

Case No. _____

IN THE SUPREME COURT OF NEVADA

UNITE HERE HEALTH, a multi-employer health and welfare plan, as defined in ERISA Section 3(37); and NEVADA HEALTH SOLUTIONS, LLC, a Nevada limited liability company,

Petitioners,

vs.

EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN
AND FOR THE COUNTY OF CLARK, THE HONORABLE TARA CLARK
NEWBERRY, DISTRICT COURT JUDGE,

Respondent,

- and -

STATE OF NEVADA EX REL. COMMISSIONER OF INSURANCE,
BARBARA D. RICHARDSON, IN HER OFFICIAL CAPACITY AS
STATUTORY RECEIVER FOR DELINQUENT DOMESTIC INSURER,
NEVADA HEALTH CO-OP; and GREENBERG TRAURIG, LLP,

Real Parties in Interest.

District Court Case No. A-15-725244-C, Department XXI

**APPENDIX TO PETITION FOR EXTRAORDINARY WRIT RELIEF
VOLUME 2 OF 19**

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February 25, 2021

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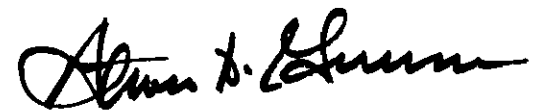
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TAB 10

TAB 10



CLERK OF THE COURT

1 **SR**

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12 **IN THE EIGHTH JUDICIAL DISTRICT COURT**
13 **CLARK COUNTY, NEVADA**

14 STATE OF NEVADA, EX REL.)	Case No. A-15-725244-C
15 COMMISSIONER OF INSURANCE, IN HER)	
16 OFFICIAL CAPACITY AS STATUTORY)	Dept. No. 1
17 RECEIVER FOR DELINQUENT DOMESTIC)	
18 INSURER,)	
Plaintiff,)	
VS.)	
19 NEVADA HEALTH CO-OP,)	
Defendant.)	
)	
)	
)	

22 **SIXTH STATUS REPORT**

23
24 COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as
25 Receiver of Nevada Health CO-OP ("NHC," or the "CO-OP"), and CANTILO & BENNETT, L.L.P.,
26 Special Deputy Receiver ("SDR" - SDR and the Commissioner as Receiver are referred to
27 collectively herein as "Receiver"), and file this Sixth Status Report in the above-captioned
28 receivership.

I. INTRODUCTION AND HISTORICAL BACKGROUND

The CO-OP is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization (“HMO”), with a Certificate of Authority granted by the State of Nevada Division of Insurance effective January 2, 2013. NHC is an Internal Revenue Code 501(c)(29) Qualified Non-Profit Health Insurance Issuer, entitled to tax exemption by the Internal Revenue Service. NHC was formed under a provision of the Patient Protection and Affordable Care Act (“ACA”) providing for the formation of Consumer Operated and Oriented Plans. Having received from the Centers for Medicare and Medicaid Services (“CMS”) of the United States Department of Health and Human Services (“HHS”) a start-up loan of \$17,080,047, and a “solvency” loan of \$48,820,349, NHC was required to operate as a non-profit, consumer-driven health insurance issuer for the benefit of the public. The CO-OP’s primary business was to provide ACA-compliant health coverage to residents of Nevada, and it operated its business for the benefit of Nevadans within the state, save for certain arrangements to provide nationwide health coverage to Nevadans traveling outside the state in certain circumstances. NHC began selling products on and off the Silver State Health Insurance Exchange (the “Exchange”) on January 1, 2014. Its products include individual, small group, and large group managed care coverages.

On October 1, 2015, this Court issued its Order Appointing the Acting Insurance Commissioner, Amy L. Parks as Temporary Receiver of NHC Pending Further Orders of the Court and Granting Temporary Injunctive Relief Pursuant to NRS 696B.270 (the “Temporary Receivership Order”). Further, on October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP (the “Permanent Receivership Order”), appointing the law firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in accordance with Chapter 696B of the Nevada Revised Statutes.

Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev informed interested parties of the substitution of Commissioner Barbara D. Richardson, in place and stead of former Acting Commissioner Amy L. Parks, as the Receiver of NHC. This

1 substitution of Receiver was subsequent to Commissioner Richardson's appointment as
2 Commissioner of Insurance for the State of Nevada.

3 This Court, through its Final Order Finding and Declaring Nevada Health CO-OP to be
4 Insolvent and Placing Nevada Health CO-OP into Liquidation (the "Final Order") dated
5 September 20, 2016, adjudged NHC to be insolvent on the grounds that it is unable to meet
6 obligations as they mature. The Final Order also authorized the Receiver to liquidate the
7 business of NHC and wind up its ceased operations pursuant to applicable Nevada law. The
8 Receiver has since transitioned the receivership estate from rehabilitation to liquidation.

9 The Receiver continues to file quarterly status reports as ordered by this Court.

10 **II. RECEIVERSHIP ADMINISTRATION**

11 **Receivership Administrative Services and Oversight**

12 CANTILO & BENNETT, L.L.P. as SDR of NHC, manages the receivership estate and
13 conducts its affairs. PALOMAR FINANCIAL, LC ("Palomar"), an affiliate of the SDR, performs
14 administration, information technology, and other related services for the Receiver under the
15 supervision of the SDR. The Receiver has included an informational copy, as Exhibit 1 to this
16 Sixth Status Report, of the invoices paid to the SDR and Palomar since the last status report
17 to this Court.

18 **Resolution of Outstanding Receivership Matters**

19 ***Pre-Liquidation Claims Adjudications and Data Inaccuracy Resolution***

20 NHC's staff continues the process of claims adjudications to adjudicate all new and
21 pending claims. Additionally, NHC's staff also continues to correct what inaccuracies remain
22 in NHC's enrollment databases. This enrollment evaluation is necessary to determine dates
23 of coverage for each member's medical care. The final evaluation of enrollment information
24 will also reconcile NHC's obligations to pay for member health care. NHC staff members
25 continue to keep interested parties informed of relevant updates concerning the status of their
26 claims, as well as any applicable deadlines.

27 Throughout the receivership, the Receiver has received reports that some plan
28 members were reported to collection agencies by healthcare providers. In cases where

collection efforts have taken place in violation of the Permanent Receivership Order, NHC staff members contact those providers and any related collection agencies to inform them of the Permanent Receivership Order and its moratorium on the payment of health claims. When necessary, the SDR sends a letter to such providers to advise them that their actions are in violation of the Permanent Receivership Order.

Continuation of Mandatory Regulatory Reporting to CMS

As explained in prior status reports, the Receiver and SDR continue to coordinate with CMS in the submission of essential data for the various regulatory reporting processes required for CO-OPs under the ACA. These submissions are also critical to NHC's right to claim amounts under the federal receivables programs for the CO-OP's revenues.

NHC remains a participant in several such programs, which include the following: Cost Sharing Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and the Risk Corridors. The expected receipt of these federal receivables is a key part of NHC's finances, and their receipt remains critical for future payments to NHC's creditors. The non-receipt of substantially all federal reimbursements for plan year 2015, including a material portion of reimbursements for plan year 2014, has greatly diminished NHC's assets and, therefore, its claims-paying ability.

Updates as to Current Status of Regulatory Submissions Projects

NHC Risk Adjustment and Federal Transitional Reinsurance data was submitted to CMS on May 2, 2016. Periodically, CMS inquires about particular subsets of this data, which the SDR continues to resolve. On June 30, 2016, CMS released its Summary Report on Transactional Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.¹ Per the report, for coverage year 2015, the CO-OP is owed a Federal Transitional Reinsurance payment of \$8,842,009.69 and net Risk Adjustment transfer of \$4,532,560.29. The 2015 Federal Transitional Reinsurance payment amount increased by \$4,601.65 to \$8,846,611.34 in the December 6, 2016, Amendment to the Summary Report on Transitional

¹ Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/June-30-2016-RA-and-RI-Summary-Report-5CR-063016.pdf>.

1 Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2015 Benefit
2 Year.²

3 The reporting related to the CSR Reconciliation program resulted in a net amount
4 owed by NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. NHC is working on an
5 updated CSR filing with CMS for 2017. The SDR is working with Truven Health Analytics to
6 prepare 2014 and 2015 CSR files in advance of the June 2, 2017, CMS deadline for CSR
7 submission. All issuers have the opportunity to submit their 2015 CSR files during this
8 submission window. NHC requested CMS permission to submit a 2014 CSR file as well.
9 After follow-up correspondence by the SDR, CMS granted NHC permission to submit an
10 updated 2014 CSR file. The deadline for the final submission of CSR data is June 2, 2017,
11 and CMS will notify issuers of reconciled amounts on June 30, 2017.

12 The second installment payment of the 2015 Federal Transitional Reinsurance ("FTR")
13 premium in the amount of \$195,660.30 was withdrawn by CMS from NHC's operating
14 account on November 15, 2016. NHC did not contest this transaction in order to preserve its
15 claims for reinsurance. However, NHC has requested a recalculation of the FTR premium
16 and partial refund based upon enrollment corrections. On January 6, 2017, CMS informed
17 NHC that its request does not meet the criteria to receive a refund. The SDR plans to
18 request additional clarification and may challenge this determination.

19 The 2015 Risk Corridors data submissions were reported by the deadline of August 1,
20 2016, and showed a significant receivable for the CO-OP. CMS originally requested a small
21 restatement to one line item in NHC's submission, which would have had a small impact
22 upon the amount owed to NHC. However, CMS then directed NHC not to make any
23 restatement(s) of the 2015 Risk Corridors or Medical Loss Ratio ("MLR") data in 2016.
24 Instead, CMS advised that a restatement of Risk Corridors and MLR data may be filed in
25 2017. After advising that the 2015 Risk Corridors and MLR data may be filed in 2017, CMS
26
27

28 ² Available at: https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/DDC_RevisedJune30thReport_v2_5CR_120516.pdf

1 provided different instructions on the re-filing of this data, and consequently, the SDR has
2 requested that CMS clarify its position on when and whether to re-file this data in 2017.

3 In regard to the original 2015 filing of the Risk Corridors, CMS confirmed that NHC is
4 owed \$29.9 million for its individual market and \$3.75M for its small group market.³ CMS has
5 previously announced that, based on its preliminary analysis, “. . . all 2015 benefit year
6 collections will be used towards remaining 2014 benefit year risk corridors payments, and no
7 funds will be available at this time for 2015 benefit year risk corridors payments.”⁴

8 In addition to balances due for year 2015, the CO-OP is still owed over \$9.5 million for
9 2014 Risk Corridors payments.⁵ CMS stated in its November 18, 2016, Risk Corridors report
10 that the expected payment towards NHC’s 2014 Risk Corridors amounts is only \$355,443.99.
11 However, CMS has also maintained the position that any new monies deemed owed to the
12 receivership estate are to be set-off against the amounts CMS asserts it is owed pursuant to
13 its decision to accelerate, and therefore declare presently due, the original funds loaned to
14 NHC.

15 NHC has made monthly submissions of Advance Premium Tax Credit (“APTC”) billing
16 data in accordance with CMS reporting requirements. The total of APTC payments received
17 from CMS is substantially less than what NHC billed CMS for 2015 APTC, and the SDR has
18 asserted a claim for the shortfall. NHC’s data indicates that CMS still owes NHC at least \$4.7
19 million for APTC. NHC is evaluating APTC data recently provided by CMS, but NHC’s
20 current data reflects that at least \$4.7 million is still owed by CMS. The SDR will be following
21 up with CMS in an attempt to resolve the APTC matter.

23 ³ DEP’T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
24 CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT
YEAR (November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>)

25 ⁴ DEP’T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
26 CCIIO MEMORANDUM, Risk Corridors Payments for 2015 (September 9, 2016) (available at:
<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-for-2015-FINAL.PDF>).

27 ⁵ DEP’T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
28 CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR BENEFIT YEAR 2014
(1, Table 29) (November 19, 2015) (stating CMS’ need to decrease, or “prorate,” amounts owed to issuers due
to budget shortfall, providing amounts owed to each issuer) (available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf>).

Use of Third-Party Contractors as Part of Business Operations

The Receiver utilizes the services of several third-party contractors that had been engaged before commencement of the receivership, and of two who were engaged after the receivership commenced to assist in management of NHC's affairs

The following is a list of independent contractors currently assisting the receivership:

1. Change Healthcare Solutions, LLC, to perform paper claims scanning services.
2. Eldorado, a division of Mphasis Corporation, to provide a hosting service for claims data and information.
3. The Jacobson Group, to provide claims adjustment and customer service staffing support.
4. Redcard, to perform check processing and delivery to health care providers, and delivery of Explanation of Benefit disclosures to plan members.
5. Truven Health Analytics, to provide services for the resubmission of CSR filings with CMS for calendar years 2014 and 2015.
6. ADP, to provide payroll support and processing for employee compensation and benefits.

Internal Administrative Matters Related to Wind Down

NHC maintains staff to address calls from interested parties regarding the recently approved proof of claim ("POC") process, other claim matters, and the collection of assets for the receivership. The Receiver also continues to determine and refund premium overpayments to members since such overpayments were not funds to which NHC was entitled and are therefore outside the normal claim process. Currently, the receivership estate has returned approximately \$151,789 in premium overpayments to members since January 1, 2016.

