

WHAT HAPPENED TO HEALTH REPUBLIC?

For a really excellent overview of the economics and politics causing the downfall of Health Republic, one of twelve co-op health insurance plans under the Affordable Care Act, go to:

<http://www.nytimes.com/2015/10/26/business/health-care-co-op-closings-narrow-consumers-choices.html>

(Scroll to the last three paragraphs for mention of Health Republic.)

For the personal effects of this closing on our clients and ourselves, read:

<http://www.nytimes.com/2015/10/26/business/health-care-co-op-closings-narrow-consumers-choices.html>

MagnaCare, which administers Health Republic, has written to providers that in spite of meetings with the State of New York, they were directed to keep this network in place only until the end of November. Claims processing ceased on or around November 5. A letter to Magnacare from NYS also sets forth the State's position on a provider's obligation to comply with NY State laws regarding balance billing and continuity of care.

MagnaCare writes to providers, "Regrettably, the State's letter indicates that all claim payments will cease immediately. With respect to claim payments, the State represents that it is working with its consultants who are hopeful that 'modest payments' may be made on outstanding claims sometime in the future."

If you are a Health Republic provider you can contact Health Republic Insurance of New York at 1-888-990-5702 or the State of New York Department of Financial Services at 1-800-342-3736.

Read the latest press releases from the NYS Department of Financial Services about the investigation and the options for consumers:

<http://www.dfs.ny.gov/about/press/pr1511081.htm>

<http://www.dfs.ny.gov/about/press/pr1511131.htm>

Members are asking what remedies a provider may have at this time. Given that the situation is governed by Federal bankruptcy law, it would appear that the provider has little legal leverage. The MagnaCare provider contract stipulates that the provider will not seek reimbursement from the patient in the event of “insolvency of MagnaCare or the Payor”.

This is a sad day for us and for our patients but it is also a reflection of the complex problems which exist nationwide in our healthcare system and the need for major reforms.

Helen T. Hoffman, LCSW

Chair, Vendorship and Managed Care Committee

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