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IMPORTANT NOTICE FOR EVERGREEN INSURED MEMBERS

Date: September 1, 2017
To: Evergreen Health, Inc. Insured Members
Re: Liquidation of Evergreen Health, Inc.

The purpose of this Notice is to provide guidance to individuals who have active health insurance coverage under a small or large group employer health maintenance organization (HMO) or HMO with Point-of-Service (HMO/POS) plan with Evergreen Health, Inc. (Evergreen). In response to Evergreen's financial condition, on July 31, 2017, Maryland Insurance Commissioner Al Redmer, Jr. petitioned the Circuit Court for Baltimore City for an order to rehabilitate Evergreen Health, Inc. with the company's consent. Judge Yolanda Tanner signed the Order of Rehabilitation by Consent (Court Order) and Evergreen was placed into receivership. At that time, Risk & Regulatory Consulting, LLC was appointed as the Receiver of Evergreen.

Based on Evergreen's deteriorating financial position, and after potential private investors recently informed the Insurance Administration that they had determined not to acquire Evergreen Health, the Receiver filed an Expedited Motion For Order Authorizing Liquidation of Evergreen Health, Inc. and Order Directing Certain Health Maintenance Organizations to Offer Evergreen Members a 30-Day Open Enrollment Period ("Motion"). After reviewing the motion, Judge Tanner signed an Order on September 1, 2017 authorizing the Receiver to liquidate Evergreen.

The Court's Order also establishes a 30-day special open enrollment period (SEP) beginning September 1, 2017. Aetna, CareFirst BlueCross BlueShield, Kaiser Permanente, and United Healthcare¹ have all agreed to participate in this SEP and offer new plans to these small and large groups. New coverage issued as a result of this SEP will be effective September 1, 2017.

New plan selection

All small and large group employers must choose a new plan. Brokers should contact the groups they represent as soon as possible to avoid potential transition related issues. During the SEP, businesses will be able to choose the new HMO or HMO/POS plan they deem most appropriate. For small groups,

¹ The specific HMOs providing coverage will be Aetna Health, Inc., CareFirst BlueChoice, Inc., Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., and United Healthcare of the Mid-Atlantic, Inc. and Optimum Choice, Inc.

the participation requirements under §15-1206(c) will be waived during the SEP. Most questions about specific policy benefits, premium rates, out-of-pocket costs, and administrative implementation can be handled by the employer's insurance broker or employee benefits department. However, because this situation involves HMO coverage, questions about provider networks and specific providers may be of particular significance.

Premium payments

Premiums paid to the Receiver for the month of September will be refunded provided that a new plan is selected during the SEP. *Employers must be sure to pay the initial premium* to the new HMO in order to ensure coverage until the new plan becomes effective.

Individuals receiving care

In the short term, when seeking health care services, individuals should continue to present their Evergreen insurance card until September 30, 2017 or until they receive a new insurance card.

Patient or provider requests for prior authorization will continue to be handled according to Evergreen's established procedures until the new HMO has completed the transition of those functions. Prior authorizations that have already been approved will transfer to the new HMO upon request pursuant to § 15-140(c).

Claims for treatment, services, medications, and supplies incurred **after** September 1, 2017 will be paid per terms of the new HMO policy. Unfortunately, no credit for any deductibles, out-of-pocket maximums, or other accumulators paid under the Evergreen policies will be carried over or transferred to the new HMO.

All claims for treatment, services, medications, and supplies incurred **before** September 1, 2017 will be handled by the Receiver. To avoid confusion, providers may elect to hold the submission of September claims for former Evergreen members until the SEP is completed, as the new HMOs will require set up time for administrative and claims functions.

Questions about Evergreen's operations and claims should be presented to the Receiver at (443) 475-0990 or Questions@Evergreenmd.org.

Questions about this Notice may be directed to the Life & Health Unit of the Maryland Insurance Administration at 410-468-2244.

Robert D. Morrow Jr.
Associate Commissioner, Life & Health