The wind down of NHC's 401(k) retirement plan continues, with the SDR having submitted to the Internal Revenue Service the Form 5310 for the retirement plan wind down. The Form 5310 filing seeks a tax determination letter that would permit the distribution of 401(k) assets to employees without the need for an expensive and time-consuming audit.

1 The Receiver also maintains an office for NHC's essential office staff⁶ in a smaller and less
2 expensive office space than was used by NHC before, and just after, the receivership. The
3 Receiver has not yet received disposition of the prior Form 5310 filing from the IRS, but such
4 determinations are not typically made until several months following a filing. The SDR
5 expects to receive a final disposition of this matter by later this year.

6 **Authorization from this Court to Hire Consultants for Various Purposes**

7 Previously, the Receiver filed a Motion to Approve Professional Fee Rates on an
8 Order Shortening Time, seeking from this Court the approval of the professional fee rates for
9 certain service providers deemed essential to receivership operations, as well as
10 authorization for the Receiver to include paid invoices with quarterly status reports to this
11 Court. Following a hearing which took place on January 10, 2017, this Court did enter an
12 Order dated January 17, 2017, which approved that Motion in all relevant respects. The
13 Receiver has been working with these professional firms regarding the receivership's affairs.

14 **Submission of Fees for *In-Camera* Review, Legal Authority Supporting Same**

15 The Receiver submits legal and expert consulting firm invoices as Exhibit 2 with this
16 Status Report filing. These invoices are in the form of summary bills that memorialize the
17 fees and costs of these legal and expert firms. The detailed time and billing entries of the
18 legal and expert firms have been submitted separately to the Court for its *in-camera*
19 review. The Receiver submits these invoices and related documentation for the *in-camera*
20 inspection by the Court to prevent the inappropriate disclosure of confidential and/or
21 privileged information. In this connection, courts have held that the bills of legal counsel and
22 experts may be withheld from legal discovery and are not subject to legal disclosure, as this
23 information may provide indications or context concerning potential litigation strategy and the
24 nature of the expert services being provided. See Avnet, Inc. v. Avana Technologies Inc.,
25 No. 2:13-cv-00929-GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that
26 billing entries were privileged because they reveal a party's strategy and the nature of
27

28 ⁶ Currently, NHC maintains sixteen full-time and two part-time employees.

1 services provided); Fed. Sav. & Loan Ins. Corp. v. Ferm, 909 F.2d 372, 374-75 (9th Cir.
2 1990) (considering whether or not fee information revealed counsel's mental impressions
3 concerning litigation strategy). Other courts that have addressed this issue have recognized
4 that the "attorney-client privilege embraces attorney time, records and statements to the
5 extent that they reveal litigation strategy and the nature of the services provided." Real v.
6 Cont'l Grp., Inc., 116 F.R.D. 211, 213 (N.D. Cal. 1986).

7 The *in-camera* review should apply not only to documentation concerning attorneys'
8 fees, but it also extends to "details of work revealed in [an] expert's work description [which]
9 would relate to tasks for which she [or he] was compensated[,]" a situation which is
10 "analogous to protecting attorney-client privileged information contained in counsel's bills
11 describing work performed." See DaVita Healthcare Partners, Inc. v. United States, 128 Fed.
12 Cl. 584, 592-93 (2016); see also Chaudhry v. Gallerizzo, 174 F.3d 394, 402 (4th Cir. 1999)
13 (recognizing that "correspondence, bills, ledgers, statements, and time records which also
14 reveal the motive of the client in seeking representation, litigation strategy, or the specific
15 nature of the services provided, such as researching particular areas of law," are protected
16 from disclosure) (quoting Clarke v. Am. Commerce Nat'l Bank, 974 F.2d 127, 129 (9th Cir.
17 1992)).⁷

18 **Commencement of Action against CMS to Settle Questions of Setoff as to**
19 **Mutual Obligations**

20 On March 16, 2017, Counsel for the Receiver filed in the United States District Court
21 for the District of Nevada a Complaint and Demand for Jury Trial (the "Complaint") against
22 the United States Department of Health and Human Services, the Centers for Medicare and
23 Medicaid Services, Thomas E. Price, M.D. in his capacity as the U.S. Secretary of Health and
24

25 ⁷ This outcome is also supported by, among other things, the 2010 Advisory Committee Note to
26 Federal Rules of Civil Procedure 26, which suggests that the proper focus of permitted discovery into expert
27 compensation concerns the compensation amount, not the tasks performed that led to compensation; the
28 objective of discovery into expert compensation "is to permit full inquiry into such potential source of bias" – not
a roving inquiry into litigation strategy as documented in invoices. Fed. R. Civ. P. 26, Advisory Committee Notes
on 2010 Amendment, ¶ 15 (noting that any "benefits to the expert" are discoverable).

1 Human Services, and the United States (the “Defendants”). Through this Complaint, the
2 Receiver seeks both judicial review of a final agency action made by Defendants and a
3 declaratory judgment as to Defendants’ right to set-off any monies claimed against NHC
4 through funds that HHS/CMS is statutorily obligated to pay to NHC. As has been reported to
5 this Court on several occasions, Defendants (via CMS) have provided notice to the Receiver
6 of their termination of the underlying Loan Agreement through which the CO-OP received its
7 funds under the ACA, declaring those loans immediately due and payable. Further, on March
8 6, 2016, HHS/CMS stated that an “administrative hold” on payables due to NHC had been
9 implemented at the request of the U.S. Department of Justice. As part of this chain of events,
10 on September 29, 2016, HHS/CMS claimed that approximately \$7 million had been offset
11 against funds payable to NHC from the outstanding amount of the start-up loan, and
12 prospectively asserted its “right” to offset future payables.

13 The Complaint therefore seeks relief in the form of a declaratory judgment which holds
14 that the federal government’s setoffs and prospective setoffs are unlawful under Nevada
15 state reserve requirements, solvency regulations, requisite surplus note requirements, and
16 other similar laws. As well, the Receiver seeks a declaration that both the start-up and
17 solvency loans given to NHC are subordinated to the claims of NHC’s policyholders and
18 subscriber members, that the debts the Defendants seek to set-off lack the requirement of
19 mutuality necessary to permit such a setoff, and that any such setoffs were and are improper.

20 **Post-Receivership Hardship Claim Payments Made by the Receiver of NHC**

21 The Receiver has thus far paid approximately \$8.4 million in hardship claim payments
22 to different health care providers or members for necessary pharmacological, psychological,
23 and health care services. These hardship claim payments to providers and/or members
24 concerned emergency services, vital prescription medicines, protection against instances of
25 balance billing, and medical or financial hardships. The SDR continues to utilize the
26 procedure developed and provided alongside the Fourth Status Report to adjudicate and
27
28

1 process these payments. The Receiver will allow hardship claim payments to continue
2 pursuant to this Court's prior order.⁸

3
4 **Post-Receivership Non-hardship Claim Payments to be Made by the Receiver of NHC**

5
6 Certain members and other providers have contacted receivership staff to inquire as to
7 when non-hardship claim payments will be made, and when the suspension on claims and
8 other general creditor payments will be lifted. There are two reasons why non-hardship claim
9 payments are now suspended and delayed from being paid by NHC. Both of these reasons
10 are because of CMS actions and delays that have had a substantial and harmful impact on
11 NHC's ability to pay claims. The Receiver of NHC would be paying non-hardship claim
12 payments (as currently authorized—or as may be further authorized by this Court) if it were
13 not for these CMS actions.

14 ***Reason Number 1 for Suspension and Claims Payment Delay***

15 NHC received approximately \$65.9 million of loans from CMS before receivership as
16 funds for the start-up and solvency of this health insurer. After receivership began, CMS
17 demanded loan repayment and asserted that such repayment was legally entitled to a super-
18 priority so that it had to be made before payment of any other claims against NHC other than
19 costs of administration. The Receiver is working to resolve this super-priority issue with CMS
20 and the United States Department of Justice. Unless this issue is resolved satisfactorily,
21 there is substantial uncertainty about the Receiver's ability to pay non-hardship claims.

22 ***Reason Number 2 for Suspension and Claims Payment Delay***

23 CMS placed "an administrative hold" on all reimbursements due NHC under the
24 federal receivables programs. The CMS reimbursements due NHC are in the tens of
25 millions. There is more than \$52.9 million due from CMS and the federal government for
26 federal receivables, not including APTC amounts, or at least \$57.7 million is due from CMS

27
28 ⁸ On February 24, 2016, this Court entered its Order Granting Special Deputy Receiver, Cantilo & Bennett, L.L.P.'s First Motion, on Order Shortening Time, for Order Authorizing Payments, and this Court Order authorized hardship claim payments by the Special Deputy Receiver.

1 when APTC is included. NHC's claim liabilities are also in the tens of millions, so federal
2 receivables from CMS are essential to the ability of the Receiver to make meaningful claims
3 payments. However, as discussed above, no payments (not even small ones) may be made
4 on non-hardship claims without resolution of CMS' assertion of federal super-priority for
5 payment of its loans before all other claims. According to CMS, the placement of the hold on
6 federal receivable reimbursements due NHC is because of the above-mentioned loans that
7 are now claimed due by CMS.

8 **Resolution of Proofs of Claim, Provision of Notices of Claim Determination,**
9 **Appeals**

10 The Receiver has implemented the POC process approved by this Court in its Final
11 Order Granting Other Relief Related to Receiver's Motion for Final Order Finding and
12 Declaring Nevada Health CO-OP to be Insolvent and Placing Nevada Health CO-OP into
13 Liquidation, and has already conducted general mailings and publication of necessary notices
14 to claimants and other interested parties.

15 The Claims Filing Deadline is April 28, 2017, and the SDR has so far received eighty-
16 eight POCs. A large number of these are incomplete or unable to be adjudicated for various
17 other reasons. The SDR has written to such claimants to inform them that their POCs cannot
18 be processed as submitted and, unless supplemented or amended by April 28, 2017, will be
19 denied and barred. The SDR will proceed with adjudicating POCs and mailing Notices of
20 Claim Determination ("NCDs") after the Claims Filing Deadline has passed.

21 **Claims for Which There Are Currently Insufficient Assets to Pay**

22 It does not appear at this time that there will be sufficient assets to pay claims beyond
23 those assigned a Class B priority pursuant to NRS 696B.420(1)(b). The SDR has received a
24 number of POCs that should be assigned to priority classes C through L, pursuant to NRS
25 696B.420(1)(c)-(l). The SDR will send such claimants NCDs that determine the priority of
26 their claims, which determination will be subject to appeal under the Receivership Appeal
27 Procedure ("RAP"). In order to conserve the assets of the estate, and per NRS 696B.330(4),
28 the SDR of NHC will refrain from reaching the merits of these claims until such time it

1 appears that assets will be available for distribution to that class. If additional assets later
2 become available for distribution to these claimants, the SDR will make a second claim
3 determination as to the merits of each claim and notify the claimants of such determination.

6 **Claims Asserted Against the Estate by Providers**

7 Health care providers are not required to use the POC form to submit their claims,
8 because NHC already has an existing process for receiving and processing such claims and
9 already has thousands of processed claims in its claim processing system. Providers are
10 required to have submitted all of their claims by the Claims Filing Deadline in the manner they
11 have previously submitted claims to NHC. Providers have been notified that they may
12 request a claim submission report from NHC to confirm that their claims are all present and
13 accounted for in NHC's claim processing database. NHC has provided a number of such
14 reports to providers. The pre-established procedures for processing claims in the normal
15 course of business of NHC still apply. For instance, claims filed for the first time more than
16 twelve (12) months after the date of service are considered late-filed claims by NHC and will
17 be denied unless the provider can show proof of timely filing. Thus, providers who file claims
18 between now and the April 28, 2017, Claims Filing Deadline will most likely be denied unless
19 the provider can show proof that they originally submitted the claim within NHC's timely-filing
20 window.

21 After the Claims Filing Deadline has passed, the SDR will prepare to send NCDs for
22 the provider claims. The SDR should begin reporting specific provider claim determinations
23 in the Seventh Status Report. After reporting claim determinations to the Court, the SDR will
24 begin mailing providers' NCDs. The provider NCD will show the amount the SDR has
25 approved to be paid for each claim, along with the member's responsibility portion of the
26 claim—which the provider may collect from the member without violating the Permanent
27 Receivership Order. For this reason, the member will also receive a copy of the NCD. When
28

1 issuing NCDs, the member and provider will be notified that they may appeal the
2 determination, with a copy of the RAP provided to each of them.

3 **Current Receivership Assets**

4 The Receiver's evaluation of the assets and liabilities of the CO-OP is ongoing, and
5 adjusted periodically to accommodate new authorized payments, receipts, and transfers.
6 Below is an overview of some key asset matters thus far identified by the Receiver (other
7 than those already mentioned herein):

8 1. The potential amount due from NHC's reinsurer will depend on claim approvals
9 by the Receiver that meet reinsurance coverage. The Receiver believes that substantial
10 amounts are due the CO-OP from PartnerRe America Insurance Company ("PartnerRe"), its
11 private reinsurer, with a portion of these claims now becoming due in light of the Order
12 placing NHC into liquidation. NHC has received a refund of \$374,513 for certain premiums
13 previously paid in 2014 under the PartnerRe reinsurance arrangement. The SDR has
14 coordinated with PartnerRe claims staff to make filings of reinsurance reimbursement claims
15 incurred in plan years 2014 and 2015 that are below or exceed the applicable triggering point
16 for reinsurance coverage, having completed that submission by year-end 2016. The SDR
17 has not yet received a response from PartnerRe concerning the reinsurance reimbursement.

