

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the Matter of

Index No.: 450500/16

the Liquidation of

(Hon. Carol R. Edmead)

HEALTH REPUBLIC INSURANCE OF
NEW YORK, CORP.

AFFIDAVIT

-----X
STATE OF NEW YORK)
 : ss.
COUNTY OF NEW YORK)

Gail Pierce-Siponen, being duly sworn, deposes and says the following:

1. I am an Assistant Special Deputy Superintendent and Agent of the Acting Superintendent of Financial Services of the State of New York (“Superintendent”) as well as Director of Creditor and Ancillary Operations at the New York Liquidation Bureau (“NYLB”), which serves as the staff for the Acting Superintendent in her capacity as liquidator (“Liquidator”) of Health Republic Insurance of New York, Corp. (“Health Republic”). I submit this affidavit, upon personal knowledge, in support of the Liquidator’s *ex parte* motion to approve the Liquidator’s recommended determinations of the policy claims as reflected in Explanation of Benefits (“EOB”) forms sent to claimants in accordance with the claims adjudication procedure approved by the Court. The Liquidator’s recommended determinations include both allowances and disallowances of claims as reflected in the EOBs. The Liquidator now requests that the claims recommended for disallowance be disallowed, and that claims recommended for allowance be allowed in the amounts set forth in the EOBs as Class 2 claims in accordance with New York Insurance Law Section 7434.

2. At the status conference held on November 29, 2018 (“November 2018 Conference”), the Liquidator reported her total recommended allowances of policy claims contained in the EOBs as \$217,950,702. This has now been updated to total \$217,955,319.63.

3. As discussed at the November 29, 2018 Conference, the Liquidator is submitting for the Court’s in-camera review a thumb drive containing a summary of the EOBs with the amount recommended for allowance and disallowance. The thumb drive is designated as Exhibit “A” to this affidavit. As per this Court’s directive at the November 2018 Conference, the thumb drive will not be e-filed but delivered to the Court for in-camera review.

4. The thumb drive contains 4139 pages of information covering the 190,369 EOBs, issued to persons covered by a Health Republic insurance policy (“Members”) and health care professionals and facilities who provided Members with covered medical services (“Providers”, and collectively with Members, “Claimants”).

5. The EOBs resolve 881,903 policy claims submitted by Claimants (“Policy Claims”) in the liquidation proceeding. For each EOB, the thumb drive contains the name of the Claimant, EOB number (styled the “EOB Voucher number”), and the amount recommended for allowance. Recommended disallowances, such as claims of ineligible Members, duplicative or late-filed claims, non-covered claims are shown as 0 dollars.

6. By Order, dated October 17, 2016, this Court established a procedure (“Adjudication Procedure”) to resolve claims against the Health Republic estate. Part of my job duties entail overseeing the Adjudication Procedure including the inception, classification and resolution of claims. This included overseeing the NYLB serving EOBs in the form approved by this Court. The EOBs served as a notice of determination in accordance with the Court-approved Adjudication Procedure. In addition, I oversaw the resolution process contained in the


Adjudication Procedure, including appeals and compliance with the material provisions of this Court's October 17, 2016 Order.

7. The Liquidator, in accordance with the Adjudication Procedure, issued 190,369 EOBs to Claimants encompassing 881,903 Policy Claims. Tr. of November 2018 Conference at Pg 6; Exh A(in-camera submission). Where possible, the Liquidator aggregated Policy Claims by Claimants, many of whom had multiple claims in the proceeding. The purpose of the aggregation was to streamline the process and reduce administrative costs to the extent possible. Id. at Pg 5.

8. Each of the 190,369 EOBs has been handled in accordance with the Adjudication Procedure. Each Claimant was sent an EOB and afforded the opportunity to submit appeals and objections as provided in the Adjudication Procedure. In total, the Liquidator resolved the EOBs containing 881,903 Policy Claims, subject only to the Court's approving same on this motion, without necessity of mediation, referee hearing or hearings before the Court.

9. As the November 2018 Conference, the Liquidator reported that she received 1401 appeals. This has now been updated to 1457 appeals. The liquidator has resolved all 1457 appeals under the Adjudication Procedure without reference to the Court-appointed referees or health care qualified claims examiner. In addition, certain Claimants did not formally appeal from their EOB but rather contacted the NYLB with questions or issues about their claims. These matters, too, were resolved by the NYLB without the necessity of further process under the Adjudication Procedure.

10. The Liquidator respectfully requests that this Court now accept the Liquidator's recommendation and approve the determinations in the 190,369 EOB, including both disallowances and allowances in the Health Republic estate in the amount of \$217,955,319.63.


Gail Pierce-Siponen

Sworn to before me this
5th day of March, 2019


Notary Public

MELISSA A. PISAPIA
Notary Public, State of New York
No. 02P16287864
Qualified in Queens County
Commission Expires 08/26/2021