

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA
VERSUS
LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

**MOTION AND INCORPORATED MEMORANDUM TO PERMIT LAHC APPROVAL AND
IMMEDIATE PAYMENT IN FULL OF LAHC PROVIDER CLAIMS FOR REMAINING UNPAID CLAIMS
WITH SERVICE DATES PRIOR TO JANUARY 1, 2016 (the "Round Four LAHC Providers")**

NOW INTO COURT, through undersigned counsel comes James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation, through the Commissioner's Court-approved Receiver, Billy Bostick ("LAHC"), who seeks an order of this Court approving LAHC approval and immediate payment in full of the remaining LAHC Provider Claims with service dates prior to January 1, 2016 (when all LAHC coverage ended) identified by LAHC after the March 31, 2016 claims deadline but for which LAHC provided coverage (the "Round Four LAHC Providers").

Background

Since LAHC's receipt of a federal release and the Court's approval of payment in full to LAHC Class 1, 2, 3, and 4 claims pursuant to La. R.S. 22:254(G),¹ LAHC has been distributing payment to the Round One, Round Two and Round Three LAHC Providers and LAHC member claims.

The Group Four LAHC Providers

The subject of this motion are the claims of approximately 243 LAHC Providers/Provider Groups with outstanding claims for services provided to LAHC member prior to the termination of coverage on December 31, 2015 and identified by LAHC as valid claims for which payment is owed, which, in total, amounts to approximately \$600,000. These claims were submitted to LAHC after

¹ La. R.S. 22:254 (G) provides for the priority of payment of claims of an insolvent HMO, as follows:

- (1) The commissioner's costs and expenses of administration, which are ongoing;
- (2) Compensation owing to employees with nothing outstanding owed;
- (3) Claims for covered benefits (which include the claims of LAHC Providers;
- (4) Claims for unearned premiums (nothing is due as premiums were collected monthly and ended on December 31, 2015) and claims for "other premium refunds" which are generally the claims of LAHC members who overpaid premiums, estimated to be less than \$150,000, which have already been approved by the Court for payment.

Class 5 claims are the claims of LAHC general creditors. The United States has collected all money due from LAHC, other than for the LAHC Solvency Loan, pursuant to a court approved stipulation for Risk Corridor funds paid to LAHC..

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the March 31, 2016 deadline established, but are valid LAHC claims for which payment is due. These claims also include the additional claims of certain LAHC Settling Providers with executed LAHC Settlement Agreements for those additional claims submitted to LAHC after March 31, 2015.

See chart below:

		No Activity		In Progress		Settled		Remaining		As of:		05/21/2021	
Total Settlements		No Activity	In Progress*	Provider Signed (Awaiting Approval)	Receiver Signed (Awaiting Check)	Payment Issued**	Final Determination Issued***	Remaining	Total Settlements	Offsets****	Paid**	Remaining Liabilities (Timely)	
Settlements with Claims Received on or Before 03/31/2016													
Round One	87	Completed				86	1		\$19,138,768.84	\$120,314.58	\$19,018,454.26	\$0.00	
Round Two	90					90			\$1,092,225.48		\$1,092,225.48	\$0.00	
Round Three	254	7	49	8		190		64	\$3,053,057.42		\$2,479,261.83	\$573,795.59	
Low Dollar >= \$600 and <=\$2000	286	1	58	9		218		68	\$318,362.19		\$245,495.90	\$72,866.29	
Low Dollar < \$600	646	28	92			526		120	\$145,984.70		\$108,911.94	\$37,072.76	
Zero Dollar	261	Completed					261		\$0.00		\$0.00	\$0.00	
Bankruptcies Not Settled	13		13					13	\$402.41		\$0.00	\$402.41	
To be Escheated	35						35		\$57,200.98		\$0.00	\$57,200.98	
Subtotal	1,672	36	212	17		1,110	297	265	\$23,806,002.02	\$120,314.58	\$22,944,349.41	\$741,338.03	
Settlements with Claims Received After 03/31/2016													
Round Four	243							243	\$588,498.84		\$0.00	\$588,498.84	
Totals									\$24,394,500.86	\$120,314.58	\$22,944,349.41	\$1,329,836.87	
									Claims	Payments*	Remaining		
									\$23,806,002.02	\$23,064,663.99	\$741,338.03		
									\$588,498.84	\$0.00	\$588,498.84		
									Total	\$24,394,500.86	\$23,064,663.99	\$1,329,836.87	
									Percent	100%	95%	5%	
* Includes Payments and Offsets													

As to these anticipated 243 Round Four LAHC Providers, LAHC seeks authority to continue to contact each Round Four LAHC provider, obtain executed LAHC Settlement documents approved by the Court where warranted, and put the Round Four LAHC Providers in line for payment of the full amount determined to be due and/or agreed to, without the necessity of Court approval prior to payment, but with periodic reports to the Court on all such finalized Round Four LAHC Settlements. Payment to these Round Four LAHC Providers without prior to Court approval will permit LAHC to make long overdue payment to these Round Four LAHC Providers on an expedited basis as each is finalized by LAHC.

