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February 8, 2018

**Via Electronic Filing/Serve by ECF**

The Hon. Carol R. Edmead  
Supreme Court of the State of New York, County of New York  
60 Centre Street, Room 532  
New York, New York 10007

Re: In the Matter of the Liquidation of Health Republic Insurance of New York, Inc.  
Index No. 450500/2016  
Report on Status of the Liquidation  
Order to Show Cause returnable on February 14, 2018

Dear Justice Edmead:

Your Honor, I write with respect to the Liquidator's Order to Show Cause, now returnable at 10:00 A.M. on February 14, 2018. The Liquidator seeks an order approving her "Report on the Status of the Liquidation of Health Republic Insurance of New York, Corp. and [a] Request for Authority to Distribute Assets" (Report).

I will be out of the country on February 14<sup>th</sup> and cannot attend that day. I respectfully request that the Court ask the Liquidator to address the following.

Explanations of Benefits (EOBs)

According to the Report, about 670,000 unpaid claims (and 14,000) appeals were combined into 186,346 Explanations of Benefits (EOBs). Report, pp. 10, 11. The Report states that "\$211,465,166 in recommended allowances" have been assigned to these EOBs. Report, p. 11.

I request that the Liquidator be directed to advise the Court with respect to:

A. The EOBs Themselves

1. How many EOBs were mailed to policyholders?

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2. How many EOBS were mailed to hospitals, clinics, physicians, or other “health care providers”?

3. How many EOBs were returned as undeliverable?

The Report states that: “In total, 186,345 EOBs have been issued, amounting to approximately \$211,465,166 in recommended allowances.”

4. How much of the \$211,465,166 in recommended allowances has been assigned to policyholders?

5. How much of the \$211,465,166 in recommended allowances has been assigned to “health care providers”?

#### B. Appeals from EOB Determinations

The Report states that as of October 31, 2017, 1,095 appeals had been filed.

1. How many appeals have been filed as of January 31, 2018?

2. How many, if any, appeals have been mediated or submitted to the two appointed referees?

3. How many, if any, appeals have been resolved?

4. How much is at issue in those appeals, *i.e.*, what is the total dollar amount of the appeals taken?

5. If an EOB cannot be delivered or if an EOB is returned to the Liquidator as undeliverable, has the Liquidator re-computed the recommended allowances?

6. When does the Liquidator project that the EOB appeal process will be completed?

#### Vullo v. U.S.

On September 1, 2017, the Department of Financial Services Superintendent Maria T. Vullo, in her capacity as Health Republic’s Liquidator, commenced an action against the Government in the United States Court of Federal Claims, No. 17-1185C, *Vullo v. United States of America* (Complaint). I attach a PDF of the Complaint.

1. Will the Liquidator post the Complaint on the Health Republic website and report regularly on the status of this suit?

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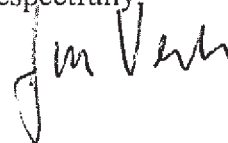
2. In connection with consolidated appeals taken to the Federal Circuit in actions brought against the Government by other CO-OPs, the parties to those appeals submitted to the Clerk of the Federal Circuit a Memorandum setting out Risk Corridors payments due all health insurers that wrote Qualified Health Plans under the Affordable Care Act. I attach a PDF of that letter and the Memorandum.

Page 14 of the Memorandum states that Health Republic Insurance of New York, Corp., was to be paid \$1,299,031.53 in January 2018. Was that money paid to Health Republic? Or did the Government immediately offset this payment against moneys the Government alleges Health Republic owes it?

Is the Government's position set out in writing? If so, will the Liquidator share that letter with the Court and post it on the Health Republic Website?

Thank you for allowing me to write to the Court in connection with Health Republic's liquidation.

Respectfully,



cc: David Axinn, Esq.  
Timothy Butler, Esq.  
David Young, Esq.  
Jack Franschetti, Esq.  
Lauren M. Reber, Esq.  
Elliot Kirshnitz, Esq.

Senator James L. Seward (via e-mail to Counsel/Director)  
Senator Kemp Hannon (via e-mail to Counsel/Director)