18 2. The unrestricted cash assets of the CO-OP have fluctuated with post-
19 receivership expenses and claim payments, as well as with the Receiver's receipt of member
20 premiums. The unrestricted cash assets of the CO-OP as of February 28, 2017, were
21 approximately \$9,136,347. The majority of NHC's currently available and liquid assets have
22 been invested in a short-term bond mutual fund, with the remainder of such assets invested
23 in bank deposits. This amount does not take into account the \$766,978 (as of February 28,
24 2017) in restricted cash assets held in a statutory special deposit account for the benefit of
25 NHC's creditors.

26 3. The financial information of NHC in this Sixth Status Report provides estimates.
27 NHC's financials may materially vary depending upon the estate's receipt of the promised
28 federal receivables payments under the various ACA programs described in this report.

1 These figures will remain estimates until the estate receives clearer indications from CMS
2 and the federal government as to the amount and timing of any federal payments, as well as
3 the outcome of the recent lawsuit filed by the Receiver against CMS concerning the matter of
4 the administrative hold and asserted rights to setoff. As mentioned, the Receiver continues
5 work to resolve matters with CMS.

6 4. The Receiver is enclosing, as Exhibit 3 attached hereto, a cash flow report for
7 NHC for the time period covering the inception of the receivership through February 28, 2017.
8 This report reflects a summary of disbursements and collections made by NHC during this
9 period.

10 CONCLUSION

11 The Receiver has submitted this report in compliance with the Receivership Court's
12 instructions for a status report on NHC. The Receiver requests that the Court approve this
13 Sixth Status Report and the actions taken by the Receiver.

14 DATED this 5th day of April 2017.

15 Respectfully submitted:

16 Barbara D. Richardson, Commissioner of
17 Insurance of the State of Nevada, in her
18 Official Capacity as Statutory Receiver of
Delinquent Domestic Insurer

19 By: /s/ CANTILO & BENNETT, L.L.P.
20 Special Deputy Receiver
21 By Its Authorized Representative
Patrick H. Cantilo

22 Respectfully submitted by:

23 /s/ ERIC W. SWANIS
24 MARK E. FERRARIO, ESQ. (BAR NO. 1625)
ERIC W. SWANIS, ESQ. (BAR NO. 6840)
25 GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 N
Las Vegas, Nevada 89169

26 *Counsel for Barbara D. Richardson,*
27 *Commissioner of Insurance,*
28 *as the Permanent Receiver for*
Nevada Health CO-OP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 5th day of April 2017, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **SIXTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

**E-Service Master List
For Case**

**State of Nevada, ex rel Commissioner of Insurance, Plaintiff(s) vs. Nevada Health CO-OP,
Defendant(s)**

Attorney General's Office

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/s/ Andrea Lee Rosehill
An employee of Greenberg Traurig, LLP

EXHIBIT “1”

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December 21, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

July 1, 2016 - July 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
July 2016	21583- 21593 21582	\$116,355.50	\$ 8,526.60	\$124,882.10
<u>Totals (1)</u>		\$116,355.50	\$ 8,526.60	\$124,882.10

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
7/1/16 - 7/31/16**

		Billable Hours	Billable Rate	July 2016 Billing
1	Timekeeper - Patrick H. Cantilo	5.00	\$450.00	\$2,250.00
2	Timekeeper - Mark F. Bennett	41.55	\$375.00	\$15,581.25
3	Timekeeper - Kristen W. Johnson	157.40	\$175.00	\$27,545.00
4	Timekeeper - Josh O. Lively	126.40	\$175.00	\$22,120.00
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	73.50	\$200.00	\$14,700.00
7	Timekeeper - Law Clerks	39.05	\$85.00	\$3,319.25
8	Timekeeper - Isaiah Samaniego	140.50	\$100.00	\$14,050.00
9	TimeKeeper -- Pierre Riou	72.90	\$225.00	\$16,402.50
9	TimeKeeper -- Jeffrey L. Collins	3.10	\$125.00	\$387.50
	GRAND TOTAL	659.40		\$116,355.50

December 21, 2016
11:49 am

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
[pr 3]

Work Date 07/01/2016:07/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750000 General	0.50	187.50	0.00	0.00	
70750002 Legal	24.75	9,281.25	0.00	0.00	
70750003 Claims	1.15	431.25	0.00	0.00	
70750004 Financial Matters	3.45	1,293.75	0.00	0.00	
70750006 Provider Issues	0.30	112.50	0.00	0.00	
70750008 Company Administration	3.70	1,387.50	0.00	0.00	
70750010 CMS	3.45	1,293.75	0.00	0.00	
70750100 Asset Recovery	1.00	375.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	3.25	1,218.75	0.00	0.00	
Sub Total (MFB)	41.55	15,581.25	0.00	0.00*	
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	73.50	14,700.00	0.00	0.00	
Sub Total (ABS)	73.50	14,700.00	0.00	0.00*	
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750002 Legal	1.50	675.00	0.00	0.00	
70750010 CMS	3.00	1,350.00	0.00	0.00	
70750100 Asset Recovery	0.50	225.00	0.00	0.00	
Sub Total (PHC)	5.00	2,250.00	0.00	0.00*	
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750002 Legal	3.10	387.50	0.00	0.00	
Sub Total (JLC)	3.10	387.50	0.00	0.00*	
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	157.40	27,545.00	0.00	0.00	
Sub Total (KWJ)	157.40	27,545.00	0.00	0.00*	
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	5.50	962.50	0.00	0.00	
70750002 Legal	31.50	5,512.50	0.00	0.00	
70750003 Claims	7.00	1,225.00	0.00	0.00	
70750004 Financial Matters	6.90	1,207.50	0.00	0.00	
70750005 Asset Marshaling	16.25	2,843.75	0.00	0.00	
70750008 Company Administration	21.75	3,806.25	0.00	0.00	
70750100 Asset Recovery	37.50	6,562.50	0.00	0.00	
Sub Total (JOL)	126.40	22,120.00	0.00	0.00*	
SEM SARAH E. MOKAMKAR					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	39.05	3,319.25	0.00	0.00	
Sub Total (SEM)	39.05	3,319.25	0.00	0.00*	
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750002 Legal	10.70	2,407.50	0.00	0.00	
70750010 CMS	2.10	472.50	0.00	0.00	
70750100 Asset Recovery	22.80	5,130.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	37.30	8,392.50	0.00	0.00	
Sub Total (PJR)	72.90	16,402.50	0.00	0.00*	
IXS ISAIAS SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	140.50	14,050.00	0.00	0.00	
Sub Total (IXS)	140.50	14,050.00	0.00	0.00*	
Grand Total	659.40	116,355.50	0.00	0.00	

December 22, 2016
10:54 am

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1q]

Work Date 07/01/2016:07/31/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,376.00	0.00	1,376.00
	FD1A FEDERAL EXPRESS	0.00	25.12	0.00	25.12
	PK1A PARKING	0.00	345.00	0.00	345.00
	PO1E POSTAGE	0.00	28.50	0.00	28.50
	TA1A TRAVEL-AIRFARE	0.00	1,929.79	0.00	1,929.79
	TE1A TRANSPORTATION EXPENSE	0.00	1,587.52	0.00	1,587.52
	TH1A TRAVEL-HOTEL	0.00	1,838.40	0.00	1,838.40
	TL2E TELEPHONE	0.00	1,396.27	0.00	1,396.27
	Sub Total ()	0.00	8,526.60	0.00	8,526.60
	Grand Total	0.00	8,526.60	0.00	8,526.60

CANTILO & BENNETT, L.L.P.

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January 4, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

August 1, 2016 - August 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2016	21625- 21623 21623	\$118,391.25	\$ 7,336.01	\$125,727.26
Totals (1)		\$118,391.25	\$ 7,336.01	\$125,727.26

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
8/1/16 - 8/31/16**

		Billable Hours	Billable Rate	August 2016 Billing
1	Timekeeper - Patrick H. Cantilo	5.00	\$450.00	\$2,250.00
2	Timekeeper - Mark F. Bennett	57.85	\$375.00	\$21,693.75
3	Timekeeper - Kristen W. Johnson	146.00	\$175.00	\$25,550.00
4	Timekeeper - Josh O. Lively	173.00	\$175.00	\$30,275.00
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	20.20	\$200.00	\$4,040.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	164.50	\$100.00	\$16,450.00
9	TimeKeeper -- Pierre Riou	76.70	\$225.00	\$17,257.50
9	TimeKeeper -- Jeffrey L. Collins	7.00	\$125.00	\$875.00
	GRAND TOTAL	650.25		\$118,391.25

January 04, 2017
8:56 am

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
[pr 3]

Work Date 08/01/2016:08/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB	MARK F. BENNETT				
70750	Nevada Health CO-OP				
70750000	General	0.30	112.50	0.00	0.00
70750002	Legal	22.80	8,550.00	0.00	0.00
70750003	Claims	1.50	562.50	0.00	0.00
70750004	Financial Matters	4.75	1,781.25	0.00	0.00
70750006	Provider Issues	1.65	618.75	0.00	0.00
70750008	Company Administration	9.85	3,693.75	0.00	0.00
70750010	CMS	12.95	4,856.25	0.00	0.00
70750100	Asset Recovery	1.30	487.50	0.00	0.00
70750102	NHC vs. CMS Litigation	2.75	1,031.25	0.00	0.00
	Sub Total (MFB)	57.85	21,693.75	0.00	0.00*
ABS	ARATI BHATTACHARYA				
70750	Nevada Health CO-OP				
70750001	Takeover Administration	20.20	4,040.00	0.00	0.00
	Sub Total (ABS)	20.20	4,040.00	0.00	0.00*
PHC	PATRICK H. CANTILO				
70750	Nevada Health CO-OP				
70750010	CMS	4.50	2,025.00	0.00	0.00
70750103	Potential claims against Milliman	0.50	225.00	0.00	0.00
	Sub Total (PHC)	5.00	2,250.00	0.00	0.00*
JLC	JEFFREY L. COLLINS				
70750	Nevada Health CO-OP				
70750000	General	5.00	625.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.00	250.00	0.00	0.00
	Sub Total (JLC)	7.00	875.00	0.00	0.00*
KWJ	KRISTEN W. JOHNSON				
70750	Nevada Health CO-OP				
70750001	Takeover Administration	146.00	25,550.00	0.00	0.00
	Sub Total (KWJ)	146.00	25,550.00	0.00	0.00*
JOL	JOSHUA O. LIVELY				
70750	Nevada Health CO-OP				
70750001	Takeover Administration	18.25	3,193.75	0.00	0.00
70750002	Legal	47.00	8,225.00	0.00	0.00
70750004	Financial Matters	14.00	2,450.00	0.00	0.00
70750005	Asset Marshaling	10.75	1,881.25	0.00	0.00
70750008	Company Administration	21.75	3,806.25	0.00	0.00
70750100	Asset Recovery	15.75	2,756.25	0.00	0.00
70750103	Potential claims against Milliman	45.50	7,962.50	0.00	0.00
	Sub Total (JOL)	173.00	30,275.00	0.00	0.00*
PJR	PIERRE J. RIOU				
70750	Nevada Health CO-OP				
70750002	Legal	17.70	3,982.50	0.00	0.00
70750100	Asset Recovery	30.70	6,907.50	0.00	0.00
70750102	NHC vs. CMS Litigation	6.50	1,462.50	0.00	0.00
70750103	Potential claims against Milliman	21.80	4,905.00	0.00	0.00
	Sub Total (PJR)	76.70	17,257.50	0.00	0.00*
IXS	ISAIAH SAMANIEGO				
70750	Nevada Health CO-OP				
70750001	Takeover Administration	164.50	16,450.00	0.00	0.00
	Sub Total (IXS)	164.50	16,450.00	0.00	0.00*
Grand Total		650.25	118,391.25	0.00	0.00

Work Date 08/01/2016:08/31/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,296.00	0.00	1,296.00
	FD1A FEDERAL EXPRESS	0.00	25.94	0.00	25.94
	PK1A PARKING	0.00	391.00	0.00	391.00
	TA1A TRAVEL-AIRFARE	0.00	1,318.85	0.00	1,318.85
	TE1A TRANSPORTATION EXPENSE	0.00	1,149.82	0.00	1,149.82
	TH1A TRAVEL-HOTEL	0.00	1,733.70	0.00	1,733.70
	TL2E TELEPHONE	0.00	1,420.70	0.00	1,420.70
	Sub Total ()	0.00	7,336.01	0.00	7,336.01
	Grand Total	0.00	7,336.01	0.00	7,336.01

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
*A Texas Registered Limited Liability Partnership
Comprised of Professional Corporations*

