



State of Utah

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Governor

SPENCER COX
Lieutenant Governor

Insurance Department

TODD E. KISER
Insurance Commissioner

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Arches Health Plan To Cease Operation

Insurer will undergo supervised runoff as it winds down existing policies

The Utah Insurance Department today announced that it will place Arches Health Plan in receivership. Receivership will allow the Insurance Commissioner to supervise the runoff of its existing policies. Utahns who have individual health policies through Arches should contact their insurance agent or visit Healthcare.gov during open enrollment, which begins on November 1.

"The Insurance Department has been working with Arches and the federal government to find solutions and a way for Arches to move forward. However, today all parties reached a united decision that placing Arches into receivership is the right course of action for the people of Utah," said Insurance Commissioner Todd E. Kiser.

The move to receivership is a consequence of a shortfall in the federal government's "risk corridor" program, which was intended to protect insurers from losses by reallocating funds between insurers. On October 1, the federal government announced that it is only able to pay a fraction of the funding that insurers, including co-ops like Arches, requested from the program.

Co-ops were created under the Affordable Care Act as non-profit health insurers to offer health insurance to individuals and small employer groups. They are required to participate on Healthcare.gov and small group marketplaces, like Utah's Avenue H, as well as the broader individual market. Arches is not the first co-op to enter receivership — Nevada, Colorado and Oregon, as well as six other states, have taken similar action with their co-ops in recent months.

"It is regrettable that the co-op model has not worked across the country," said Kiser. "I want to assure you that the Utah Insurance Department supports the state's free market and works to help businesses succeed. We are proactively working with other insurers and the federal government to fill the vacancy left by Arches, particularly in the rural areas of the state."

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The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov> or call toll free in-state at 1-800-439-3805 or locally at 801-538-3077.

Please note: Agency hours are 8am-5pm, Monday-Friday.

Frequently Asked Questions

What is "runoff"?

Runoff is the process of closing down an insurance company with the least possible effect on its policyholders. This means that Arches will cease taking on new customers while it fulfills the obligations of its current contracts and existing policies.

What will happen to my insurance?

You will need to purchase health insurance from another company prior to the end of your current plan year. If you have an individual plan, contact your insurance agent to help you select a new plan. Individuals can shop on Healthcare.gov or off-exchange, but are reminded that tax credits are only available through plans offered on Healthcare.gov. If you are on a group plan at work, talk with your human resources department.

Should I keep paying my premium?

Yes. You must keep paying your premium through the end of your plan year to keep your coverage. If you have an individual policy, your plan year ends December 31, 2015. You will need to enroll in new coverage effective January 1, 2016.

Will my claims still be paid?

As long as you have been paying your premium, any covered services or items that you receive prior to the end of your plan year will be paid by Arches in accordance with the terms of your policy.

Can I still see my regular doctor?

The Arches provider network should remain stable. As always, contact your insurer to verify if your healthcare provider is part of your plan's network. When you shop for your new health insurance plan, remember to verify that your providers and prescriptions are included on the plan you choose. Your insurance agent can help you determine the best plan to meet your needs.

Can my healthcare provider refuse to see me because of this?

No. All contracts between Arches and providers are valid and will remain in force through the end of your current plan year.

Who can I contact at the Utah Insurance Department if I have questions about my insurance?

Our Health Consumer Services group can be reached via their telephone hotline at 801-538-3077 or by email at health@utah.gov. Consumers may also want to contact Arches Health Plans at 855-858-4649 or info@archeshealth.org.