



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.myfloridacfo.com/division/receiver

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Si necesita una versión en español de este aviso, visite el sitio web de la
División de Rehabilitación y Liquidación www.myfloridacfo.com/division/receiver.
(If you need a Spanish version of this notice, visit the Receiver's website at www.myfloridacfo.com/division/receiver)

NOTICE TO FLORIDA AGENT OR BROKER – August 7, 2014

Regarding the Liquidation of Physicians United Plan, Inc. (PUP)

We are sending you this letter because our records indicate that you may at some point have been an agent for Physicians United Plan, Inc. (PUP) and, as a result, may have need for more specific or additional information as to the current status of the company. PUP was a Florida health maintenance organization which provided health care coverage to approximately 50,000 Medicare members. On June 9, 2014, PUP was ordered into receivership for purposes of rehabilitation by the Second Judicial Circuit Court in Tallahassee, Florida. The Florida Department of Financial Services is the Court appointed Receiver of PUP. Additionally, without further court action, PUP was ordered liquidated effective 12:01 a.m. on July 1, 2014. A copy of the liquidation order and other relevant documents relating to PUP are available on the Receiver's website, www.myfloridacfo.com/division/receiver.

CANCELLATION OF THE PUP POLICIES:

Medicare contracts and premiums are administered through the Federal Centers for Medicare & Medicaid Services (CMS). **As a result of the impending liquidation of PUP and termination of its contract with CMS, CMS retroactively enrolled all PUP members into Original Medicare Fee-for-Service (FFS) and a Prescription Drug Plan (PDP) effective June 1, 2014.** This effectively cancelled all PUP coverage effective 12:01 a.m. on June 1, 2014.

ARRANGEMENTS FOR CONTINUED HEALTH CARE COVERAGE FROM JUNE 1, 2014:

Beneficiaries who were enrolled in PUP did not experience a gap in their Medicare coverage. Effective June 1, 2014, CMS retroactively enrolled PUP members into Original Medicare Fee-for-Service and a Prescription Drug Plan. The Receiver mailed letters to the PUP members informing them of the PUP receivership, contract cancellation, and continued health care coverage options as arranged through CMS. Sample copies of these notices are available on the Receiver's website at

www.myfloridacfo.com/division/receiver. CMS sent notices to the members explaining the changes in coverage and providing information about their new prescription drug coverage. They should also have received a letter from their new Prescription Drug Plan. If you or your clients have any questions regarding the retroactive enrollment or the Prescription Drug Plan coverage, please call 1-800-MEDICARE (1-800-633-4227).

SPECIAL ELECTION PERIOD:

As a result of the receivership of PUP, all beneficiaries enrolled in PUP have a Special Election Period until August 31, 2014 to enroll in a plan of their choosing. All dual eligible or those eligible for the Low Income Subsidy can enroll in another plan at any time. A beneficiary that selects another Medicare Advantage or Medicare Advantage-Prescription Drug plan will be covered under the new plan effective the first day of the next month after they enroll. If you or your clients have any questions on these matters, please contact 1-800-MEDICARE (1-800-633-4227) for more information regarding these issues.

AGENT'S DUTIES IN LIQUIDATION/PREMIUMS AND UNEARNED COMMISSIONS:

The liquidation order legally imposes certain obligations on PUP's agents. In accordance with Section 631.155, Florida Statutes, and paragraph 16 on page 8 of the PUP Liquidation Order, all premiums and unearned commissions you may have collected on behalf of PUP must be accounted for and paid directly to the Receiver within 30 days. PUP paid agents on a monthly basis and had paid the agents for May 2014 prior to receivership so it is our understanding that there should not be any premiums or unearned commissions due to the Receiver. PLEASE NOTE: Since PUP's members were retroactively disenrolled from PUP effective June 1, 2014, no commissions are owed to agents for the month of June 2014.

CLAIMS FOR SERVICES PROVIDED ON AND AFTER JUNE 1, 2014:

Providers who have delivered services to members on and after June 1, 2014 should submit claims under Medicare Fee-for-Service.

CLAIMS FOR SERVICES PROVIDED PRIOR TO JUNE 1, 2014:

Claims for services or goods provided to or on behalf of the PUP members prior to 12:01 a.m. on June 1, 2014 must be filed with the Receiver on the Receiver's Proof of Claim Form in order to be considered for payment. **The deadline for filing claims in the PUP receivership proceeding is 11:59:59 p.m. on June 9, 2015.** At a later date, the Receiver will provide additional instructions to all known members, medical providers, agents, and other creditors of PUP regarding the filing requirements. These instructions will include information on how to submit medical claims information. In the interim, we have requested that all medical providers immediately discontinue routine electronic and paper medical claim billing on all PUP accounts for services rendered prior to June 1, 2014.

The procedure for the filing and evaluation of claims in a receivership is set out in Part I, Chapter 631, Florida Statutes. Assuming there are sufficient assets in the receivership, the Receiver will evaluate claims in order of their priority as set out in Section 631.271, Florida Statutes. This statute establishes

a system of priorities in paying claims. When the evaluation process has been completed, the Receiver will file a report with the Court setting out our recommendations as to the amounts, if any, which should be allowed on each of the claims evaluated. Notice of the Receiver's recommendations and the deadline for filing any objections to the recommendations will then be provided to the claimants. It is unlikely that claimants will receive any correspondence or other communication from the Receiver until that time unless the Receiver has questions regarding the claim which has been filed. This is because the Receiver is trying to minimize the claims' processing costs in order to maximize potential distribution to the claimants.

During the claims evaluation period, the Receiver also commences litigation and/or takes whatever other action is necessary to collect and maximize the assets of the receivership estate. Please note: it may be several years before distributions, if any, are made in this receivership. Distributions of assets are made on a pro rata basis in accordance with the priority of claims which is set out in Section 631.271, Florida Statutes. Those whose claims fall into lower priorities are paid only if there is money left after paying the higher priority claims. **It is too early in the receivership process for the Receiver to provide any estimate as to the timing and/or the pro rata percentage of the distributions, if any, which may be made in this receivership.**

PLEASE NOTE: Under Section 641.3154, Florida Statutes, members of a health maintenance organization are not liable to any provider of health care services for any services covered by the health maintenance organization. Additionally, health care providers and their representatives are prohibited from attempting to collect payment from the health maintenance organization's members for such services.

CONTACT INFORMATION:

For **Medicare** information: If you need more information regarding the retroactive Medicare enrollment, Medicare in general, other Medicare Advantage plans, or coverage options for the former PUP members from 12:01 a.m. on June 1, 2014, please visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. A Customer Service Representative will be able to answer your Medicare questions.

For **Medicare Supplement** information: If you need information regarding Medicare Supplement options, please contact the Department of Financial Services at 1-877-693-5236 (Florida only) or 850-413-3089.

For **Receivership** information: For additional information about the PUP Receivership, or about the receivership process in general, please contact the Receiver by calling the Florida Department of Financial Services at 1-800-882-3054 (Florida only) or 850-413-3081 or use the "Contact Us" form found on the Receiver's website at www.myfloridacfo.com/division/receiver.