11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758
www.cb-firm.com

Facsimile: (512) 404-6550

February 7, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

September 1, 2016 - September 30, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2016	21710- 22173	\$119,733.75	\$ 9,654.45	\$129,388.20
Totals (1)		\$119,733.75	\$ 9,654.45	\$129,388.20

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
9/1/16 - 9/30/16**

		Billable Hours	Billable Rate	September 2016 Billing
1	Timekeeper - Patrick H. Cantilo	11.50	\$450.00	\$5,175.00
2	Timekeeper - Mark F. Bennett	50.35	\$375.00	\$18,881.25
3	Timekeeper - Kristen W. Johnson	145.90	\$175.00	\$25,532.50
4	Timekeeper - Josh O. Lively	166.75	\$175.00	\$29,181.25
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	35.70	\$200.00	\$7,140.00
7	Timekeeper - Law Clerks	14.75	\$85.00	\$1,253.75
8	Timekeeper - Isaiah Samaniego	115.75	\$100.00	\$11,575.00
9	TimeKeeper -- Pierre Riou	89.70	\$225.00	\$20,182.50
9	TimeKeeper -- Jeffrey L. Collins	6.50	\$125.00	\$812.50
	GRAND TOTAL	636.90		\$119,733.75

February 07, 2017
4:04 pm

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
[pr 3]

Work Date 09/01/2016:09/30/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750002 Legal		22.50	8,437.50	0.00	0.00
70750003 Claims		1.05	393.75	0.00	0.00
70750004 Financial Matters		6.00	2,250.00	0.00	0.00
70750008 Company Administration		9.10	3,412.50	0.00	0.00
70750010 CMS		1.45	543.75	0.00	0.00
70750100 Asset Recovery		9.50	3,562.50	0.00	0.00
70750102 NHC vs. CMS Litigation		0.75	281.25	0.00	0.00
Sub Total (MFB)		50.35	18,881.25	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		35.70	7,140.00	0.00	0.00
Sub Total (ABS)		35.70	7,140.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750002 Legal		0.50	225.00	0.00	0.00
70750008 Company Administration		2.60	1,170.00	0.00	0.00
70750010 CMS		5.80	2,610.00	0.00	0.00
70750100 Asset Recovery		0.30	135.00	0.00	0.00
70750102 NHC vs. CMS Litigation		2.30	1,035.00	0.00	0.00
Sub Total (PHC)		11.50	5,175.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750000 General		4.50	562.50	0.00	0.00
70750102 NHC vs. CMS Litigation		2.00	250.00	0.00	0.00
Sub Total (JLC)		6.50	812.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		145.90	25,532.50	0.00	0.00
Sub Total (KWJ)		145.90	25,532.50	0.00	0.00*
KTO KYLE T. OSBORNE					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		4.25	361.25	0.00	0.00
70750102 NHC vs. CMS Litigation		10.50	892.50	0.00	0.00
Sub Total (KTO)		14.75	1,253.75	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		19.50	3,412.50	0.00	0.00
70750002 Legal		52.25	9,143.75	0.00	0.00
70750004 Financial Matters		20.00	3,500.00	0.00	0.00
70750005 Asset Marshaling		5.25	918.75	0.00	0.00
70750008 Company Administration		35.00	6,125.00	0.00	0.00
70750100 Asset Recovery		11.00	1,925.00	0.00	0.00
70750103 Potential claims against Milliman		23.75	4,156.25	0.00	0.00
Sub Total (JOL)		166.75	29,181.25	0.00	0.00*
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750002 Legal		18.70	4,207.50	0.00	0.00
70750010 CMS		71.00	15,975.00	0.00	0.00
Sub Total (PJR)		89.70	20,182.50	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		115.75	11,575.00	0.00	0.00
Sub Total (IXS)		115.75	11,575.00	0.00	0.00*
Grand Total		636.90	119,733.75	0.00	0.00

Work Date 09/01/2016:09/30/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,520.00	0.00	1,520.00
	MT1A MISCELLANEOUS	0.00	126.80	0.00	126.80
	PK1A PARKING	0.00	380.00	0.00	380.00
	PO1E POSTAGE	0.00	61.01	0.00	61.01
	TA1A TRAVEL-AIRFARE	0.00	2,518.79	0.00	2,518.79
	TE1A TRANSPORTATION EXPENSE	0.00	1,374.36	0.00	1,374.36
	TH1A TRAVEL-HOTEL	0.00	2,236.68	0.00	2,236.68
	TL2E TELEPHONE	0.00	1,436.81	0.00	1,436.81
	Sub Total ()	0.00	9,654.45	0.00	9,654.45
	Grand Total	0.00	9,654.45	0.00	9,654.45

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PALOMAR FINANCIAL, LC

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December 22, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

July 1, 2016 – July 31, 2016

Matter No. and Description	Fees	Costs	Total
July 2016	\$16,977.50	\$419.19	\$17,396.69
Totals (1)	\$16,977.50	\$419.19	\$17,396.69

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JULY 2016

		Billable Hours	Billable Rate	July 2016 Billing
1	TIME KEEPER - Nicole Wilkins	9.50	\$250.00	\$2,375.00
2	TIME KEEPER - Mike Loya	25.75	\$160.00	\$4,120.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Brenda Stewart	0.00	\$160.00	\$0.00
5	TIME KEEPER - Neda Khalaf	17.00	\$160.00	\$2,720.00
5	TIME KEEPER - Susan Roehm	41.75	\$150.00	\$6,262.50
6	TIME KEEPER - Gayathri Sivadasan	10.00	\$150.00	\$1,500.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	104.00		\$16,977.50

Palomar Financial, LC
07/01/2016-07/31/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	0.50	\$ 125.00
		Accounts Payable and Receivable	9.00	\$ 2,250.00
		Sub Total (NMW)	9.50	\$ 2,375.00
MJL	Mike Loya	Payroll & Employee Benefits	19.25	\$ 3,080.00
		Maintenance & Retrieval of Records Information	6.50	\$ 1,040.00
		Sub Total (MJL)	25.75	\$ 4,120.00
NK	Neda Khalaf	Accounts Payable and Receivable	17.00	\$ 2,720.00
		Sub Total (NK)	17.00	\$ 2,720.00
SER	Susan Roehm	Regulatory Responses/Compliance	28.75	\$ 4,312.50
		IT Support & Administration	13.00	\$ 1,950.00
		Sub Total (SER)	41.75	\$ 6,262.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	10	\$ 1,500.00
		Sub Total (GS)	10	\$ 1,500.00
	Grand Total		104.00	\$ 16,977.50

Palomar Financial, LC
Costs by Type
07/01/2016-07/31/2016
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
FD1A	Federal Express	Shipping	\$ 419.19
Grand Total			<u>\$ 419.19</u>

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January 4, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

August 1, 2016 – August 31, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2016	\$16,890.00	\$1,097.61	\$17,987.61
Totals (1)	\$16,890.00	\$1,097.61	\$17,987.61

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD AUGUST 2016

		Billable Hours	Billable Rate	August 2016 Billing
1	TIME KEEPER - Nicole Wilkins	7.55	\$250.00	\$1,887.50
2	TIME KEEPER - Mike Loya	26.25	\$160.00	\$4,200.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	19.00	\$160.00	\$3,040.00
5	TIME KEEPER - Susan Roehm	41.00	\$150.00	\$6,150.00
6	TIME KEEPER - Gayathri Sivadasan	10.75	\$150.00	\$1,612.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	104.55		\$16,890.00

Palomar Financial, LC
08/01/2016-08/31/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounts Payable and Receivable	7.55	\$ 1,887.50
		Sub Total (NMW)	7.55	\$ 1,887.50
MJL	Mike Loya	Payroll & Employee Benefits	23.75	\$ 3,800.00
		Maintenance & Retrieval of Records Information	2.50	\$ 400.00
		Sub Total (MJL)	26.25	\$ 4,200.00
NK	Neda Khalaf	Accounts Payable and Receivable	19.00	\$ 3,040.00
		Sub Total (NK)	19.00	\$ 3,040.00
SER	Susan Roehm	Regulatory Responses/Compliance	2.25	\$ 337.50
		Reports/Replies to Policyholders, Creditors, Other Parties	0.50	\$ 75.00
		Claims Matter	3.50	\$ 525.00
		IT Support & Administration	34.75	\$ 5,212.50
		Sub Total (SER)	41.00	\$ 6,150.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	10.75	\$ 1,612.50
		Sub Total (GS)	10.75	\$ 1,612.50
	Grand Total		104.55	\$ 16,890.00

Palomar Financial, LC
Costs by Type
08/01/2016-08/31/2016
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 288.00
PK1A	Parking	Takeover Administration	\$ 115.00
TA1A	Travel-Airfare	Takeover Administration	\$ 277.97
TH1A	Travel-Hotel	Takeover Administration	<u>\$ 416.64</u>
Grand Total			<u>\$ 1,097.61</u>

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Austin, Texas 78758



PALOMAR FINANCIAL, LC

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www.palomarfin.com

February 8, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

September 1, 2016 – September 30, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2016	\$16,285.00	\$0.00	\$16,285.00
Totals (1)	\$16,285.00	\$0.00	\$16,285.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD SEPTEMBER 2016

		Billable Hours	Billable Rate	September 2016 Billing
1	TIME KEEPER - Nicole Wilkins	10.40	\$250.00	\$2,600.00
2	TIME KEEPER - Mike Loya	25.75	\$160.00	\$4,120.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	19.00	\$160.00	\$3,040.00
5	TIME KEEPER - Susan Roehm	15.50	\$150.00	\$2,325.00
6	TIME KEEPER - Gayathri Sivadasan	28.00	\$150.00	\$4,200.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	98.65		\$16,285.00

Palomar Financial, LC
09/01/2016-09/30/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	0.40	\$ 100.00
		Accounts Payable and Receivable	9.80	\$ 2,450.00
		Bank Account Administration/Reconciliations	0.20	\$ 50.00
		Sub Total (NMW)	10.40	\$ 2,600.00
MJL	Mike Loya	Payroll & Employee Benefits	20.25	\$ 3,240.00
		Maintenance & Retrieval of Records Information	5.50	\$ 880.00
		Sub Total (MJL)	25.75	\$ 4,120.00
NK	Neda Khalaf	Accounts Payable and Receivable	19.00	\$ 3,040.00
		Sub Total (NK)	19.00	\$ 3,040.00
SER	Susan Roehm	Claims Matter	6.75	\$ 1,012.50
		IT Support & Administration	8.75	\$ 1,312.50
		Sub Total (SER)	15.50	\$ 2,325.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	28.00	\$ 4,200.00
		Sub Total (GS)	28.00	\$ 4,200.00
Grand Total			98.65	\$ 16,285.00

EXHIBIT “2”

SANTORO WHITMIRE

10100 W. Charleston Blvd.

Ste. 250

Las Vegas, NV 89135

Telephone (702) 948-8771

Attn: Mark Bennett
State of NV Division of Insurance, Receiver
NCIC/BIC Receivership
mfbennett@cb-firm., CO

Statement Date: January 31, 2017

Statement No. 12569

Account No. 871.01

Page: 1

Report Date: February 23, 2017

Previous Balance	Fees	Expenses	Advances	Payments	Balance
Nevada Health Co-Operative					
0.00	1,610.00	33.00	0.00	0.00	<u>\$1,643.00</u>

Please make checks payable to Santoro Whitmire.

We accept Visa, Master Card, Discover Card and American Express.

Payment may be made telephone 702-948-8771.

Tax ID 45-4396259

Billing inquiries may be emailed to billing@santoronevada.com

Please include this page with your remittance.

