with KYHC through December 31, 2015. However, you need to contact your agent or shop on kynect to find new coverage to begin January 1, 2016. Open enrollment begins November 1 and runs through January 31, 2016.

<u>You must purchase replacement coverage by December 15 to have insurance on January 1, 2016, when your policy with KYHC ends.</u>

Will my premium amount change?
No, your premium with KYHC will remain the same until the policy ends. Your premium may change when you purchase coverage from another company for 2016 coverage.

Should I keep paying my premium?
Yes. In order to have coverage through the end of 2015, you must continue to pay your premium. Please continue sending your payment to the same address as before.

Can I still see my regular doctor and have my prescriptions filled at the same pharmacy?
Yes, the provider network will remain the same throughout 2015. Members should continue to use services as they did prior to this announcement.

Once you shop for new coverage for 2016, you will want to check provider directories for the other companies to ensure your doctors and preferred facilities are members of those networks.

Can my doctor refuse to see me because of the situation with KYHC?
No. Under court order, contracts between KYHC and providers remain in force during the run off so your doctor must continue to offer services to plan members. If you are refused service by a provider listed as in-network in the KYHC provider directory, please contact the Department of Insurance at 800-595-6053. In addition to your doctor, this also would apply to pharmacies, hospitals, etc.

What if my doctor doesn't get paid? Can she bill me for what the company should pay?
DOI will work with providers to be sure claims are paid appropriately. If you are using in-network providers, you can't be "balanced billed" for any amount not paid.

Can I get a new insurance company now?
No. You must stay with the Kentucky Health Cooperative until your policy year has ended. Your coverage with a different company will begin Jan. 1, 2106.

I have already filed a complaint about claims that KYHC hasn't paid. What happens to that complaint?
The Department of Insurance will continue to work toward a resolution of all existing complaints. You do not need to file a new complaint.

Can I get the surgery/service that has already been approved by KYHC?
Yes, if a surgery or other procedure has been approved by KYHC, you may receive the services.

Why can't I buy a KYHC plan for the rest of the year?
KYHC is not accepting new members. The only exception is for current members who have a qualifying event, such as a birth or adoption. In that case, the new family member can be added to your policy for the remainder of the year.

Will I have a number of choices for 2016 coverage?
All current KYHC members will have at least two choices for new coverage. In some parts of the states, consumers will be able to select from plans offered by seven insurance companies.

What is a cooperative?

The Affordable Care Act created a new type of health insurer called a Consumer Oriented and Operated Plan (CO-OP). A cooperative is private, non-profit entity and is directed by the customers. The federal government offered low-interest loans to eligible non-profit groups to set up these companies.

Initially, funding was provided for 23 entities with four of the cooperatives planning to expand operations into a neighboring state by 2016.

The Kentucky Health Cooperative is not affiliated with state government.

Is the Kentucky Health Cooperative the same thing as kynect?
No. The Kentucky Health Cooperative offered plans in the marketplace (kynect) as another insurance option for consumers. kynect is not an insurance company; it is a marketplace for insurance plans.

Why did the Kentucky Health Cooperative (KYHC) experience financial difficulty?
During the first year (2014) of operation, KYHC tripled its initial estimate for membership, insuring about 75 percent of the on-exchange market (more than 55,000 members). In addition, the insurer enrolled the vast majority of individuals who had been members of Kentucky Access, the state's former high-risk pool, as well as a higher proportion of consumers who had chronic, high-cost conditions.

Under the Affordable Care Act, insurers were no longer able to deny coverage based on pre-existing conditions and a large number of people who were previously uninsured signed up for insurance, many for the first time. Many consumers received services they had been delaying or couldn't afford without insurance. As a result, the cooperative saw a large number of joint replacements and other expensive treatments for chronic conditions during its first year. Even with an increase of premium for 2015, the cooperative was not able to control its financial losses.

The federal government set up three premium stabilization programs to ensure affordable health insurance coverage, to allow companies to enroll sicker people, and to stabilize premiums both inside and outside the marketplace (kynect).

One of these key programs is known as a "temporary risk corridor program." This was to protect companies against uncertainty in claims, as experienced by KYHC, during the first three years of existence. The program shared the risk among all the companies participating in a given state. The Centers for Medicare and Medicaid Services collected $362 million in risk corridor payments while companies submitted requests for $2.87 billion.

KYHC anticipated receiving about $77 million in risk corridor payments. However, since collections were insufficient to make the full payment, KYHC was informed in early October that it would receive just under $10 million. This put the cooperative into hazardous financial status under Kentucky law, triggering mandatory action by the Department of Insurance.

What does the market look like without KYHC?
All current KYHC members will have at least two choices for replacement coverage – Anthem and UnitedHealthcare. In some parts of the state, seven insurance companies may be offering coverage on the exchange.

Will the premiums be comparable to the ones offered by KYHC?
Although it will depend on what plan you choose, it appears that some insurance companies will have rates either slightly less expensive or comparable to what would have been offered by the Kentucky Health Cooperative for the 2016 plan year.

Is Kentucky the only state with a failed cooperative?
No. Cooperatives in other states, including Nevada, Iowa, Nebraska, New York and Louisiana, are winding down.

What correspondence should cooperative members expect?
Current members will receive notification that the plan cannot be passively renewed for 2016 and they will need to pick another insurer.

As mentioned earlier, Anthem Health Plans of Kentucky and UnitedHealthcare of Kentucky will be selling in all 120 counties. Depending on where you live, you may also have these companies available: Aetna Health, Baptist Health Plans/Bluegrass Family Health, CareSource KY, Humana Health Plan and WellCare Health Plans of Kentucky.

If you are not purchasing insurance through kynect (the only way to receive a subsidy/tax credit), you also may be able to purchase from any of the companies above or from one of the following: Celtic Insurance Company, Golden Rule Insurance Company or United Healthcare Life Insurance Company.

Companies selling on kynect – individual market
Aetna Health
Anthem Health Plans of Kentucky
Baptist Health Plans/Bluegrass Family Health
CareSource KY
Humana Health Plan
UnitedHealthcare of Kentucky
WellCare Health Plans of Kentucky

Companies selling off kynect – individual market
Aetna Health
Anthem Health Plans of Kentucky
Baptist Health Plans/Bluegrass Family Health
CareSource KY
Celtic Insurance Company
Golden Rule Insurance Company
Humana Health Plan
UnitedHealthcare of Kentucky
UnitedHealthcare Life Insurance Company
WellCare Health Plans of Kentucky

Who can I contact for help?
To look for replacement coverage, you can contact an insurance agent, shop on the kynect website at https://kynect.ky.gov/ or call 1-855-4kynect (459-6328).

For specific questions related to your KYHC coverage, contact the company at 855-687-5942 or go to www.mykyhc.org.

For complaints or other assistance, contact the Kentucky Department of Insurance at 800-595-6053 and ask for Consumer Protection (option 1).