

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER:641 928

SECTION:26

JAMES J. DONELON  
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA  
VERSUS  
LOUISIANA HEALTH COOPERATIVE, INC.

FILED:\_\_\_\_\_

\_\_\_\_\_  
DEPUTY CLERK

Filed on Behalf of – State of Louisiana – State Pays No Court Costs  
La. R.S. 13:4521

MOTION TO APPROVE RECEIVER’S PLAN FOR PAYMENT OF  
ALL REMAINING UNPAID LAHC CLAIMS

NOW INTO COURT, through undersigned counsel comes James J. Donelon, Commissioner of Insurance for the State of Louisiana as Liquidator of Louisiana Health Cooperative, Inc. in Liquidation (the "Commissioner"), through the Court Appointed Receiver, Billy Bostick ("Receiver"), collectively "LAHC", respectfully moves for an order of this Court approving the LAHC plan for payment of all remaining and unpaid LAHC claims, as follows:

1.

LAHC has been paying claims of LAHC claimants as approved by this Court in various motions filed with this Court. To date, LAHC has paid claimants \$61,975,522.41 pursuant to prior orders of this Court, as shown in the LAHC Paid Claims Chart below.

CHART 1 – LACH PAID CLAIMS

Line #	Claimant Type	Claimant Count	Estimated Claim Lines	Total Claimed	Amount Adjudicated	Denied / Adjusted / Voided	Amount Paid	Adjudications Remaining	Estimated Payments Remaining
1	Agent Claims ***	33	14,704	\$1,065,462.28	\$1,065,211.74	-\$781,925.54	\$0.00	Completed	\$283,286.20
2	Provider Claims - Settlements *	1,675	104,009	\$48,219,827.58	\$47,805,453.82	-\$23,412,536.42	-\$23,978,543.64	\$414,373.76	\$414,373.76
3	Provider Submitted Proof of Claims **	44	44	\$4,783.63	\$4,783.63	-\$4,783.63	\$0.00	Completed	\$0.00
4	Provider Submitted Proof of Claims - Other ****	3	3	\$79,129.28	\$79,129.28	\$0.00	\$0.00	\$79,129.28	\$79,129.28
5	General Creditor and Employee Claims ***	12	12	\$860,861.22	\$860,861.22	-\$415,975.98	-\$344,389.28	Completed	\$100,495.96
6	US Department of Health & Human Services (CMS) Claim ***	1	1	\$66,168,307.24	\$70,020,335.22		-\$37,406,235.22	Completed	\$32,614,100.00
7	Member Benefit Claims	323	323	\$211,955.99	\$211,955.99	-\$68,493.94	\$0.00	\$0.00	\$143,462.05
8	Member Return Premium Claims	1,202	1,202	\$286,129.26	\$246,354.27		-\$246,354.27	Completed	\$0.00
9	Member Claims Filed After 03-31-2016	12	12	\$86,743.54	\$86,743.54		\$0.00	\$86,743.54	\$86,743.54
10	Totals	3,305	120,310	\$116,983,200.03	\$120,380,828.72	-\$24,683,715.51	-\$61,975,522.41	\$580,246.58	\$33,721,590.79

2.

LAHC has identified and is in the process of adjudicating all remaining valid LAHC claims, including the claims of LAHC members and subscribers, LAHC insurance agencies/agencies, LAHC general creditors, and the United States Department of Health & Human Services as shown in the Chart below. LAHC seeks an order of this Court approving LAHC to adjudicate and pay the remaining claims highlighted as shown on the LAHC Chart of Unpaid Claims, below.

