



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

TO: Healthcare Providers of the Louisiana Health Cooperative, Inc.
FROM: James J. Donelon, Louisiana Commissioner of Insurance
DATE: September 3, 2015


As you may be aware, on September 1 the Louisiana Department of Insurance obtained control of the Louisiana Health Cooperative. I deemed this action necessary due to concerns about the operation of LAHC and the timely payment of outstanding claims, among other things.

Mr. Billy Bostick has been appointed to supervise the management of LAHC following my action. Mr. Bostick has decades of insurance regulatory experience and experience managing the wind-down of companies. Mr. Bostick and my staff are working closely with CMS (Center for Medicare and Medicaid Services), the federal regulatory agency that funds health cooperatives, such as LAHC, under the Affordable Care Act. We have been in contact with CMS as recently as today and they support the action we have taken.

I realize that claims have not been timely paid to you, and we are committed not only to ensuring that all provider claims are paid, but that they are also paid more timely. After reviewing the financial status of the company, I firmly believe that all claims can and will be paid. Furthermore, we have the ability to draw down more than \$9 million in additional funds from CMS to ensure that LAHC's legal obligations are satisfied. We feel confident that CMS will make that additional money available to satisfy claims payments should it be necessary to do so. LAHC will continue to operate through the policy period that ends December 31, 2015, and LAHC will continue to operate after that period until all provider claims can be submitted and properly paid.

LAHC plans to hold meetings for LAHC providers at convenient locations in the near future to assure you of my commitment to payment of LAHC claims and answer questions you may have about this process. During the intervening time, please continue to contact LAHC via telephone at (504) 383-7456. You may also contact the Louisiana Department of Insurance at 1-800-259-5300 or (225) 342-5900 or via e-mail at LAHC@ldi.la.gov.

Sincerely,



James J. Donelon
Commissioner of Insurance