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Judge orders dismantling of MDNY Healthcare

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A state judge has ordered the liquidation of MDNY Healthcare, a Melville-based health insurance plan that began doing business over a decade ago and had about 20,000 enrollees when it shut down earlier this year.

The New York State Liquidation Bureau, an entity that works for the state Insurance Department, said it had been charged with liquidating the company on behalf of State Insurance Commissioner Eric Dinallo.

Dinallo was appointed receiver Thursday by State Supreme Court Justice Alice Schlesinger in Manhattan, said bureau spokesman Allen Morrison.

Under the order, the bureau takes over the company's assets and liabilities and normally attempts to pay off remaining debts to policyholders or other creditors using the assets. An automated telephone answering system at MDNY's office Friday afternoon said the offices were closed. It provided no option of leaving a message.

The Insurance Department said in December when MDNY notified it of plans to shut down that the company was stressed financially.

A health maintenance organization, MDNY was founded in 1995 by Long Island doctors who also owned the business. It served Nassau and Suffolk residents.