



**New York  
Liquidation Bureau**

**MARIA T. VULLO**  
Superintendent as Receiver

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July 3, 2018

The Honorable Carol R. Edmead  
Justice of the Supreme Court of the  
State of New York  
60 Centre Street, Part 35, Room 438  
New York, N.Y. 10007

Re: Health Republic Insurance of New York, Corp. in Liquidation  
Index No. 450500/2016

Dear Justice Edmead:

The Liquidation Bureau does not believe that a court conference is necessary at this time. After the Liquidator's status report on Health Republic was presented and approved on February 14, 2018, Your Honor indicated that the next status conference should be held "before December 15th." Accordingly, our intention has been to seek a conference in November or early December. We do not think any recent developments warrant a conference now.

The adjudication of claims (EOBs) is continuing in accordance with the approved Adjudication Procedures. All deadlines for appeals of EOBs have now expired, and the Bureau is working to resolve the appeals that remain open. Less than 1% of EOBs have been appealed and, to date, the Bureau has been able to resolve appeals without reference to a referee or the IMEDECS evaluators. We anticipate a full, detailed report to the Court when the process is completed.

Health Republic's action against the United States on claims under the Affordable Care Act has been stayed pending the outcome of appeals (in the *Moda Health* and *Land of Lincoln* matters) on related "risk corridor" claims in the Federal Circuit Court of Appeals. The stay is subject to re-evaluation at the end of this month.

Health Republic is not a party to the two recent decisions in *Moda Health* and *Land of Lincoln* and the claimants in both cases are expected to seek *en banc* review

by the Federal Circuit or a writ of certiorari to the United States Supreme Court. It is premature, therefore, to discuss the impact of these cases on Health Republic and a fuller report can be made after the appeals are finalized.

As to other matters in Mr. Veach's letters, since he is not a party to the liquidation and does not represent a party, the Liquidation Bureau has objected to his interjection of himself into the Health Republic proceedings. Your Honor has recognized this and has indicated that the Bureau need not respond to Mr. Veach's letters. We do not think his current request for a conference is appropriate, and we do not think a status conference is needed in light of our intention to schedule one, as Your Honor has directed, closer to the end of the year.

Of course, the Liquidator will always respond to the Court's questions in any manner directed by the Court. We only ask that the Court indicate the matters to be addressed so that we can properly prepare.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Pearson Kelly", with a large, sweeping flourish extending to the right.

John Pearson Kelly  
General Counsel  
The New York Liquidation Bureau