CHART 2 – LAHC UNPAID CLAIMS

Line #	Claimant Type	Claimant Count	Estimated Claim Lines	Total Claimed	Amount Adjudicated	Denied / Adjusted / Voided	Amount Paid	Adjudications Remaining	Estimated Payments Remaining
1	Agent Claims ***	33	14,704	\$1,065,462.28	\$1,065,211.74	-\$781,925.54	\$0.00	Completed	\$283,286.20
2	Provider Claims - Settlements *	1,675	104,009	\$48,219,827.58	\$47,805,453.82	-\$23,412,536.42	-\$23,978,543.64	\$414,373.76	\$414,373.76
3	Provider Submitted Proof of Claims **	44	44	\$4,783.63	\$4,783.63	-\$4,783.63	\$0.00	Completed	\$0.00
4	Provider Submitted Proof of Claims - Other ****	3	3	\$79,129.28	\$79,129.28	\$0.00	\$0.00	\$79,129.28	\$79,129.28
5	General Creditor and Employee Claims ***	12	12	\$860,861.22	\$860,861.22	-\$415,975.98	-\$344,389.28	Completed	\$100,495.96
6	US Department of Health & Human Services (CMS) Claim ***	1	1	\$66,168,307.24	\$70,020,335.22		-\$37,406,235.22	Completed	\$32,614,100.00
7	Member Benefit Claims	323	323	\$211,955.99	\$211,955.99	-\$68,493.94	\$0.00	\$0.00	\$143,462.05
8	Member Return Premium Claims	1,202	1,202	\$286,129.26	\$246,354.27		-\$246,354.27	Completed	\$0.00
9	Member Claims Filed After 03-31-2016	12	12	\$86,743.54	\$86,743.54		\$0.00	\$86,743.54	\$86,743.54
10	Totals	3,305	120,310	\$116,983,200.03	\$120,380,828.72	-\$24,683,715.51	-\$61,975,522.41	\$580,246.58	\$33,721,590.79

3.

LAHC seeks an order of this Court approving LAHC to adjudicate and pay the remaining claims highlighted on the Chart above, subject to LAHC’s right to modify exact claim adjudication and payment as needed and supported by LAHC records.

LAHC further seeks an order of this Court permitting LAHC to:

- 1) **PAY, ADJUST OR DENY:** the amount LAHC has determined is owed to each remaining

LAHC creditor who accepts LAHC's offer of payment or has filed a Proof of Claim with LAHC and/or who appears on the books and records of LAHC as a valid claimant.

A sample Notice of LAHC Claim Determination and Claimant's Right to Object to LAHC's Claim Determination is attached as **Exhibit A**, which addresses approval of a claim at full value, a partial approved claim, a denial of a claim and Claimant's right to object.

**2) SEND CHECK AND ESCHEAT:** LAHC further seeks an order of this Court to permit LAHC to send LAHC claimants who do not accept and do not object to LAHC's claim determination and fail to respond to notices sent, to send notice and a check for payment of LAHC's determination of claim to the last known address of the LAHC claimant. In the event a check for such payment by LAHC is not timely negotiated within thirty (30) days, LAHC seeks authority from this Court to escheat such funds for payment to the State of Louisiana in accordance with Louisiana law.

**3) NOTICES:** LAHC seeks an order of this Court permitting LAHC to send all notices to LAHC claimants regarding payment of remaining claims, objections, hearing dates and other related matters via email or U.S. Mail to remaining unpaid LAHC claimants. To attempt to serve a copy of this motion and notices through the sheriff's office would be an undue burden on the LAHC estate and significantly deplete the amount available to pay LAHC claimants. LAHC believes this will be the most cost-effective means of effecting notice to remaining LAHC claimants.

EXHIBIT A

SAMPLE NOTICE OF LAHC CLAIMS DETERMINATION AND CLAIMANT’S  
RIGHT TO OBJECT TO LAHC CLAIM DETERMINATION

JAMES J. DONELON, COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA AS REHABILITATOR OF  
LOUISIANA HEALTH COOPERATIVE, INC. IN REHABILITATION

NOTICE OF DETERMINATION  
FOR AGENT PROOF OF CLAIMS (POC) FILED IN 2016

POC File ID:	<<POC Number>>
POC Agent / Agency:	<<POC Claimant>>
POC Amount Claimed:	<<POC Claimed Amount>>
POC Final Adjudication:	<<POC Final Adjudication>> <i>{Denied, Disallowed, Compensation Assigned to Third-Party}</i>
POC Adjudication Reason:	<<POC Reason Description>>