Status Report Exhibit Page 026

0171



Invoice No. : 4422228
File No. : 170678.010100
Bill Date : February 21, 2017

Nevada Health Cooperative in Receivershi
840 S. Rancho Drive
Suite 4-321
Las Vegas 89106

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: NHC in Receivership

Legal Services through January 31, 2017:

Total Fees: \$ 26,433.50

Expenses:

Conference Calls
Parking Charges

1.42
6.00

Total Expenses: \$ 7.42

Total Current Invoice: \$ 26,440.92

MEF/TKK
Tax ID: 13-3613083

Greenberg Traurig, LLP | Attorneys at Law | 3773 Howard Hughes Parkway | Suite 400 North | Las Vegas, Nevada 89169
Tel 702.792.3773 | Fax 702.792.9002 | www.gtlaw.com

MR. MARK E. BENNETT
CANTILLO & BENNETT, LLP
11401 CENTURY OAKS TERRACE, SUITE 300
AUSTIN, TX 78758

In reference to: NHC Review

Period: January 1, 2017 through January 31, 2017

Consultant	Hours	Hourly Rate	Fees for Current Period
Joseph J. DeVito	4.75	\$350.00	\$1,662.50
	Consulting Fees – NHC		\$1,662.50
	Total Due from NHC		\$1,662.50

EXHIBIT “3”

NEVADA HEALTH CO-OP

Cash Flow Analysis

Oct 2015 - Feb 2017

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,772,149
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	447,276
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	-
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Other	297,746
TOTAL SOURCES:	\$23,138,424

USES:

Medical Claims Q4 2015	(161,019)
Rx Claims Q4 2015	(7,599,195)
Risk Adjustment 2015	-
Medical PMPMs Q4	(\$43,967)
FTR Reinsurance Premium	(898,687)
Traditional Reins Premium Q4 2015	(547,319)
Premium Tax	(294,665)
Other Admin	(5,569,183)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Other	(2,190,687)
Professional Services	(1,888,530)

TOTAL USES:

(19,354,494)

Net cash increase for period

\$3,783,930

Ending Cash at end of February 28, 2017

\$ 9,136,347

*** Excl \$766,978 restricted US Bank bal February 28, 2017

TAB 11

TAB 11

POC FORM AND ACCOMPANYING INSTRUCTIONS

For Internal Office Use Only: POC # _____, Claim Type: _____, Date Received: _____

Claimant Name & Address	Policy Information (if applicable)
Name	Insured Name
Date of Birth SSN	Insured DOB
Company Name and Tax ID (if applicable) UNITE HERE HEALTH #23-7385560	Member ID
Street Address 711 North Commons Drive	Coverage Date(s)
City/State/Zip Aurora, IL 60504	Alternate Contact Name & Telephone No.
Phone (630) 236-5100 E-Mail dpatel@uniteherehealth.org	Andrea Flaherty (630) 236-5163
If Claimant is represented by an attorney, please complete this section and attach copy of Power of Attorney	
Name of Attorney & Attorney's Firm	Bar Card No.
Street Address	Tax ID No.
City/State/Zip	Ph.
E-mail Address	Fax

All claims submitted to the Special Deputy Receiver ("SDR") shall set forth in reasonable detail: (1) the amount of each of the claims; (2) the facts and basis upon which each of the claims and claim amounts is based; and (3) the priority level for the claims being submitted to the SDR (*i.e.*, "priorities" mean a secured creditor claim, a policyholder claim, an unsecured general creditor claim, etc.). All such claims must be verified by the claimant's affidavit, or someone authorized to act on behalf of the claimant and having knowledge of the facts (and must include adequate documentation). All claims and documentation supportive of each of the claims should be submitted to the SDR. The SDR reserves the right to request additional documentation, as needed, to make a determination of your claim. Health Care Providers ("Providers"), such as physicians or hospitals, are exempt from using this POC form for existing claims that they have already filed with NHC or new claims that they may file. Providers should not submit the POC form for their claims, but should closely review the POC Instructions for detailed guidance regarding deadlines and submission requirements for Provider claims. See the pages that follow for the POC Instructions to use when completing this POC form and for information about Provider claims.

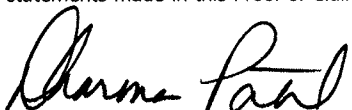
Explanation of Claim:

(Attach additional pages if necessary)


Services were provided to the Nevada Health CO-OP (NHC) by UNITE HERE HEALTH (UHH) under an Administrative Services Agreement and Executive Services Agreements. A final reconciliation of the services provided to NHC is ongoing and the parties continue to exchange correspondence and documents. The exact amount of the UHH claim is not yet known. The supporting documentation for the UHH claim is voluminous and will be provided to NHC upon request.

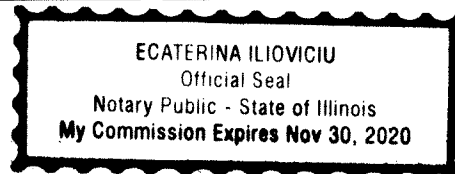
State of Illinois §
County of DuPage §

Unless otherwise expressly noted in this Proof of Claim Form, I alone am entitled to file this Proof of Claim Form, no others have an interest in the claims being submitted through this Proof of Claim Form, no payments have been made on the claim or claims herein submitted, no third party is liable on this debt, the sums claimed in this Proof of Claim Form are justly owing, and there is no set-off or other defense to the payment of this claim. I declare, under penalty of perjury, that all of the statements made in this Proof of Claim Form and all the documents attached to this form are true, complete, and correct.


Signature of Claimant or Authorized Agent
Dharma Patel, General Counsel
Printed Name

Sworn to and subscribed before me this 27th day of April 2017.


Notary Public Signature



NOTE: ATTACH DOCUMENTATION TO SUPPORT YOUR CLAIM.

PROOF OF CLAIM INSTRUCTIONS

READ CAREFULLY BEFORE COMPLETING THE PROOF OF CLAIM FORM

Use this Proof of Claim (“**POC**”) form to make your claim against the receivership estate of Nevada Health CO-OP (“**NHC**”). By accurately completing this form, you make your claim for payment and help the Special Deputy Receiver (“**SDR**”) properly consider your claim. *It is very important that you complete all the sections applicable to you, and sign and return the form to the SDR as provided below. Forms that are incomplete or inaccurate may result in a delay or denial of your claim.* The SDR will review your claim and determine whether you are entitled to any claim payment.

A POC FORM MUST BE COMPLETED, SIGNED, AND RECEIVED BY NHC ON OR BEFORE APRIL 28, 2017 (THE “CLAIMS DEADLINE”). ANY POC SENT BY U.S. MAIL WILL BE DEEMED TIMELY FILED SO LONG AS IT IS RECEIVED WITHIN THREE BUSINESS DAYS AFTER THE CLAIMS DEADLINE. FAILURE TO TIMELY FILE YOUR POC BEFORE THE CLAIMS DEADLINE WILL CAUSE YOUR CLAIM TO BE CLASSIFIED AS LATE AND MADE INELIGIBLE FOR A DISTRIBUTION OF ASSETS, IF ANY, FROM NHC. CLAIMS MUST BE NON-CONTINGENT AND LIQUIDATED IN AMOUNT BY THE DEADLINE TO SHARE IN NHC’S ASSETS.

To complete this form, please follow these instructions:

Provide your full name, permanent address, telephone number, and (if you have e-mail access) your e-mail address. You must notify the SDR in writing of any change in mailing address or telephone number that occurs during the receivership.

1. The “Claimant” is the person/entity believed to be owed money by NHC. You must provide the Claimant’s name and Social Security number and/or Tax ID number on the POC form. The POC form must also be signed and dated. Claims filed by business organizations must be signed by an authorized representative, and the capacity of the signatory must be stated on the claim form. A power of attorney must be attached if an attorney is signing this form on behalf of a client.

Health Care Providers (“Providers”), such as physicians or hospitals, are exempt from being required to use the POC form for existing claims that they already have filed with NHC or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed so long as they comply with the pre-established procedures for processing claims in the normal course of business of NHC (e.g., in most cases, claims filed for the first time more than 12 months after the date of service are considered late-filed claims by NHC and may be denied by the SDR for this reason). New claims of Providers must be filed with NHC by the Claims Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC, and will still be subject to all pre-established NHC claim processing requirements and deadlines. Providers should not use this POC form for the submission of new claims. New Provider claims filed after the Claims Deadline will be considered late-filed claims and are ineligible for payment. PROVIDERS SHOULD NOT SUBMIT DUPLICATE CLAIMS (i.e., claims that have been previously submitted to NHC), as this will delay the processing time for all of their claims. However, you may re-submit claims that require correction. Providers who have received any partial claim payment are not required to submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified by NHC in receivership.

Providers should contact 1-855-606-2667 or e-mail POC@NevadaHealthCoop.org to verify that all their claims have been submitted and are being processed.

PROOF OF CLAIM INSTRUCTIONS

READ CAREFULLY BEFORE COMPLETING THE PROOF OF CLAIM FORM

For all claims other than Providers, new claims must be submitted by the Claims Deadline by using this POC form and following these instructions. Claims received after the Claims Deadline will be considered late-filed claims and ineligible for payment.

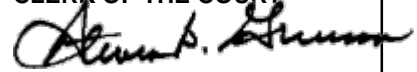
2. If you are a **Member** filing your own claims, please note all bills must be itemized showing dates of service and type(s) of service rendered. If you previously assigned your claim to a medical provider, another person or entity, please provide the SDR a copy of the assignment.
3. Claims for healthcare services rendered in 2016 or later should not be submitted to NHC. As announced on August 25, 2015, NHC ceased providing health coverage effective January 1, 2016. All NHC policies were terminated by December 31, 2015.
4. **YOU MUST INCLUDE DOCUMENTATION SUPPORTING YOUR CLAIM.** A claim may be disallowed partially or entirely if it fails to adequately describe or document the claim. All supporting documentation must be submitted to the Receiver of NHC before the Claims Deadline.
5. To reduce expenses to the receivership estate, the SDR will not be sending acknowledgement of receipt of the POC forms. You will, however, receive notice of any decision on your claim at the address you have provided to the SDR on the POC form. If you have a change of address after submitting your POC form, you must update the SDR so that you will continue to receive correspondence regarding your claim. Claimants may contact 1-855-606-2667 or e-mail [**POC@NevadaHealthCoop.org**](mailto:POC@NevadaHealthCoop.org) to verify that all their POCs have been received by the SDR.
6. The receivership estate may only pay part of approved claims based on NHC's available assets.
7. If applicable, you must disclose all deposits, cash, premiums, securities, trust funds, letters of credit, or other assets of NHC you hold, control, or expect to receive from anyone other than NHC. Agents or brokers must submit an accounting of all premiums and commissions held at the time plans were terminated.
8. After you complete the POC form, review the completed form, sign in front of a Notary Public, and date. Failure to properly complete the POC form according to these instructions may cause your claim to be delayed or disallowed. It is recommended that you return the POC form using Certified Mail, Return Receipt Requested, or another method providing proof of delivery. Please retain a copy for your records, and submit the form to:

Nevada Health CO-OP
ATTN: Special Deputy Receiver/POC
840 S. Rancho Drive #4-321
Las Vegas, Nevada 89106

You may also submit your POC form by e-mail, to [**POC@nevadahealthcoop.org**](mailto:POC@nevadahealthcoop.org), so long as the e-mail includes an executed and sworn (*i.e.* signed and notarized) proof of claim. Claimants submitting by e-mail may wish to contact NHC to confirm that their POC form was received, particularly if they have attached large files. Claimants are responsible for assuring that their claims are received by the above deadline!

TAB 12

TAB 12



1 **SR**

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14 *Counsel for Barbara D. Richardson,*
15 *Commissioner of Insurance,*
16 *as the Permanent Receiver for*
17 *Nevada Health CO-OP*

18 **IN THE EIGHTH JUDICIAL DISTRICT COURT**
19 **CLARK COUNTY, NEVADA**

20 STATE OF NEVADA, EX REL.)	Case No. A-15-725244-C
21 COMMISSIONER OF INSURANCE, IN HER)	
22 OFFICIAL CAPACITY AS STATUTORY)	Dept. No. 1
23 RECEIVER FOR DELINQUENT DOMESTIC)	
24 INSURER,)	
25)	
26 Plaintiff,)	
27)	
28 vs.)	
29)	
30 NEVADA HEALTH CO-OP,)	
31)	
32 Defendant.)	
33)	
34)	
35)	

36 **SEVENTH STATUS REPORT**

37 COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as
38 Receiver of Nevada Health CO-OP ("NHC," or the "CO-OP"), and CANTILO & BENNETT, L.L.P.,
39 Special Deputy Receiver ("SDR" - SDR and the Commissioner as Receiver are referred to
40 collectively herein as "Receiver"), and file this Seventh Status Report in the above-captioned
41 receivership.

I. INTRODUCTION AND HISTORICAL BACKGROUND

The CO-OP is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization (“HMO”), with a Certificate of Authority granted by the State of Nevada Division of Insurance effective January 2, 2013. NHC is an Internal Revenue Code 501(c)(29) Qualified Non-Profit Health Insurance Issuer, entitled to tax exemption by the Internal Revenue Service. NHC was formed under a provision of the Patient Protection and Affordable Care Act (“ACA”) providing for the formation of Consumer Operated and Oriented Plans. Having received from the Centers for Medicare and Medicaid Services (“CMS”) of the United States Department of Health and Human Services (“HHS”) a start-up loan of \$17,080,047, and a “solvency” loan of \$48,820,349, NHC was required to operate as a non-profit, consumer-driven health insurance issuer for the benefit of the public. The CO-OP’s primary business was to provide ACA-compliant health coverage to residents of Nevada, and it operated its business for the benefit of Nevadans within the state, save for certain arrangements to provide nationwide health coverage to Nevadans traveling outside the state in certain circumstances. NHC began selling products on and off the Silver State Health Insurance Exchange (the “Exchange”) on January 1, 2014. Its products include individual, small group, and large group managed care coverages.

On October 1, 2015, this Court issued its Order Appointing the Acting Insurance Commissioner, Amy L. Parks as Temporary Receiver of NHC Pending Further Orders of the Court and Granting Temporary Injunctive Relief Pursuant to NRS 696B.270 (the “Temporary Receivership Order”). Further, on October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP (the “Permanent Receivership Order”), appointing the law firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in accordance with Chapter 696B of the Nevada Revised Statutes.

Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev informed interested parties of the substitution of Commissioner Barbara D. Richardson, in place and stead of former Acting Commissioner Amy L. Parks, as the Receiver of NHC. This

1 substitution of Receiver was subsequent to Commissioner Richardson's appointment as
2 Commissioner of Insurance for the State of Nevada.

