

Questions and Answers
About
HRM Health Plans (PA), Inc. (HRMPA)

The Commonwealth Court of Pennsylvania has ordered HRM Health Plans (PA), Inc. (HRMPA) into liquidation effective October 1, 2001. This letter will help answer most of your questions about potential claims and the liquidation procedure.

Please read this letter in its entirety and keep for future use.

The Office of Liquidations, Rehabilitations and Special Funds has been assigned the responsibility of liquidating HRMPA, and all questions concerning the liquidation process of HRMPA should be directed to the Statutory Liquidator for HRMPA at (717) 787-7823. Provider claim questions should continue to be addressed to (888) 462-8311.

Question: What happens when a company becomes insolvent and is liquidated?

Answer: Liquidation is similar to bankruptcy. When a company is liquidated, the Insurance Departments Office of Liquidations, Rehabilitations and Special Funds gathers the company's assets and determines what liabilities, such as bills and claim payments, it has. The Statutory Liquidator then develops a plan to distribute the company's assets according to established law and submits the plan to the Court for approval. The liquidation process could take several years.

Question: Will my provider contract be cancelled because of the liquidation?

Answer: If you were a HealthMate provider and you did not authorize the assignment of your contract to AmeriHealth Mercy, your contract was cancelled on September 1, 2001. Oaktree provider contracts were cancelled on August 1, 2001.

Question: Since HRMPA has been placed into liquidation, will provider claims be paid?

Answer: All valid claims incurred prior to September 1, 2001 for HealthMate, and August 1, 2001 for Oaktree will be paid subject to the availability of funds.

Question: Will HRMPA claims be paid in full?

Answer: Your claim may be paid in full, in part, or not at all, depending on the amount and type of claim received and availability of funds. Because HRMPA is in liquidation, it does not have enough money to pay all claims in full.

Question: How long will it take for my claims to be paid?

Answer: It may take several years to evaluate claims, determine what assets are available for the payment of claims and obtain Court approval of the Plan of Distribution.

Question: May I bill my patient for the services provided?

Answer: No. In accordance with the expectations of the Department of Welfare, and your contract with HRMPA/HealthMate or HRMPA/Oaktree and the Department of Health, you are prohibited from seeking payment from patients for Medicaid covered services.

Question: I believe I have a claim against HRMPA but I am not a provider. How do I make a claim?

Answer: Claims filed against HRMPA by general creditors, stockholders, trade creditors, governmental agencies, reinsurers, agents, employees, and other persons interested in the affairs of HRMPA, are handled by the Statutory Liquidator. To file a claim for monies owed to you by HRMPA, you must file a Proof of Claim form with the Statutory Liquidator no later than 5:00 pm EST on October 1, 2002. If you fail to file a Proof of Claim form by that date, your claim may not be considered to be timely filed. Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level.

The Statutory Liquidator's staff is ready to respond to your concerns. If you require assistance, forms, or information, please contact us at (717) 787-7823. Provider claim calls should continue to be directed to (888) 462-8311 if it is in regards to HealthMate. Oaktree providers should continue to call (800) 959-6258.

