

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT

Russell Toal



DEPUTY SUPERINTENDENT

Jennifer Catechis

January 25, 2021

Dear Providers:

We regret that many of you have been impacted by the financial setbacks encountered by New Mexico Health Connections (“NMHC”). As I reported to you in early December, the OSI has been diligently working to minimize those impacts. Here is an update on our progress and the tentative plan moving forward.

OSI examination staff conducted a top-to-bottom year-end review of NMHC’s financials. This review provides the foundation for confident, and potentially more expedient, decision making concerning claim payment amounts and timing. NMHC’s TPA, Friday Health Plan (“FHP”), will continue providing administrative services to NMHC through 2021. This will allow seamless adjudication of 2020 NMHC member claims. Although FHP has a significant receivable for 2020 TPA services provided to NMHC, FHP agrees that provider claims should be resolved before its receivable is eligible for payment. This concession frees up significant funds for payment of provider claims.

OSI expects to open a judicial liquidation proceeding this week. OSI will ask the court to immediately appoint a deputy receiver and set the shortest possible deadline for NMHC creditors to file claims. Although a liquidation can initially delay claim payment while assets and claims are received, OSI will work with the deputy receiver and the court to release funds, even if only partial payments, as promptly and fairly as possible.

Although the liquidation may result in only partial payment of a claim, NMHC’s network providers are contractually prohibited from direct billing former NMHC members for any balance owed by NMHC. Out-of-network providers whose services are subject to the Surprise Billing Act also are prohibited from direct billing a former NMHC member for any amount owed by NMHC under that Act. The superintendent encourages all other providers not to issue direct bills to former NMHC members pending disposition of claims in liquidation.

To ensure providers and other creditors of NMHC receive updates and news concerning the NMHC liquidation proceedings, OSI has created a dedicated newsletter through which it will share important developments and notices. All NMHC providers and creditors are encouraged to subscribe to the newsletter by completing the form and checking the box next to “Updates on New Mexico Health Connections” at <https://newsletter.osi.state.nm.us/>.

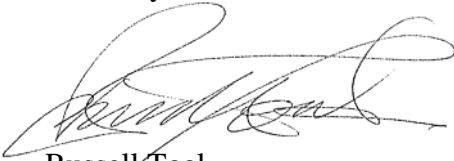
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Thank you for all you have done for the citizens of New Mexico, and specifically for NMHC members, during these trying times. We recognize and appreciate the sacrifices you have made to ensure that those persons who needed care received it despite NMHC's challenges. The OSI will continue to do everything it can, as quickly as it can, to lessen the financial impact of your sacrifice.

Thank you for your continued patience and understanding. I will provide further updates as information becomes available.

If you have questions or concerns please contact Lea Geckler at Leatrice.geckler@state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell Toal", written in a cursive style.

Russell Toal
Superintendent of Insurance

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE

Russell Toal



DEPUTY SUPERINTENDENT

Jennifer A. Catechis

NOTICE TO CREDITORS OF
NEW MEXICO HEALTH CONNECTIONS (“NMHC”)

DATE: MARCH 19, 2021

RE: ENTRY OF LIQUIDATION ORDER

On March 19, 2021 Judge Benjamin Chavez approved the Petition for an Order of Insolvency and Appointing Receiver filed by the superintendent on January 26. Attached to this Notice is a copy of the Order.

Pursuant to paragraph 4 of the Order, the superintendent has 21 days to file with the Court a proposed plan for providing potential creditors of NMHC notice and instructions for filing a proof of claim. Potential creditors will have until September 19, 2021 to submit such proof. The superintendent and deputy receiver are actively working on a claim submission process that will minimize administrative burdens for potential creditors and expedite claim evaluation.

The superintendent thanks you for your continued patience in this matter.

Todd S. Baran
Counsel for Receiver

STATE OF NEW MEXICO
SECOND JUDICIAL DISTRICT
COUNTY OF BERNALILLO

**RUSSELL TOAL, in his capacity as
New Mexico Superintendent of Insurance**

Petitioner,

v.

D-202-CV-2021-0587

**NEW MEXICO HEALTH CONNECTIONS,
INC., a New Mexico not-for-profit corporation**

Respondent.

**ORDER RE: PETITION FOR AN ORDER OF INSOLVENCY AND APPOINTING
RECEIVER; DIRECTING THE RECEIVER TO LIQUIDATE NEW MEXICO HEALTH
CONNECTIONS; APPOINTING A DEPUTY RECEIVER;
SETTING DEADLINE FOR NOTICE OF CLAIM;
APPROVING SETTLEMENT, RUNOUT AND CONSULTING AGREEMENTS;
AND DISSOLVING BOARD OF DIRECTORS**

THE MATTERS BEFORE THE COURT are the Petition for an Order of Insolvency and affiliated motions presented by Petitioner Russell Toal, in his capacity as the New Mexico Superintendent of Insurance (“Superintendent”). The Court, having considered the matters and supporting submission, **HEREBY DECLARES, DIRECTS AND ORDERS:**

1. Respondent New Mexico Health Connections, Inc. (“NMHC”) is insolvent and subject to liquidation pursuant to Chapter 59A, Article 41 NMSA 1978, the Insurers Conservation, Rehabilitation, and Liquidation Law (the “Liquidation Laws”);
2. The Court appoints the Superintendent as the NMHC Receiver;
3. The Court directs the Receiver to liquidate NMHC pursuant to the provisions of the Liquidation Laws;

3. The Court appoints Risk & Regulatory Consulting, LLC (“RRC”) as the Deputy Receiver of NMHC and approves RRC’s contract for Deputy Receiver services (Exhibit C to the Declaration of Leatrice Geckler);

4. Creditors of NMHC shall have six-months from the date of entry of this order to file a proof of claim pursuant to NMSA 1978, § 59A-41-41(B). Petitioner/Superintendent shall submit for Court approval a proposed plan for notifying potential creditors within 21 days of entry of this Order;

5. The Court approves the settlement, runout and consulting agreements negotiated and approved by the Superintendent prior to filing this petition (Exhibits A, B, D & E to the Declaration of Leatrice Geckler); and

6. The NMHC Board of Directors is dissolved upon entry of this Order.

DATED this ___ day of February, 2021.



Hon. Benjamin Chavez
District Court Judge

Submitted by:

/s/ Todd S. Baran
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