

Minuteman Health, Inc. Rehabilitation

August 3, 2017

Gary D. Anderson, the Acting Massachusetts Commissioner of Insurance, announced today that the Supreme Judicial Court for Suffolk County granted his request to be appointed Receiver of Minuteman Health, Inc. ("MHI"), and the Board of Directors of MHI assented to the Commissioner's request. Leading up to the request, the Division of Insurance coordinated with various stakeholders, including the Attorney General's Office, the Health Connector, the New Hampshire Insurance Department, and the Centers for Medicare & Medicaid Services. With the court's action, MHI is now under the control of the Commissioner as its Receiver. The Commissioner took this proactive step to place MHI into rehabilitation to protect policyholders and their health care providers because MHI's level of capitalization is very thin.

MHI is a Massachusetts-based HMO licensed by the Massachusetts Division of Insurance. It was organized as a qualified nonprofit health insurer under the Consumer Operated and Oriented Plan program of the Patient Protection and Affordable Care Act ("ACA") and began operations January 1, 2014. MHI is also licensed to write health insurance in New Hampshire. MHI primarily writes ACA-qualified individual health insurance (approximately 93% of its business), and it also writes small and large group health insurance (totaling 7%). Of MHI's approximately 37,000 members, most are in New Hampshire (74%) with the remainder in Massachusetts (26%).

MHI's individual insurance policies will remain in effect through December 31, 2017. Members will have the opportunity to select a health insurer for 2018 during the open enrollment period beginning November 1, 2017 for coverage effective beginning January 1, 2018. Small employer and large group coverage will be allowed to continue until the next renewal date.

MHI's latest financial reports show it to be solvent, and the Receiver believes that MHI has adequate funds to pay all insurance claims in the normal course of business. Members will have continued access to benefits in accordance with their health insurance policies, and payments by members will continue to count toward plan deductibles and out-of-pocket limits. Because health care providers will be paid promptly and without interruption, they are expected to continue to provide care to MHI members, for which they will be paid in full.

MHI members and their health care providers should continue to contact MHI in the same way as they have in the past regarding any coverage or claim-related issues. The Receiver's goal is to avoid disruption to members and their health care providers. The Massachusetts Division of Insurance will hold an information session for providers and other interested parties at 10:30 a.m. on Friday, August 4, 2017, in Room 1-E at the Division of Insurance, 1000 Washington Street, Boston, Massachusetts. Persons may also participate by calling 1-888-278-0296 (Access Code 5054665).

Certain officers and directors of MHI are seeking to organize a new Massachusetts health insurer (also to be licensed in New Hampshire) by August 16, 2017. If they are successful, that will afford an additional insurance option for consumers in both states.