3 This Court, through its Final Order Finding and Declaring Nevada Health CO-OP to be
4 Insolvent and Placing Nevada Health CO-OP into Liquidation (the "Final Order") dated
5 September 20, 2016, adjudged NHC to be insolvent on the grounds that it is unable to meet
6 obligations as they mature. The Final Order also authorized the Receiver to liquidate the
7 business of NHC and wind up its ceased operations pursuant to applicable Nevada law. The
8 Receiver has since transitioned the receivership estate from rehabilitation to liquidation.

9 The Receiver continues to file quarterly status reports as ordered by this Court.

10 **II. RECEIVERSHIP ADMINISTRATION**

11 **Receivership Administrative Services and Oversight**

12 CANTILO & BENNETT, L.L.P. as SDR of NHC, manages the receivership estate and
13 conducts its affairs. PALOMAR FINANCIAL, LC ("Palomar"), an affiliate of the SDR, performs
14 administration, information technology, and other related services for the Receiver under the
15 supervision of the SDR. The Receiver has included an informational copy, as Exhibit 1 to this
16 Seventh Status Report, of the invoices paid to the SDR and Palomar since the last status
17 report to this Court.

18 **Resolution of Outstanding Receivership Matters**

19 ***Pre-Liquidation Claims Adjudications and Data Inaccuracy Resolution***

20 NHC's staff continues the process of claims adjudications to adjudicate all new and
21 pending claims. Additionally, NHC's staff also continues to correct what inaccuracies remain
22 in NHC's enrollment databases. This enrollment evaluation is necessary to determine dates
23 of coverage for each member's medical care. The final evaluation of enrollment information
24 will also reconcile NHC's obligations to pay for member health care.

25 During the receivership, the Receiver has received reports that some plan members
26 were reported to collection agencies by healthcare providers. In cases where collection
27 efforts have taken place in violation of the Permanent Receivership Order, NHC staff
28 members contact those providers and any related collection agencies to inform them of the

1 Permanent Receivership Order and its moratorium on the payment of health claims. When
2 necessary, the SDR has also sent letters to such providers to advise them that their direct
3 collection actions violate the Permanent Receivership Order.

4 ***Continuation of Mandatory Regulatory Reporting to CMS***

5 As explained in prior status reports, the Receiver and SDR continue to coordinate with
6 CMS in the submission of essential data for the various regulatory reporting processes
7 required for CO-OPs under the ACA. These submissions are also critical to NHC's right to
8 claim amounts under the federal receivables programs for the CO-OP's revenues.

9 NHC remains a participant in several such programs, which include the following: Cost
10 Sharing Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk
11 Adjustment, and the Risk Corridors. The expected receipt of these federal receivables is a
12 key part of NHC's finances, and their receipt remains critical for future payments to NHC's
13 creditors. The non-receipt of substantially all federal reimbursements for plan year 2015,
14 including a material portion of reimbursements for plan year 2014, has greatly diminished
15 NHC's assets and, therefore, its claims-paying ability.

16 ***Updates as to Current Status of Regulatory Submissions Projects***

17 NHC Risk Adjustment and Federal Transitional Reinsurance data was submitted to
18 CMS on May 2, 2016. Periodically, CMS inquires about particular subsets of this data, which
19 the SDR continues to resolve. On June 30, 2016, CMS released its Summary Report on
20 Transactional Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit
21 Year.¹ Per the report, for coverage year 2015, the CO-OP is owed a Federal Transitional
22 Reinsurance payment of \$8,842,009.69 and net Risk Adjustment transfer of \$4,532,560.29.
23 The 2015 Federal Transitional Reinsurance payment amount increased by \$4,601.65 to
24 \$8,846,611.34 in the December 6, 2016, Amendment to the Summary Report on Transitional
25 Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2015 Benefit
26 Year.²

27 ¹ Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/June-30-2016-RA-and-RI-Summary-Report-5CR-063016.pdf>.

28 ² Available at: https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/DDC_RevisedJune30thReport_v2_5CR_120516.pdf

1 In 2016, the reporting related to the CSR Reconciliation program resulted in a net
2 amount owed by NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. At the beginning
3 of June 2017, the SDR submitted amended filings to CMS of the 2014 and 2015 CSRs,
4 resulting in NHC owing an adjusted balance to CMS of \$482,948.54 rather than
5 \$3,579,359.65—or a reduction in NHC liability of \$3,096,411.11.

6 The 2015 Risk Corridors data submissions were reported by the deadline of August 1,
7 2016. CMS originally requested a small restatement to one line item in NHC's submission,
8 which would have had a small impact upon the amount owed to NHC. However, CMS then
9 directed NHC not to make any restatement(s) of the 2015 Risk Corridors or Medical Loss
10 Ratio ("MLR") data in 2016. Instead, CMS advised that a restatement of Risk Corridors and
11 MLR data may be filed in 2017. The SDR has decided that it would not be worthwhile to do
12 further work on making further restatements to Risk Corridors and MLR data; thus, the
13 balances for these matters should now be final.

14 In regard to the final amount for the 2015 Risk Corridors, CMS confirmed that NHC is
15 owed \$29.9 million for its individual market and \$3.75M for its small group market.³ CMS has
16 previously announced that, based on its preliminary analysis, ". . . all 2015 benefit year
17 collections will be used towards remaining 2014 benefit year risk corridors payments, and no
18 funds will be available at this time for 2015 benefit year risk corridors payments."⁴

19 In addition to balances due for year 2015, the CO-OP is still owed over \$9.5 million for
20 2014 Risk Corridors payments.⁵ CMS stated in its November 18, 2016, Risk Corridors report
21 that the expected payment towards NHC's 2014 Risk Corridors amounts is only \$355,443.99.
22

23 ³ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES, CCIIO
24 MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT YEAR
(November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>)

25 ⁴ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES, CCIIO
26 MEMORANDUM, Risk Corridors Payments for 2015 (September 9, 2016) (available at:
<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-for-2015-FINAL.PDF>).

27 ⁵ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES, CCIIO
28 MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR BENEFIT YEAR 2014 (1,
Table 29) (November 19, 2015) (stating CMS' need to decrease, or "prorate," amounts owed to issuers due to
budget shortfall, providing amounts owed to each issuer) (available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf>).

1 However, CMS has also maintained the position that any new monies deemed owed to the
2 receivership estate are to be set-off against the amounts CMS asserts it is owed pursuant to
3 its decision to accelerate, and therefore declare presently due, the original funds loaned to
4 NHC.

5 NHC has made monthly submissions of Advance Premium Tax Credit ("APTC") billing
6 data in accordance with CMS reporting requirements. The total of APTC payments received
7 from CMS is substantially less than what NHC billed CMS for 2015 APTC, and the SDR has
8 asserted a claim for the shortfall. CMS and NHC currently do not agree on APTC balances
9 due for years 2014 and 2015. The SDR will advise CMS that NHC may file an amended
10 APTC for year 2014. Currently, the SDR is working to gather and analyze data for member
11 enrollments and terminations in calendar year 2014. The APTC balance that may be due
12 NHC for years 2014 and 2015 is undetermined until the SDR further evaluates 2014
13 enrollment and termination information for members.

14 **Use of Third-Party Contractors as Part of Business Operations**

15 The Receiver utilizes the services of several third-party contractors that had been
16 engaged before commencement of the receivership, and some of them were engaged after
17 the receivership commenced to assist in management of NHC's affairs.

18 The following is a list of independent contractors currently assisting the receivership:

- 19 1. Change Healthcare Solutions, LLC, to perform paper claims scanning services.
- 20 2. Eldorado, a division of Mphasis Corporation, to provide a hosting service for
21 claims data and information.
- 22 3. The Jacobson Group, to provide claims adjustment and customer service
23 staffing support.
- 24 4. Redcard, to perform check processing and delivery to health care providers,
25 and delivery of Explanation of Benefit disclosures to plan members.
- 26 5. Truven Health Analytics, to provide services for the resubmission of CSR
27 filings with CMS for calendar years 2014 and 2015.
- 28

1 6. ADP, to provide payroll support and processing for employee compensation
2 and benefits.

3 **Internal Administrative Matters Related to Wind Down**

4 NHC maintains staff to address calls from interested parties regarding the recently
5 approved proof of claim ("POC") process, other claim matters, and the collection of assets for
6 the receivership. The Receiver also continues to determine and refund premium
7 overpayments to members since such overpayments were not funds to which NHC was
8 entitled and are therefore outside the normal claim process. Currently, the receivership
9 estate has returned approximately \$166,076.67 in premium overpayments to members since
10 January 1, 2016.

11 The wind down of NHC's 401(k) retirement plan continues, with the SDR having
12 submitted to the Internal Revenue Service the Form 5310 for the retirement plan wind down.
13 The Form 5310 filing seeks a tax determination letter that would permit the distribution of
14 401(k) assets to employees without the need for an expensive and time-consuming audit.
15 The Receiver also maintains an office for NHC's essential office staff⁶ in a smaller and less
16 expensive office space than was used by NHC before, and just after, the receivership. The
17 Receiver has not yet received disposition of the prior Form 5310 filing from the IRS, and the
18 IRS has recently requested additional information regarding the 401(k) wind down, which the
19 SDR will soon provide. The SDR expects to receive a final disposition of this matter by later
20 this year.

21 **Authorization from this Court to Hire Consultants for Various Purposes**

22 Previously, the Receiver filed a Motion to Approve Professional Fee Rates on an
23 Order Shortening Time, seeking from this Court the approval of the professional fee rates for
24 certain service providers deemed essential to receivership operations, as well as
25 authorization for the Receiver to include paid invoices with quarterly status reports to this
26 Court. Following a hearing which took place on January 10, 2017, this Court did enter an
27 _____

28 ⁶ Currently, NHC maintains sixteen full-time and two part-time employees.

Order dated January 17, 2017, which approved that Motion in all relevant respects. The Receiver has been working with these professional firms regarding the receivership's affairs.

Submission of Fees for *In-Camera* Review, Legal Authority Supporting Same

The Receiver submits legal and expert consulting firm invoices as Exhibit 2 with this Status Report filing. These invoices are in the form of summary bills that memorialize the fees and costs of these legal and expert firms. The detailed time and billing entries of the legal and expert firms have been submitted separately to the Court for its *in-camera* review. The Receiver submits these invoices and related documentation for the *in-camera* inspection by the Court to prevent the inappropriate disclosure of confidential and/or privileged information. In this connection, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation strategy and the nature of the expert services being provided. See Avnet, Inc. v. Avana Technologies Inc., No. 2:13-cv-00929-GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy and the nature of services provided); Fed. Sav. & Loan Ins. Corp. v. Ferm, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent that they reveal litigation strategy and the nature of the services provided." Real v. Cont'l Grp., Inc., 116 F.R.D. 211, 213 (N.D. Cal. 1986).

The *in-camera* review should apply not only to documentation concerning attorneys' fees, but it also extends to "details of work revealed in [an] expert's work description [which] would relate to tasks for which she [or he] was compensated[,]" a situation which is "analogous to protecting attorney-client privileged information contained in counsel's bills describing work performed." See DaVita Healthcare Partners, Inc. v. United States, 128 Fed. Cl. 584, 592-93 (2016); see also Chaudhry v. Gallerizzo, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers, statements, and time records which also

1 reveal the motive of the client in seeking representation, litigation strategy, or the specific
2 nature of the services provided, such as researching particular areas of law,” are protected
3 from disclosure) (quoting Clarke v. Am. Commerce Nat’l Bank, 974 F.2d 127, 129 (9th Cir.
4 1992)).⁷

5 **Recent Motions Filed with the Court**

6 On June 8, 2017, Counsel for the Receiver filed with this Court a “Motion for Order of
7 Release of Special Deposit and All Accrued Interest Thereon to the Receiver.” If approved
8 by the Court, the NHC special deposit amount of approximately \$767,823 would be released
9 to the custody of the Receiver. This motion is set for hearing on July 10, 2017.

10 On June 20, 2017, Counsel for the Receiver filed with this Court a “Motion for
11 Instructions for ESI Protocol and Protective Order,” regarding management of electronically
12 stored information and protection from disclosure of private healthcare information. If
13 approved, the ESI Protocol would govern how records are stored, provided, and protected in
14 any future receivership litigation. This motion is set for hearing on July 24, 2017.

15 **Commencement of Action against CMS to Settle Questions of Setoff as to Mutual** 16 **Obligations**

17 On March 16, 2017, Counsel for the Receiver filed in the United States District Court
18 for the District of Nevada a Complaint and Demand for Jury Trial (the “Complaint”) against
19 the United States Department of Health and Human Services, the Centers for Medicare and
20 Medicaid Services, Thomas E. Price, M.D. in his capacity as the U.S. Secretary of Health and
21 Human Services, and the United States (the “Defendants”). Through this Complaint, the
22 Receiver seeks both judicial review of a final agency action made by Defendants and a
23 declaratory judgment as to Defendants’ right to set-off any monies claimed against NHC
24 through funds that HHS/CMS is statutorily obligated to pay to NHC. As has been reported to

25 ⁷ This outcome is also supported by, among other things, the 2010 Advisory Committee Note to Federal Rules
26 of Civil Procedure 26, which suggests that the proper focus of permitted discovery into expert compensation
27 concerns the compensation amount, not the tasks performed that led to compensation; the objective of
28 discovery into expert compensation “is to permit full inquiry into such potential source of bias” – not a roving
inquiry into litigation strategy as documented in invoices. Fed. R. Civ. P. 26, Advisory Committee Notes on
2010 Amendment, ¶ 15 (noting that any “benefits to the expert” are discoverable).

