

WYOMING DEPARTMENT OF INSURANCE

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**Wyoming Department of Insurance Files Petition for
Rehabilitation/Receivership**

Cheyenne – On October 21, 2015, the Wyoming Department of Insurance (“DOI”) filed a petition in the First Judicial District Court in Laramie County to place WINhealth Partners (WINhealth) into a Rehabilitation/Receivership following a determination that the Wyoming insurer is financially at risk. If the Court grants the petition, the Wyoming Insurance Commissioner, Tom Glause, will become the Receiver of the insurance company and will oversee WINhealth’s rehabilitation and exit from the insurance market. “This type of receivership will allow the Commissioner to formally oversee WINhealth in the conservation of its assets, distribution of funds, and the further administration of its operations so that WINhealth members continue to receive the benefits of their plans,” said Insurance Commissioner Tom Glause. WINhealth will voluntarily surrender its Certificate of Authority to be an insurer in Wyoming and will suspend the sale of its health insurance plans for the remainder of 2015 and will withdraw its participation in the insurance market for 2016.

WINhealth has faced financial challenges due to a very competitive health insurance market. The Department of Insurance’s review of WINhealth’s audited financial statements raised concerns about WINhealth’s ability to successfully manage, account for, and meet its obligations through the end of 2015 on its own. In addition, on October 1, 2015, the Center for Medicare & Medicaid Services (CMS) announced the Risk Corridors Payment Proration Rate for 2014. WINhealth had anticipated several million dollars of receivables from this program. However, CMS announced that Risk Corridor payments would be paid at just 12.6% of the submissions requested. Under the Risk Corridors program, the federal government shared risk with Qualified Health Plan (QHP) issuers like WINhealth, collecting charges from the issuer if the issuer’s QHP premiums exceed claims costs by a certain amount, and making payments to the issuer if the issuer’s premiums fall short by a certain amount. According to CMS, insurers throughout the country sought \$2.87 Billion in risk corridor payments but issuers had only paid \$362 Million into the federal program. WINhealth was already experiencing financial difficulties and this announcement was simply the final financial blow to the Wyoming company’s continued operation. Numerous meetings and discussions have been held between WINhealth and DOI.

Ultimately, DOI determined it must take action in accordance with Wyoming law and WINhealth has agreed to exit the market.

Insurance claims of WINhealth consumers, who continue to make their required premium payments, will be paid through the end of the current contract year for services that are provided before December 31, 2015. Qualified and properly submitted claims will be paid for medical expenses incurred during the current contract year, subject to contract limits and guidelines.

WINhealth's individual health plans through the Federal Marketplace will expire on December 31, 2015, but these individuals will be able to re-enroll in a new plan during Open Enrollment which opens on November 1, 2015 and ends on January 31, 2016 for plans that will operate in the 2016 year. These individuals are encouraged to enroll in a new plan before December 15, 2015 in order to have a new plan in place by January 1, 2016 and avoid a break in insurance coverage. The renewal and anniversary dates for small and large group employer plans vary by employer so these group plan consumers are encouraged to contact their employer's human resource/insurance specialist for details on their insurance plan changes. The Commissioner will be reaching out to employers with small group and large group plans to advise them of their options.

WINhealth's management is fully cooperating in the wrap up of its operations in its continuing goal to do what is in the best interests of its members. Members can still see their medical providers using their 2015 plan benefits and continue to get the healthcare they need. The Wyoming Department of Insurance protects the rights of Wyoming consumers and regulates Wyoming's insurance industry. For more information about the Department of Insurance, visit DOI.WYO.GOV.