

AEU BENEFIT PLAN LIQUIDATION - FREQUENTLY ASKED QUESTIONS

Who filed the lawsuit seeking liquidation of AEU? The United States Department of Labor filed the lawsuit to protect the assets of the plan for its members and providers.

What Court is handling the litigation involving the liquidation of AEU? The Department of Labor's lawsuit was filed in federal court in Chicago, Illinois. The case number is 1:17-cv-07931-JHL-SMF. It is being handled by U.S. Federal District Court Judge Joan H. Lefkow and Magistrate Judge Sheila Finnegan.

Who is Receivership Management, Inc.? Receivership Management, Inc. (RMI) is the court appointed Independent Fiduciary.

Why did the Court place AEU in court ordered liquidation? Basically, the Court determined under the Employee Retirement Income Security Act of 1974 (ERISA) it was necessary for it to take action to prevent any unnecessary drain of AEU assets so it's assets can be used for unpaid claims.

Why did I receive a Medical Claims Determination Statement (MCDS)? As a member of the AEU Benefit Plan or a provider of medical services to a member of AEU Benefit Plan you received the MCDS as a part of the process of liquidating the AEU Benefit Plan. You have previously submitted medical claims, or a provider submitted claims on your behalf for payment of medical services.

What information is available on the MCDS? The MCDS shows the status of all unpaid claims to any of the third-party administrators of the AEU Benefit Plan. It explains how the claims were processed, the amount allowed for the claim, any amount disallowed for the claim, the discounts taken, the amount of the member's responsibility and the amount that was the responsibility of AEU before the liquidation.

Is there still time to disagree with what the MCDS says? No, unfortunately, it is too late. You were notified of the deadline and the deadline to object was November 28, 2018.

Do I as the member owe the provider the amount listed as my responsibility? Yes, you owe the medical provider the amount that is listed as your responsibility on the MCDS. The only exception will be if you filed a timely appeal by November 28, 2018 and the appeal is determined in your favor. If the appeal is not determined in

your favor, you will be responsible for the amount listed as due to the provider on your MCDS.

Why did I receive more than one MCDS? The AEU Benefit Plan used seven different administrators over its 2 ½ years of existence. Because data transition among the seven administrators was impracticable, you are receiving a MCDS reflecting the claims submitted to each of the seven different third-party administrators. You may receive multiple MCDS each with different unique tracking numbers.

Why is there no listing of the explanation codes and what the codes mean on the MCDS? An error in the printing of the MCDS resulting in the form not including a list of the definitions of the explanation codes referenced on the MCDS. These codes are listed on the website at www.receivershipmgmt.com/aeubenefitplan.htm

When will the appeals process of timely filed MCDS appeals be concluded? The process is ongoing. There are almost 1800 individual and providers who elected to appeal their MCDSs. We are carefully processing each appeal so it will take time. If you appealed, you should have received a letter confirming receipt of your appeal. You will be notified in writing of the decision. We cannot provide the status of an appeal by phone or email. We are working diligently on the appeals so you must wait for the written decision. We hope to begin issuing some determinations by early Spring.

How much will individuals and providers be paid for their claims? That has not yet been determined but it is clear we will be in a situation requiring payments to be significantly less than the amounts owed. The current estimated AEU claims liability is far more than the claims – it is now over \$63 Million with only \$10 Million that may be available to pay claims. As a result, any approved claims will only be paid on a pro-rata percentage basis from the funds available when approved distribution payments are actually made. A “pro-rata” distribution means we will only have enough AEU funds to be able to pay a portion, a percentage, of the total plan responsibility listed on any of your MCDS forms.

Are you working to locate additional assets? Yes. I number of asset recovery actions are on-going. It is unclear how much they may net to the AEU Benefit Plan at this time.

What is the status of when you expect payments to be issued?

The appeals process is on-going for the almost 1800 individuals and providers who elected to appeal their MCDS. The appeals process reviews certain additional items to be allowed and denied on provider and member MCDS(s). Appeal determinations do not trigger payment instead it determines the claims that will be eligible for pro rata payments when approved by the Court, including those shown above. The

liquidation/payment process is being addressed through the Court process. Ultimately, the Court will issue orders determining when payments are made and the percentage amount. This cannot be done until all appeals are complete so we will know the total amounts owed to Providers and Members. You should check our website at: <https://www.receivermgmt.com/aeubenefitplan-htm> for updates regarding the case and payment status.

Can the doctor or other medical provider attempt to collect against me regarding amounts owed by AEU Plan for services provided to me or a family member covered by the AEU plan? No, the Court’s prohibition on collection actions and litigation under the All Writs Act, 28 U.S.C. Sec. 1651 continues to apply to all AEU Plan Responsibility. This means there can be no collection action or litigation taken regarding any amounts listed on a Medical Claims Determination Statement (MCDS) as the responsibility of the AEU Plan, a discount or any claims under any appeal. Members are still responsible for their portion (generally deductibles, copays, co-insurance and non-covered services) as indicated on the MCDS unless they have appealed and win.

For example, below is one sample claim from an MCDS:

DOS	Source of info	Billed	Allowed	Discount	Member Responsibility	Plan Responsibility	Expl Code
8-16-17	83615	100.00	75.00	25.00	25.00 Co-pay	<i>50.00</i>	13 Discount applied

The Provider may only collect the \$25.00 co-pay from the Member. The remaining \$50.00 is AEU Plan responsibility *marked italics and red* and is covered by the All Writs Act until further orders of the Court.

What should I do if someone is attempting to collect against me for monies owed by AEU? If someone is attempting to collect monies owed by the AEU Plan in violation of the Court’s Order, you should provide the entity with a copy of the injunction order¹ by certified mail, return receipt requested and inform them you are not required under the Court’s order to pay AEU’s portion. If you have appealed your responsibility, you should also provide a copy of your appeal and proof it has been provided to RMI in your mailing to the entity attempting to collect from you. You may also copy RMI. You may have a private action to enforce the All Writs Act. You should contact a private attorney for advice. There are time limits within which action must be taken so seek legal counsel quickly. Receivership Management cannot represent you due to the limited assets and we do not represent individual members.

¹ The Order can be found at <https://www.receivermgmt.com/aeubenefitplan-htm>. Once you are on the page you will need to select the April 18, 2018 Order Approving Orderly Plan of Liquidation

What should I do if someone placed negative information on my credit report regarding a debt owed by AEU and not me? Such an action would also be covered by the stay and injunction covered by the prior question. If you or your dependent has had negative information placed on his/her credit report regarding a debt owed by the AEU Plan as discussed above such an action would also be prohibited by the stay and injunction. You can take steps without an attorney to dispute the incorrect information on your credit report. The Federal Trade Commission has helpful information on how to dispute an error on your credit report. The information is available on its website located at www.ftc.gov.

What can I do to help RMI in the process?

First, you check the website rather than call for an update. This permits our staff to work on appeals rather than answer questions.

When writing, please include your appeal number and tracking number this will save us time in locating the records related to your claim. You should also keep a complete record of your claim, review or appeal. Finally, only communicate with us via U.S. Mail, FedEx or UPS.

How can I find out any updates on the litigation a liquidation? The best place to find out the status is to go to:

<https://www.receivermgmt.com/aeubenefitplan-htm>

for updates regarding the case and payment status.