



Illinois Department of Insurance

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Illinois Department of Insurance Takes Claims to Federal Appellate Court on Behalf of Former Land of Lincoln Policy Holders *Director challenges CMS' withholding of federal payments to protect consumers*

Washington D.C. - Jennifer Hammer, the Director of the Illinois Department of Insurance (IDOI), has asked the United States Court of Appeals for the Federal Circuit in Washington D.C. to require the federal Centers for Medicare and Medicaid Services (CMS) to honor its statutory and contractual obligations to Land of Lincoln Mutual Health Insurance Company (LLH) under the federal Risk Corridor Program. LLH, now in liquidation because of CMS' breach of its obligations, was a cooperative start-up health insurer providing affordable health insurance to Illinois residents lacking access to government-provided or employer-provided health insurance.

Since 2014 CMS has refused to pay LLH approximately \$128 million to which it is entitled under the federal Risk Corridor Program, even though CMS has consistently recognized that liability as an obligation of the federal government. As a result, the IDOI was forced to put LLH into liquidation in September 2016, causing 50,000 Illinoisans to lose their health insurance with three months still left in their policy year.

Today a three-judge panel of the Federal Circuit Court of Appeals heard arguments from lawyers representing both LLH and the federal government. The Court of Appeals is expected to issue a written ruling within the next few months.

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