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## **PREFERRED ADMINISTRATORS**

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January 15, 2015

RE: South Carolina Health Cooperative, Inc., a Multiple Employer Self Insured Health Plan in Rehabilitation

Dear Plan Participant:

As you are aware, the South Carolina Health Cooperative Inc. Welfare Benefit Plan "Plan" under which you and your dependents, if enrolled, were covered was placed in Receivership for the purpose of Rehabilitation by order of the Richland County Court of Common Pleas (Court) effective December 23, 2014. Your employer received notices regarding the status of the Plan on November 25, December 1, 2014 and most recently January 7, 2015. You can view these communications and other information pertaining to the ongoing Rehabilitation of the Plan at <http://doi.sc.gov/840/SCHC>.

At this time, the Receiver expects to distribute an initial payment representing part of the Plan's liability to your providers within the next 60 to 90 days. During the entirety of the rehabilitation process, providers are prohibited by the Court from all collection proceedings pending or contemplated against you as a plan participant or your employer. This action does not, however, relieve you of your responsibility to satisfy your portion of any covered claim. Your portion of a covered claim is determined by the cost sharing requirements under your particular plan of benefits and includes items such as the deductible and coinsurance. Uncovered claims are entirely your responsibility.

Preferred Administrators as the Claims Administrator for the Plan continues to process claims as they are presented by providers based on the plan of benefits. We have enclosed for your review the Explanation of Benefits "EOB's" for the claims we have processed to date for you and your dependents. A copy of these EOB's is also being sent to your applicable provider(s). This will ensure that you and your provider(s) are both fully aware of the claims that have been processed and the responsibility of the member as well as the Plan for each claim. You should review each of these EOB's and make plans to pay the portion of the claim(s) that is shown to be your responsibility to your provider.

Preferred Administrators is continuing to receive claims from providers and will continue to process these submissions in accordance with the schedule of benefits for claims incurred up through November 30, 2014. Claims for services after November 30, 2014 will be returned to the provider for their sending to your new carrier. Please be aware that the Plan's liability is solely limited from your employer's initial enrollment through the last month for which your employer remitted premium to the Plan. Most Members are paid through the Plan's termination date of November 30, 2014.

If you have any questions on these EOB's please feel free to contact Preferred Administrators.

We appreciate your support, patience and understanding as the Plan and the Receiver work through the Rehabilitation process and resolve unpaid claims and other administrative issues of the Plan.

Thank you



Preferred Administrators  
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CC Michael J. FitzGibbons, Special Deputy Receiver