Louisiana Health Cooperative, Inc. in Rehabilitation (“LAHC”) conducted business as a Health Plan in 2014 and 2015. On 09/01/2015, James J. Donelon, Commissioner of Insurance for the State of Louisiana, petitioned the Louisiana 19th Judicial District Court (Court) to place LAHC in Rehabilitation. As ordered by the Court (Case Number 641-928), the Commissioner as Rehabilitator and the Court approved Receiver, Billy Bostick, conducted the business of LAHC through December 31, 2015, when all health care coverages ended. On 12/03/2020, LAHC received funds pursuant to an earlier US Supreme Court ruling which resulted in the recovery of money owed under the Affordable Care Act Risk Corridor Program from the US Department of Health and Human Services. Over time, LAHC successfully litigated and settled multiple cases against LAHC Officers and Directors, Officers’ and Directors’ Insurers, Third-Party Administrator, and Actuarial Firm, increasing LAHC assets. Subsequently, on 01/19/2023, LAHC negotiated and received a Federal Waiver from the United States Department of Justice allowing LAHC to release payments to general creditors ahead of the United States’ remaining claim.

LAHC has adjudicated your Proof of Claim, based on LAHC’s contractual obligations, CMS historical records retained by LAHC, LAHC enrollment records, LAHC agent files, LAHC previously paid commissions, and other documents previously signed by you. Your claim is **disallowed, denied, or compensation assigned to third-party** for the POC Adjudication Reason shown above. Also included is a POC Adjudication Summary report. Line-by-line adjudication details will be provided upon request by emailing [Philip@myLAHC.org](mailto:Philip@myLAHC.org).

This is the Receiver’s determination of your claim(s). Should you object to this determination, you must send your written objection to the Receiver’s designee, as instructed in the table below, within 30 days. If the Receiver’s designee does not receive your written objection within 30 days, the Receiver, at his discretion, will consider the matter closed. If you follow the instructions to object and if upon review of your objection the Receiver denies your objection, then you will be notified of a hearing date and you may send your written objection to the Court and to LAHC to state your objection before the Court for a hearing in Court. If the Receiver accepts your objection, you will be notified of the amended adjudicated amount and a check for the full amount of the accepted claim will be sent to you after all objections have been heard by the Court.

Objection Instructions:

To be considered, your written objection must include the following:	Your written objection must be sent within 30 days to:
<ol style="list-style-type: none"><li>1. POC File ID shown above</li><li>2. Your Name</li><li>3. Your Company Name and Tax ID</li><li>4. Your Email Address</li><li>5. Your Direct Telephone Number</li><li>6. Your Reason for Objecting</li><li>7. Your Supporting Documentation</li></ol>	Email address: <a href="mailto:Philip@myLAHC.org">Philip@myLAHC.org</a>  <u>Or</u> mailed to: Philip D’Antonio Director of Operations, Receivership Team Louisiana Health Cooperative, Inc, in Receivership 4300 S I-10 Service Rd W, Suite 101A Metairie, LA 70001

Upon receipt of your objection, the Receiver’s designee will email you a receipt confirmation. If you do not receive an email confirmation, your objection has not been received. LAHC’s attorney will notify you of the date the Court will hear arguments on your written objection, or you may contact the Court directly.

If you have any questions concerning this notice, please contact the Receiver’s designee at email address [Philip@myLAHC.org](mailto:Philip@myLAHC.org).

