

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

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In the Matter of the Liquidation of
HEALTH REPUBLIC INSURANCE OF
NEW YORK, CORP.

Index No. 450500/2016

Hon. Carol R. Edmead, J.S.C.

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**AFFIDAVIT IN SUPPORT OF NORTHWELL HEALTH, INC. OBJECTION TO
MOTION FOR APPROVAL OF CLAIMS ADJUDICATION PROCEEDING**

I, CARMELA DUNFORD, being duly sworn, deposes and states as follows:

1. I am over the age of twenty-one (21) years old and believe in the obligations of an oath.
2. I am the Vice President of Managed Care for Northwell Health, Inc., (“Northwell”) formerly known as North Shore-Long Island Jewish Health Systems, Inc.
3. I make this affidavit based upon my personal experience and my review of Northwell’s business records.
4. Northwell is a New York not-for-profit corporation that operates hospitals in New York State.
5. As part of my duties and responsibilities, I am familiar and involved with the negotiation and interpretation of contracts that Northwell enters into with insurance companies, and the health care claims arising from said contracts.
6. Northwell provided and its physicians provided services to patients who were insured under health care insurance plans issued by Health Republic Insurance of New York, Corp. (“Health Republic”). Northwell provided these services both as a contracting and non-contracting provider. Whether Northwell submitted a bill to Health Republic as an in-network or

out-of-network provider depended on which of the Northwell providers provided the particular healthcare and the nature of the care provided.

7. On November 10, 2015, Northwell commenced an action against Health Republic in the Supreme Court of the State of New York, County of Nassau, seeking payment for claims for health care services provided between January 1, 2014 and October 31, 2015. *See North Shore Long Island Jewish Health System, Inc. v. Health Republic of New York*, Nassau County Index. Index No. 607275/2015.

8. Northwell has estimated the amount due from Health Republic for the healthcare services provided to Health Republic's members totals \$21,692,887. Approximately \$5,000,000 of the claims at issue are for in-network services; and approximately \$17,000,000 of the claims at issue result from out of network services.

9. Northwell's out-of-network claims arose either (1) when Health Republic preauthorized the out-of-network claims, or (2) when Northwell provided emergency services to Health Republic members and could not (nor would it) prevent emergency treatment to a person at any of its facilities.

10. With respect to out-of-network claims, it is Northwell's custom and business practice to receive an assignment of benefits from patients before providing health care treatment. This practice allows Northwell to deal with the insurer directly. Such should be the case in this Liquidation process.

11. If Northwell is unable to obtain an assignment and the insurer refuses to deal with Northwell, then Northwell is forced to rely upon the patient to deal with his/her insurance company. The patient is not as sophisticated as Northwell in working with the insurer. Again, Northwell is better suited to deal with these claims. Furthermore, a vast majority of the out-of-

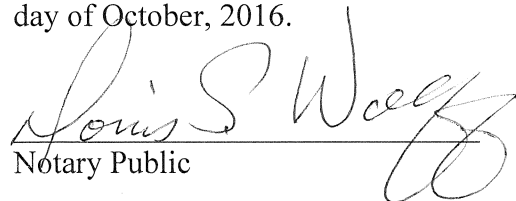
network claims for services provided by Northwell involve emergency services, for which Health Republic would under normal circumstances be directly liable to Northwell for such services. The burden of dealing with these claims should not be shifted to the patients as a result of this liquidation process.

12. In addition, insurers often pay their members directly for out-of-network claims, and the member is responsible to forward that payment to Northwell. It is unfortunately common that patients receiving checks from insurers for out-of-network benefits will not endorse and forward the check to Northwell whether out of confusion or not. Northwell is then forced to seek its reimbursement from the patient who may have already spent the funds and may not be able to repay Northwell.

Dated: October 4, 2016


Carmela Dunford

Sworn to before me this 4th
day of October, 2016.


Notary Public

DONIS S. WOLFF
NOTARY PUBLIC-STATE OF NEW YORK
No. 01WO4812443
Qualified in Suffolk County
My Commission Expires December 31, 2018

AFFIRMATION OF SERVICE

Timothy F Butler, being duly sworn, deposes and says:

I am an attorney admitted to practice before the courts of New York. I am not a party to the action; I am over 18 years of age and have offices at Nine East 45th Street, 9th Floor, New York, NY 10017. On the 4th of October 2016, I served the served the Affidavit of Carmela Dunford in Support of Northwell Health, Inc.'s, Objection to Motion for Approval of Claims

Adjudication Proceeding upon:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
ATTN: John Pearson Kelly, Esq. General Counsel

Weil, Gotshal, & Manges LLP
767 Fifth Avenue
New York, New York 10153
ATTN: Gary T. Holtzer
Joseph T. Verdesca, Esq.

At the aforementioned address for said attorneys by ECF and by overnight delivery service.

Dated: October 4, 2016



Timothy F Butler