As before, LAHC requests authority to make agreed upon changes to the LAHC Settlement Plan documents as needed and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent.

For all these reasons, LAHC asks the Court to approve the plan to permit LAHC approval and immediate payment of the amounts due to the Round Four LAHC Providers with anticipated total payment of approximately Six Hundred Thousand (\$600,000.00) Dollars without the necessity of prior court approval as a modification to the LAHC Settlement Plan previously approved by the Court.

WHEREFORE, LAHC prays for entry of an order granting this motion and ordering same implemented as follows:

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- 1) Authorizing and directing LAHC to contact Round Four LAHC Providers and to send the LAHC Settlement documents to the Round Four LAHC Providers where LAHC deems necessary.
- 2) Obtain signed LAHC Settlements from the Round Four Providers where LAHC deems necessary and to put the Round Four LAHC Providers in line for immediate payment of the full amount LAHC determines is due, without the necessity of Court approval prior to payment, but with periodic reports to the Court on all such finalized Round Four LAHC Settlements to permit LAHC to make long overdue payment to these Round Four LAHC Providers on an expedited basis;
- 3) As before, LAHC requests authority to make agreed upon changes to the LAHC Settlement Plan documents as needed and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent;
- 4) That in all other respects the LAHC Settlement Plan approved by the Court on December 3, 2018, as subsequently amended by later orders of this Court, remain in full force and effect as to all LAHC Providers, including any and all Round Four LAHC Providers; and
- 5) That the LAHC Receiver be granted all power and authority to accomplish the task of implementing the LAHC Settlement Plan for the Round Four LAHC Providers and to execute any documents related thereto as the Receiver may deem necessary and advisable in the Receiver's discretion, and for such other relief as warranted.

Respectfully Submitted,


BURGLASS & TANKERSLEY, LLC

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LOUISIANA ATTORNEY GENERAL

BY: _____


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Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**


CERTIFICATE OF SERVICE

I hereby certify that I have not served a copy of the foregoing pleading on any counsel in these proceedings because there are no other parties in these proceedings, this ____ day of June, 2021.

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ORDER

The Court considering the Motion and Incorporated Memorandum to Permit LAHC Approval and Immediate Payment in Full of LAHC Provider Claims for Remaining Unpaid Claims with Service Dates Prior to January 1, 2016 (the "Round Four LAHC Providers"), and finding that mover is entitled to the relief granted,

IT IS ORDERED, ADJUDGED AND DECREED that the Motion to Permit LAHC Approval and Immediate Payment in Full of LAHC Provider Claims for Remaining Unpaid Claims with Service Dates Prior to January 1, 2016 (the "Round Four LAHC Providers") be and same hereby is **GRANTED**.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to contact Round Four LAHC Providers and to send the LAHC Settlement documents to the Round Four LAHC Providers and to send the LAHC Settlement documents to the Round Four LAHC Providers where LAHC deems necessary, including those Round Four LAHC Providers with previously executed LAHC Settlement Agreements but with additional unpaid claims.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC is authorized and directed to obtain signed LAHC Settlements from the Round Four Providers where LAHC deems necessary and to put the Round Four LAHC Providers in line for immediate payment of the full amount LAHC determines is due, without the necessity of Court approval prior to payment, but with periodic reports to the Court on all such finalized Round Four LAHC Settlements to permit LAHC to make long overdue payment to these Round Four LAHC Providers on an expedited basis.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC authorized to make agreed upon changes to the LAHC Settlement Plan documents as needed and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent.

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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in all other respects the LAHC Settlement Plan approved by the Court on December 3, 2018, as subsequently amended by later orders of this Court, remain in full force and effect as to all LAHC Providers, including any and all Round Four LAHC Providers.


IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC that the LAHC Receiver be granted all power and authority to accomplish the task of implementing the LAHC Settlement Plan for the Round Four LAHC Providers and to execute any documents related thereto as the Receiver may deem necessary and advisable in the Receiver's discretion..

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to send and receive any and all documents related to the LAHC Settlement Plan, including the Round Four LAHC Providers, by mail, delivery, facsimile and/or electronic transmission (e-mail) and to accept electronic signatures, in the discretion of the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all settling and non-settling LAHC providers be and hereby are permanently enjoined from collecting and/or attempting to collect member responsibility payments from LAHC, LAHC insureds, policyholders subscribers, members and enrollees in violation of La. R.S. 22:1874, until written notice is given by LAHC as to the amount owed.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the LAHC Receiver is granted all power and authority to accomplish the task of implementing the LAHC Settlement Plan for the Round Four LAHC Providers approved herein and executing any documents related thereto as the Receiver may deem necessary and advisable in the Receiver's discretion.


Baton Rouge, Louisiana, this 21 day of June 2021.


DISTRICT COURT JUDGE RICHARD "CHIP" MOORE, III

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