**WHEREFORE**, LAHC prays for an order granting this motion and that,

- (1) The Court enter an order fixing the allowed claim of each LAHC claimant in the amount shown above, subject to LAHC's right to modify exact claim amounts as needed and supported by LAHC records;
- (2) The Court approve the LAHC plan for paying all remaining LAHC claimants and order same implemented as shown in the LAHC CLAIM CHART above, subject to LAHC's right to modify exact claim amounts as needed and supported by LAHC records;
- (3) The Court order that LAHC be permitted to pay the amount LAHC has determined is owed to each remaining LAHC creditor who accepts LAHC's offer of payment and who agrees to settle with LAHC and has filed a Proof of Claim with LAHC and/or whose claim appears on the books and records of LAHC as a valid claim;
- 4) The Court permit LAHC creditors who object to the amount LAHC has determined is owed to file a written notice of objection with a copy to LAHC and to this Court within thirty (30) days of notice from LAHC of the LAHC claims determination and that the Court set a date for a hearing to provide objecting LAHC claimants a right to be heard in a summary proceeding. Such proceeding will be set at an appropriate time as determined by the Court once LAHC has exhausted all attempts to settle each claim.
- 5) The Court order that LAHC be permitted to send all notices to LAHC claimants regarding payment of remaining claims, objections, hearing dates and other related matters via U.S. Mail or email addresses shown on the books and records of LAHC.
- 6) The Court permit LAHC to send a check for the amount LAHC determines is owed to LAHC claimants who do not respond to LAHC notices to the non-responding claimant

at the claimant's last known address appearing on the books and records of LAHC for those LAHC claimants who fail to accept and/or do not file a written objection to LAHC's claim determination notices.

- 7) That the Court order that in the event a check for payment from LAHC to a non-responsive LAHC claimant is not timely negotiated within 30 days, LAHC be authorized to escheat such funds for payment to the LAHC claimant to the State of Louisiana in accordance with Louisiana law.
- 8) That the Court grant LAHC all power and authority to accomplish the task of notifying, providing a method for filing objections, mailing, advertising and paying all remaining unpaid LAHC claimants as the LAHC Receiver deems necessary and advisable in the Receiver's discretion, and for all other appropriate relief.

Respectfully Submitted:

**BURGLASS TANKERSLEY GAUDIN PHAYER**

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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a copy of the above and foregoing document has not been sent to any parties as there are no parties of record remaining in this matter on this \_\_\_\_ day of \_\_\_\_\_, 2023.  
Sue Buser

STATE OF LOUISIANA

NUMBER:641 928

SECTION:26

JAMES J. DONELON  
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA  
VERSUS  
LOUISIANA HEALTH COOPERATIVE, INC.

FILED:\_\_\_\_\_

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DEPUTY CLERK

ORDER

Considering the foregoing MOTION TO APPROVE RECEIVER’S PLAN FOR PAYMENT OF ALL REMAINING UNPAID LAHC CLAIMS and the Court finding that mover is entitled to the relief requested,

**IT IS ORDERED** that the allowed claim of each LAHC claimant be and hereby is fixed in the amount shown on the Chart, below, subject to LAHC’s right to modify exact claim amounts as needed and supported by LAHC records.

Line #	Claimant Type	POC / Settlement Counts	Total Claimed	Amount Adjudicated	Amount Paid	Adjudications Remaining	Potential Payments Remaining***
1	Agent Proof of Claims	31	\$1,067,170.38	\$0.00	\$0.00	\$1,067,170.38	\$1,067,170.38
2	Provider Claims Settlements	1,675	\$24,392,917.40	\$24,392,917.40	\$23,978,543.64	\$414,373.76	\$0.00
3	Provider Submitted Proof of Claims ****	44	\$4,783.63	\$4,783.63	\$0.00	\$0.00	\$5,605.88
4	Provider Submitted Proof of Claims - Other ****	3	\$79,129.28	\$0.00	\$0.00	\$0.00	\$79,129.28
5	Vender Proof of Claims**	10	\$675,867.80	\$0.00	\$0.00	\$675,867.80	\$675,867.80
6	Member Benefits Proof of Claims	323	\$211,955.99	\$211,955.99	\$0.00	\$0.00	\$143,462.05
7	Member Return Premium Proof of Claims	1,202	\$286,129.26	\$286,129.26	\$246,354.27	\$0.00	\$0.00
8	Employee Proof of Claims	2	\$46,219.34	\$0.00	\$0.00	\$0.00	\$46,219.34
9	Non-Provider Proof of Claims Filed After 03-31-2016	15	\$208,768.54	\$0.00	\$0.00	\$208,768.54	\$208,768.54
10	Subtotal	3,305	\$26,972,941.63	\$24,895,786.28	\$24,224,897.91	\$2,366,180.48	\$2,226,223.27
11							
12	US Dept of Health & Human Services (CMS)	1	\$66,168,307.24	\$0.00	\$13,554,207.24	\$52,614,100.00	\$52,614,100.00
13	Total	3,306	\$93,141,248.87	\$24,895,786.28	\$37,779,105.15	\$54,980,280.48	\$54,840,323.27