1 this Court on several occasions, Defendants (via CMS) have provided notice to the Receiver
2 of their termination of the underlying Loan Agreement through which the CO-OP received its
3 funds under the ACA, declaring those loans immediately due and payable. Further, on March
4 6, 2016, HHS/CMS stated that an “administrative hold” on payables due to NHC had been
5 implemented at the request of the U.S. Department of Justice. As part of this chain of events,
6 on September 29, 2016, HHS/CMS claimed that approximately \$7 million had been offset
7 against funds payable to NHC from the outstanding amount of the start-up loan, and
8 prospectively asserted its “right” to offset future payables.

9 The Complaint therefore seeks relief in the form of a declaratory judgment which holds
10 that the federal government’s setoffs and prospective setoffs are unlawful under Nevada
11 state reserve requirements, solvency regulations, requisite surplus note requirements, and
12 other similar laws. As well, the Receiver seeks a declaration that both the start-up and
13 solvency loans given to NHC are subordinated to the claims of NHC’s policyholders and
14 subscriber members, that the debts the Defendants seek to set-off lack the requirement of
15 mutuality necessary to permit such a setoff, and that any such setoffs were and are improper.

16 Pursuant to an Order entered on May 18, 2017, the parties agreed to the following
17 briefing schedule for the United States forthcoming Motion to Dismiss:

- 18 1. Defendants’ Motion to Discuss is to be filed no later than June 29, 2017.
- 19 2. Plaintiff’s Response is to be filed no later than August 14, 2017.
- 20 3. Defendants’ Reply is to be filed no later than September 20, 2017.

21 **Notice of Claim Determination to CMS**

22 In response to a proof of claim filed by CMS against the NHC receivership estate
23 before expiration of the April 28, 2017, claims filing deadline, a notice of claim determination
24 was issued by the SDR to CMS on June 14, 2017, making the following claim determinations:

- 25 a. CMS claims are have priority no higher than NRS § 696B.420(1)(d) (“Class D”).
- 26 b. Federal law, including 31 U.S.C. § 3713, does not give CMS a claim priority
27 higher than Class D with respect to NHC’s assets or in the NHC liquidation
28 proceeding.

- c. Under federal and state law, including NRS 696B.440, CMS claims may not be properly set off “against debts owed to NHC by the United States.”
- d. Any set off of amounts claimed by the U.S., if set off against amounts owed to NHC, would impermissibly elevate the U.S. claims above their statutory priority level.
- e. Any set off of amounts claimed by the U.S., if set off against amounts owed to NHC, would violate the NHC permanent receivership order.
- f. The CMS claims are not entitled to secured creditor claim priority to the extent they are subject to a set off by a claim of NHC against the U.S.
- g. It appears at this time that the receivership estate has insufficient assets to pay NHC claims with priority lower than Class B. Thus, the Receiver makes no determination right now as to the following: (1) the merit of the CMS claim, (2) the amount claimed, or (3) whether the CMS claim would have a Class D or lower priority.
- h. No claim received after the NHC claims deadline, if not rendered absolute, is allowed to participate in a share of NHC’s assets. Thus, any later or additional claim by CMS will be deemed a late filed claim for which NHC is not liable. The purported claim reservation of the U.S. to assert later determined claims is therefore ineffective.

CMS has not yet provided any response to the aforementioned notice of claim determination sent on June 14, 2017.

Post-Receiverhsip Hardship Claim Payments Made by the Receiver of NHC

The Receiver has thus far paid approximately \$8.4 million in hardship claim payments to different health care providers or members for necessary pharmacological, psychological, and health care services. These hardship claim payments to providers and/or members concerned emergency services, vital prescription medicines, protection against instances of balance billing, and medical or financial hardships. The SDR continues to utilize the procedure developed and provided alongside the Fourth Status Report to adjudicate and

1 process these payments. The Receiver will allow hardship claim payments to continue
2 pursuant to this Court's prior order.⁸

3 **Post-Receivership Non-hardship Claim Payments to be Made by the Receiver of NHC**

4 Certain members and other providers have contacted receivership staff to inquire as to
5 when non-hardship claim payments will be made, and when the suspension on claims and
6 other general creditor payments will be lifted. There are two reasons why non-hardship claim
7 payments are now suspended and delayed from being paid by NHC. Both of these reasons
8 are because of CMS actions and delays that have had a substantial and harmful impact on
9 NHC's ability to pay claims. The Receiver of NHC would be paying non-hardship claim
10 payments (as currently authorized—or as may be further authorized by this Court) if it were
11 not for these CMS actions.

12 ***Reason Number 1 for Suspension and Claims Payment Delay***

13 NHC received approximately \$65.9 million of loans from CMS before receivership as
14 funds for the start-up and solvency of this health insurer. After receivership began, CMS
15 demanded loan repayment and asserted that such repayment was legally entitled to a super-
16 priority so that it had to be made before payment of any other claims against NHC other than
17 costs of administration. The Receiver tried without success to resolve this super-priority
18 issue with CMS and the United States Department of Justice. Until this issue is resolved,
19 there is substantial uncertainty about the Receiver's ability to pay non-hardship claims.

20 ***Reason Number 2 for Suspension and Claims Payment Delay***

21 CMS placed "an administrative hold" on all reimbursements due NHC under the
22 federal receivables programs. The CMS reimbursements due NHC are in the tens of
23 millions. Approximately \$56 million is due from CMS and the federal government for federal
24 receivables, not including APTC amounts that are currently in dispute between CMS and
25 NHC. NHC's unpaid claim liabilities are also in the tens of millions, so federal receivables
26 from CMS are essential to the ability of the Receiver to make meaningful claims payments.

27 _____
28 ⁸ On February 24, 2016, this Court entered its Order Granting Special Deputy Receiver, Cantilo & Bennett,
L.L.P.'s First Motion, on Order Shortening Time, for Order Authorizing Payments, and this Court Order
authorized hardship claim payments by the Special Deputy Receiver.

1 However, as discussed above, no payments (not even small ones) may be made on non-
2 hardship claims without resolution of CMS' assertion of federal super-priority for payment of
3 its loans before all other claims. According to CMS, the placement of the hold on federal
4 receivable reimbursements due NHC is because of the above-mentioned loans that are now
5 claimed due by CMS.

6 **Resolution of Proofs of Claim, Provision of Notices of Claim Determination, Appeals**

7 The Receiver has implemented the POC process approved by this Court in its Final
8 Order Granting Other Relief Related to Receiver's Motion for Final Order Finding and
9 Declaring Nevada Health CO-OP to be Insolvent and Placing Nevada Health CO-OP into
10 Liquidation, and has already conducted general mailings and publication of necessary notices
11 to claimants and other interested parties.

12 The Claims Filing Deadline was April 28, 2017, and the SDR received 131 POCs. A
13 large number of these are incomplete or unable to be adjudicated for various other reasons,
14 and the SDR has notified various claimants of claim deficiencies. The SDR will continue
15 adjudicating POCs and mailing notices of claim determination ("NCDs").

16 **Claims for Which There Are Currently Insufficient Assets to Pay**

17 It does not appear at this time that there will be sufficient assets to pay claims beyond
18 those assigned a Class B priority pursuant to NRS 696B.420(1)(b). The SDR has received a
19 number of POCs that should be assigned to priority classes C through L, pursuant to NRS
20 696B.420(1)(c)-(l). In such instances, the SDR will send claimants NCDs that determine the
21 priority of their claims, which determination will be subject to appeal under the Receivership
22 Appeal Procedure ("RAP"). In order to conserve the assets of the estate, and per
23 NRS696B.330(4), the SDR of NHC will refrain from reaching the merits of these claims until
24 such time it appears that assets will be available for distribution to that class. If additional
25 assets later become available for distribution to these claimants, the SDR will make a second
26 claim determination as to the merits of each claim and notify the claimants of such
27 determination.

28 **Claims Asserted Against the Estate by Providers**

1 Health care providers are not required to use the POC form to submit their claims,
2 because NHC already has a pre-existing process for receiving and processing such claims,
3 having thousands of such processed claims already in its claim processing system.
4 Providers were required to use (and most did use) the pre-existing claims process to submit
5 their claims before the Claims Filing Deadline.

6 The SDR will be preparing NCDs to send providers for their claims. After reporting
7 claim determinations to the Court, the SDR will begin mailing providers' NCDs. The provider
8 NCD will show the amount the SDR has approved to be paid for each claim, along with the
9 member's responsibility portion of the claim—which the provider may collect from the
10 member without violating the Permanent Receivership Order. For this reason, the member
11 will also receive a copy of the NCD. Members and providers may appeal NCDs in
12 accordance with the RAP.

13 **Current Receivership Assets**

14 The Receiver's evaluation of the assets and liabilities of the CO-OP is ongoing, and
15 adjusted periodically to accommodate new authorized payments, receipts, and transfers.
16 Below is an overview of some key asset matters thus far identified by the Receiver (other
17 than those already mentioned herein):

18 1. Before year-end 2014, the Receiver submitted a reinsurance claim to Partner
19 Re based on 2015 claims information. In April and May 2017, Partner Re paid the Receiver a
20 total of \$787,352.41 in satisfaction of NHC's reinsurance claims. The Receiver has submitted
21 a recent additional claim to Partner Re of approximately \$3,000, and this appears to be the
22 full amount due from Partner Re at this time. The Receiver will submit further claims to
23 Partner Re if the attachment point of reinsurance coverage is reached in the future.

24 2. The unrestricted cash assets of the CO-OP have fluctuated with post-
25 receivership expenses and claim payments, as well as with the Receiver's receipt of member
26 premiums. The unrestricted cash assets of the CO-OP as of June 27, 2017, were
27 approximately \$8,107,817. The majority of NHC's currently available and liquid assets have
28 been invested in a short-term bond mutual fund, with the remainder of such assets invested

1 in bank deposits. This amount does not take into account the \$767,823 (as of June 27, 2017)
2 in restricted cash assets held in a statutory special deposit account for the benefit of NHC's
3 creditors.

4 3. The financial information of NHC in this Seventh Status Report provides
5 estimates. NHC's financials may materially vary depending upon the estate's receipt of the
6 promised federal receivables payments under the various ACA programs described in this
7 report. These figures will remain estimates until the estate receives clearer indications from
8 CMS and the federal government as to the amount and timing of any federal payments, as
9 well as the outcome of the recent lawsuit filed by the Receiver against CMS concerning the
10 matter of the administrative hold and asserted rights to setoff. As mentioned, the Receiver
11 continues work to resolve matters with CMS.

12 4. The Receiver is enclosing, as Exhibit 3 attached hereto, a cash flow report for
13 NHC for the time period covering the inception of the receivership through May 31, 2017.
14 This report reflects a summary of disbursements and collections made by NHC during this
15 period.

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CONCLUSION

The Receiver has submitted this report in compliance with the Receivership Court's instructions for a status report on NHC. The Receiver requests that the Court approve this Seventh Status Report and the actions taken by the Receiver.

DATED this 6th day of July 2017.

