

# Kentucky Health Cooperative – Placed in Liquidation

## Affordable Care Act Health Insurance Cooperative(s)

More than half of the nonprofit health insurance cooperatives are now closed (see map) and others such as Montana Health CO-OP are struggling to stay in business. According to a recent news report [“Federal officials are unsure how much the government will recoup of the \\$1.2 billion spent on loans and startup costs for the failed health care cooperatives including Kentucky’s.”](#) The Kentucky Health Cooperative, a nonprofit insurer that first began offering health insurance in 2013 stopped offering policies in the Kentucky market at the end of 2015.

## Kentucky Health Cooperative (KYHC) Liquidation

The KYHC was placed in [rehabilitation](#) on October 29, 2015 and the order of distribution is overseen by Franklin Circuit Court. The money will be distributed as outlined in the [Kentucky Insurance Code](#). The [Kentucky Department of Insurance](#) has stated “while every attempt will be made to pay all debts in full, there is a possibility that some will be paid at a reduced rate or not at all.” The liquidation is expected to take several years.

## Updated Physician Claim Information

- The KYHC Provider Relations area is operating with only two representatives that assist physicians throughout the state. If you are unable to reach a representative you may contact Jeff Gaither the liquidation manager for the KYHC at (502) 287-1285 for assistance.
- Physicians and other healthcare providers should submit any remaining claims as soon as possible. Physicians are not required to file a

proof of claim form for any claims submitted through the normal process established by KYHC. The explanation of Benefits (EOB) will serve as proof of claim in most cases. For services processed after January 15, 2016 (liquidation start date) an EOB may be received without a payment.

- If you have been paid for claims and [dispute the payment amount](#), (or the claim was denied and you dispute the denial you will need to file a [proof of claim form](#) for the difference. All proof of claim notices must be submitted by October 15, 2016.
- Physicians and other healthcare providers may not balance bill any KYHC insured, except as specifically permitted by that physicians contract with KYHC.
- The proof of claim process will be used instead of the prompt payment process.
- Within the next 30-60 days an automated system will be put in place (at this time we are unsure if the system will be an on-line portal or dedicated telephone line) that will physicians to check on proof of claim status.

## Resources

- [KYHC physician billing](#)
- [KYHC proof of claim](#)
- [KYHC notice of liquidation](#)
- [KYHC order of liquidation](#)
- [KYHC FAQ](#)
- [KYHC press release January, 2016](#)
- [KRS 304.33.400](#)