**IT IS FURTHER ORDERED** that the Court hereby approves the LAHC plan for paying all remaining LAHC claimants and order same implemented.

**IT IS FURTHER ORDERED** that LAHC be and hereby is permitted to pay the amount LAHC has determined is owed to each remaining LAHC creditor who accepts LAHC’s offer of

payment, agrees to settle with LAHC and has filed a Proof of Claim with LAHC and/or who appears on the books and records of LAHC as a valid claim.

**IT IS FURTHER ORDERED** that LAHC creditors who object to the amount LAHC has determined is owed by LAHC to the LAHC claims determination be and hereby are required to file a written notice of objection with a copy to LAHC at 4300 S. I-10 Service Road, Suite 101A, Metairie, LA 70001, and to the Honorable Judge Richard “Chip” Moore, III, Division 26 at 300 North Boulevard, Baton Rouge, LA 70801 within thirty (30) days of the date of notice sent by LAHC .

**IT IS FURTHER ORDERED** that a hearing will be held at a later date before the Honorable Judge Richard “Chip” Moore, III, Division 26 at 300 North Boulevard, Baton Rouge, Louisiana, 70801 to hear any timely filed written objections to the LAHC Claim Determination in a summary proceeding to show cause why this Court should not fix the claim amount determined and allowed by LAHC in the amount determined to be owed by LAHC.

**IT IS FURTHER ORDERED** that LAHC be and hereby is authorized to send a check for the amount LAHC determines is owed to LAHC claimants who do not respond to LAHC notices of claim determination to the claimant at the claimant’s last known address and/or email address appearing on the books and records of LAHC for those LAHC claimants who fail to accept and/or do not file a written objection to LAHC’s claim determination notices.

**IT IS FURTHER ORDERED** that in the event a check for payment from LAHC to a non-responsive LAHC claimant is not timely negotiated within 30 days, LAHC be and hereby is authorized to escheat such funds for payment in the amount LAHC determined is owed to each such claimant to the State of Louisiana in accordance with Louisiana law.

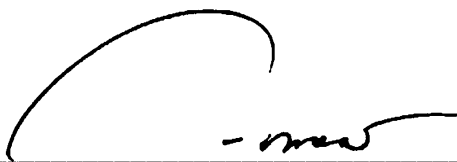
**IT IS FURTHER ORDERED** that LAHC be and hereby is permitted to send all notices to



LAHC claimants regarding payment of remaining claims, objections, hearing dates and other related matters via U.S. Mail.

**IT IS FURTHER ORDERED** that LAHC be and hereby is granted all power and authority to accomplish the task of notifying, providing a method for filing objections, and paying all remaining unpaid LAHC claimants as the LAHC Receiver deems necessary and advisable in the Receiver's discretion.

Baton Rouge, Louisiana this 22 day of January, ~~2023~~ **2024**

  
\_\_\_\_\_  
Judge Richard "Chip" Moore, Nineteenth Judicial District Court

**BURGLASS TANKERSLY GAUDIN PHAYER**

**JEFF LANDRY**

**LOUISIANA ATTORNEY GENERAL**

BY: \_\_\_\_\_



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**as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

**CERTIFICATE OF SERVICE**