



February 10, 2017

Re: HRINJ - Order of Liquidation entered February 3, 2017

Dear Provider:

As notified in September 2016, Freelancers CO-OP of New Jersey d/b/a Health Republic Insurance of New Jersey (HRINJ) was winding down its operations, and this was soon followed by an Order of Rehabilitation and declaration of insolvency on October 19, 2016.

QualCare was just recently notified by the New Jersey Department of Banking and Insurance (DOBI) that an Order of Liquidation was entered for HRINJ on February 3, 2017.

As a result of the liquidation, the New Jersey Life and Health Insurance Guaranty Association (Guaranty Association), was activated to, among other things, pay health care claims of eligible HRINJ members in accordance with the provisions and limitations of N.J.S.A. 17B:32A-1 et seq. (the "Guaranty Association Act").

The Association is a nonprofit association created to protect, subject to certain limitations, New Jersey residents and healthcare providers from hardship due to the insolvency of insurers licensed to write life, health and annuity business in the state.

The Guaranty Association Act, which created this Association, requires that in order for a health care provider to receive payment from the Association, the provider must forgive 20% of the obligation which would otherwise be paid by the insurer had it not been declared insolvent. The net payment to be received will reflect a 20% reduction, as well as the application of any network or out-of-network negotiated discounts. As always is the case with health benefits plans, the member's copay, coinsurance and deductible obligations will further reduce the payment to the provider. The provider retains all rights against the insured for copay, coinsurance and deductible amounts only up to the insured's maximum out-of-pocket limit.

We value your ongoing dedication and contribution to the QualCare Network and will continue to keep you apprised of any upcoming information related to HRINJ. We are working collectively with the Association to process any unpaid medical claims as quickly as possible.

If you have any questions, please contact QualCare customer service at 1-888-990-5706 or the Association at 732-345-5200.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Lagasca".

Jennifer J. Lagasca, Vice President
Network & Delivery Systems