Respectfully submitted:

Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her Official Capacity as Statutory Receiver of Delinquent Domestic Insurer

By: /s/ CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
By Its Authorized Representative
Patrick H. Cantilo

Respectfully submitted by:

/s/ Eric W. Swanis

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*Counsel for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 6th day of July 2017, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **SEVENTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

**E-Service Master List
For Case**

**State of Nevada, ex rel Commissioner of Insurance, Plaintiff(s) vs. Nevada Health CO-OP,
Defendant(s)**

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/s/ Joyce Heilich
 An employee of Greenberg Traurig, LLP

EXHIBIT “1”

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March 23, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

October 1, 2016 - October 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
October 2016	21770- 21771 21773- 21787	\$127,508.75	\$ 9,105.98	\$136,614.73
Totals (1)		\$127,508.75	\$ 9,105.98	\$136,614.73

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
10/1/16 - 10/31/16**

		Billable Hours	Billable Rate	October 2016 Billing
1	Timekeeper - Patrick H. Cantilo	9.50	\$450.00	\$4,275.00
2	Timekeeper - Mark F. Bennett	63.00	\$375.00	\$23,625.00
3	Timekeeper - Kristen W. Johnson	145.00	\$175.00	\$25,375.00
4	Timekeeper - Josh O. Lively	157.25	\$175.00	\$27,518.75
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	19.90	\$200.00	\$3,980.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	140.00	\$100.00	\$14,000.00
9	TimeKeeper -- Pierre Riou	121.60	\$225.00	\$27,360.00
9	TimeKeeper -- Jeffrey L. Collins	11.00	\$125.00	\$1,375.00
	GRAND TOTAL	667.25		\$127,508.75

Work Date 10/01/2016:10/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750	Nevada Health CO-OP				
70750002	Legal	16.95	6,366.25	0.00	0.00
70750003	Claims	4.75	1,781.25	0.00	0.00
70750004	Financial Matters	5.00	1,875.00	0.00	0.00
70750006	Provider Issues	0.50	187.50	0.00	0.00
70750008	Company Administration	4.90	1,837.50	0.00	0.00
70750009	Lease Issues	0.25	93.75	0.00	0.00
70750010	CMS	8.85	3,318.75	0.00	0.00
70750100	Asset Recovery	18.50	6,937.50	0.00	0.00
70750201	Partner Re	3.30	1,237.50	0.00	0.00
	Sub Total (MFB)	63.00	23,625.00	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	19.90	3,980.00	0.00	0.00
	Sub Total (ABS)	19.90	3,980.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750	Nevada Health CO-OP				
70750002	Legal	0.50	225.00	0.00	0.00
70750008	Company Administration	7.00	3,150.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.00	900.00	0.00	0.00
	Sub Total (PHC)	9.50	4,275.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750	Nevada Health CO-OP				
70750000	General	9.25	1,156.25	0.00	0.00
70750102	NHC vs. CMS Litigation	1.75	218.75	0.00	0.00
	Sub Total (JLC)	11.00	1,375.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	145.00	25,375.00	0.00	0.00
	Sub Total (KWJ)	145.00	25,375.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	29.75	5,206.25	0.00	0.00
70750002	Legal	38.75	6,781.25	0.00	0.00
70750004	Financial Matters	21.75	3,806.25	0.00	0.00
70750005	Asset Marshaling	1.25	218.75	0.00	0.00
70750008	Company Administration	8.75	1,531.25	0.00	0.00
70750100	Asset Recovery	10.00	1,750.00	0.00	0.00
70750103	Potential claims against Milliman	20.00	3,500.00	0.00	0.00
70750200	Reinsurance General	8.00	1,400.00	0.00	0.00
70750201	Partner Re	19.00	3,325.00	0.00	0.00
	Sub Total (JOL)	157.25	27,518.75	0.00	0.00*
PJR PIERRE J. RIOU					
70750	Nevada Health CO-OP				
70750002	Legal	1:30	292.50	0.00	0.00
70750010	CMS	113.10	25,447.50	0.00	0.00
70750100	Asset Recovery	7.20	1,620.00	0.00	0.00
	Sub Total (PJR)	121.60	27,360.00	0.00	0.00*
IXS ISIAH SAMANIEGO					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	140.00	14,000.00	0.00	0.00
	Sub Total (IXS)	140.00	14,000.00	0.00	0.00*
Grand Total		667.25	127,508.75	0.00	0.00

March 23, 2017
3:11 pm

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 10/01/2016-10/31/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,440.00	0.00	1,440.00
	FD1A FEDERAL EXPRESS	0.00	32.48	0.00	32.48
	MT1A MISCELLANEOUS	0.00	50.00	0.00	50.00
	PK1A PARKING	0.00	345.00	0.00	345.00
	PO1E POSTAGE	0.00	131.71	0.00	131.71
	TA1A TRAVEL-AIRFARE	0.00	2,500.80	0.00	2,500.80
	TE1A TRANSPORTATION EXPENSE	0.00	998.80	0.00	998.80
	TH1A TRAVEL-HOTEL	0.00	2,077.08	0.00	2,077.08
	TL2E TELEPHONE	0.00	1,530.11	0.00	1,530.11
	Sub Total ()	0.00	9,105.98	0.00	9,105.98
Grand Total		0.00	9,105.98	0.00	9,105.98

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March 31, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

November 1, 2016 - November 30, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
November 2016	21805- 21816	\$114,601.25	\$ 7,162.62	\$121,763.87
Totals (1)		\$114,601.25	\$ 7,162.62	\$121,763.87

Cantilo & Bennett, L.L.P.

NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
11/1/16 - 11/30/16

		Billable Hours	Billable Rate	November 2016 Billing
1	Timekeeper - Patrick H. Cantilo	7.80	\$450.00	\$3,510.00
2	Timekeeper - Mark F. Bennett	50.70	\$375.00	\$19,012.50
3	Timekeeper - Kristen W. Johnson	131.10	\$175.00	\$22,942.50
4	Timekeeper - Josh O. Lively	153.25	\$175.00	\$26,818.75
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	63.60	\$200.00	\$12,720.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	124.75	\$100.00	\$12,475.00
9	TimeKeeper -- Pierre Riou	71.10	\$225.00	\$15,997.50
9	TimeKeeper -- Jeffery L. Collins	9.00	\$125.00	\$1,125.00
	GRAND TOTAL	611.30		\$114,601.25

March 31, 2017
10:21 am

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
[pr 3]

Work Date 11/01/2016:11/30/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750	Nevada Health CO-OP				
70750002	Legal	5.20	1,950.00	0.00	0.00
70750003	Claims	0.30	112.50	0.00	0.00
70750004	Financial Matters	4.50	1,687.50	0.00	0.00
70750008	Company Administration	2.90	1,087.50	0.00	0.00
70750010	CMS	5.75	2,156.25	0.00	0.00
70750100	Asset Recovery	21.00	7,875.00	0.00	0.00
70750102	NHC vs. CMS Litigation	1.55	581.25	0.00	0.00
70750201	Partner Re	9.50	3,562.50	0.00	0.00
	Sub Total (MFB)	50.70	19,012.50	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	24.00	4,800.00	0.00	0.00
70750002	Legal	39.60	7,920.00	0.00	0.00
	Sub Total (ABS)	63.60	12,720.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	1.00	450.00	0.00	0.00
70750008	Company Administration	0.30	135.00	0.00	0.00
70750010	CMS	1.50	675.00	0.00	0.00
70750102	NHC vs. CMS Litigation	3.00	1,350.00	0.00	0.00
70750201	Partner Re	2.00	900.00	0.00	0.00
	Sub Total (PHC)	7.80	3,510.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750	Nevada Health CO-OP				
70750000	General	3.25	406.25	0.00	0.00
70750102	NHC vs. CMS Litigation	5.75	718.75	0.00	0.00
	Sub Total (JLC)	9.00	1,125.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	131.10	22,942.50	0.00	0.00
	Sub Total (KWJ)	131.10	22,942.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	3.75	656.25	0.00	0.00
70750002	Legal	38.50	6,737.50	0.00	0.00
70750004	Financial Matters	10.75	1,881.25	0.00	0.00
70750008	Company Administration	23.50	4,112.50	0.00	0.00
70750100	Asset Recovery	39.25	6,868.75	0.00	0.00
70750201	Partner Re	37.50	6,562.50	0.00	0.00
	Sub Total (JOL)	153.25	26,818.75	0.00	0.00*
PJR PIERRE J. RIOU					
70750	Nevada Health CO-OP				
70750010	CMS	71.10	15,997.50	0.00	0.00
	Sub Total (PJR)	71.10	15,997.50	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	124.75	12,475.00	0.00	0.00
	Sub Total (IXS)	124.75	12,475.00	0.00	0.00*
Grand Total		611.30	114,601.25	0.00	0.00

March 31, 2017
2:22 pm

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 11/01/2016:11/30/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	1,024.00	0.00	1,024.00
FD1A	FEDERAL EXPRESS	0.00	59.37	0.00	59.37
MT1A	MISCELLANEOUS	0.00	12.80	0.00	12.80
PK1A	PARKING	0.00	115.00	0.00	115.00
PO1E	POSTAGE	0.00	498.04	0.00	498.04
TA1A	TRAVEL-AIRFARE	0.00	1,629.85	0.00	1,629.85
TE1A	TRANSPORTATION EXPENSE	0.00	896.02	0.00	896.02
TH1A	TRAVEL-HOTEL	0.00	1,552.32	0.00	1,552.32
TL2E	TELEPHONE	0.00	1,375.22	0.00	1,375.22
	Sub Total ()	0.00	7,162.62	0.00	7,162.62
	Grand Total	0.00	7,162.62	0.00	7,162.62

CANTILO & BENNETT, L.L.P.

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April 17, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

December 1, 2016 - December 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2016	21850- 21863	\$139,293.75	\$ 10,239.75	\$149,533.50
Totals (1)		\$139,293.75	\$ 10,239.75	\$149,533.50

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
12/1/16 - 12/31/16**

		Billable Hours	Billable Rate	December 2016 Billing
1	Timekeeper - Patrick H. Cantilo	17.40	\$450.00	\$7,830.00
2	Timekeeper - Mark F. Bennett	62.85	\$375.00	\$23,568.75
3	Timekeeper - Kristen W. Johnson	165.50	\$175.00	\$28,962.50
4	Timekeeper - Josh O. Lively	141.75	\$175.00	\$24,806.25
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	108.40	\$200.00	\$21,680.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	66.00	\$100.00	\$6,600.00
9	TimeKeeper -- Pierre Riou	111.40	\$225.00	\$25,065.00
9	TimeKeeper -- Jeffrey L. Collins	6.25	\$125.00	\$781.25
	GRAND TOTAL	679.55		\$139,293.75

April 17, 2017
10:37 am

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
[pr 3]

Work Date 12/01/2016:12/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750002 Legal		11.50	4,312.50	0.00	0.00
70750003 Claims		1.00	375.00	0.00	0.00
70750004 Financial Matters		7.50	2,812.50	0.00	0.00
70750006 Provider Issues		0.25	93.75	0.00	0.00
70750008 Company Administration		2.05	768.75	0.00	0.00
70750010 CMS		1.50	562.50	0.00	0.00
70750100 Asset Recovery		26.75	10,031.25	0.00	0.00
70750102 NHC vs. CMS Litigation		1.30	487.50	0.00	0.00
70750200 Reinsurance General		9.50	3,562.50	0.00	0.00
70750201 Partner Re		1.50	562.50	0.00	0.00
Sub Total (MFB)		62.85	23,568.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		108.40	21,680.00	0.00	0.00
Sub Total (ABS)		108.40	21,680.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750003 Claims		0.30	135.00	0.00	0.00
70750008 Company Administration		0.80	360.00	0.00	0.00
70750010 CMS		2.00	900.00	0.00	0.00
70750102 NHC vs. CMS Litigation		14.30	6,435.00	0.00	0.00
Sub Total (PHC)		17.40	7,830.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750102 NHC vs. CMS Litigation		6.25	781.25	0.00	0.00
Sub Total (JLC)		6.25	781.25	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		153.50	26,862.50	0.00	0.00
70750003 Claims		12.00	2,100.00	0.00	0.00
Sub Total (KWJ)		165.50	28,962.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		11.50	2,012.50	0.00	0.00
70750002 Legal		42.50	7,437.50	0.00	0.00
70750004 Financial Matters		8.50	1,487.50	0.00	0.00
70750008 Company Administration		16.75	2,931.25	0.00	0.00
70750100 Asset Recovery		33.00	5,775.00	0.00	0.00
70750201 Partner Re		29.50	5,162.50	0.00	0.00
Sub Total (JOL)		141.75	24,806.25	0.00	0.00*
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750010 CMS		111.40	25,065.00	0.00	0.00
Sub Total (PJR)		111.40	25,065.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration		66.00	6,600.00	0.00	0.00
Sub Total (IXS)		66.00	6,600.00	0.00	0.00*
Grand Total		679.55	139,293.75	0.00	0.00

April 18, 2017
8:48 am

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 12/01/2016:12/31/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,264.00	0.00	1,264.00
	MT1A MISCELLANEOUS	0.00	179.00	0.00	179.00
	PK1A PARKING	0.00	184.00	0.00	184.00
	PO1E POSTAGE	0.00	66.27	0.00	66.27
	TA1A TRAVEL-AIRFARE	0.00	3,996.66	0.00	3,996.66
	TE1A TRANSPORTATION EXPENSE	0.00	1,044.07	0.00	1,044.07
	TH1A TRAVEL-HOTEL	0.00	1,834.22	0.00	1,834.22
	TL2E TELEPHONE	0.00	1,671.53	0.00	1,671.53
	Sub Total ()	0.00	10,239.75	0.00	10,239.75
	Grand Total	0.00	10,239.75	0.00	10,239.75

CANTILO & BENNETT, L.L.P.

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June 6, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

January 1, 2017 - January 31, 2017 and 2016 Corrections

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
January 2017	21959-	\$156,040.00	\$8,357.55	\$164,397.55
	21969			
2016 Corrections	21947	\$7,577.50		\$7,577.50
Totals (1)		\$163,617.50	\$8,357.55	\$171,975.05

June 07, 2017
3:39 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750001 Takeover Administration	01/31/17	21959	63,615.00	0.00	0.00	63,615.00
70750002 Legal	01/31/17	21960	10,675.00	0.00	0.00	10,675.00
70750003 Claims	01/31/17	21961	3,675.00	0.00	0.00	3,675.00
70750004 Financial Matters	01/31/17	21962	3,637.50	0.00	0.00	3,637.50
70750006 Provider Issues	01/31/17	21963	187.50	0.00	0.00	187.50
70750007 Member Issues	01/31/17	21964	300.00	0.00	0.00	300.00
70750008 Company Administration	01/31/17	21965	22,512.50	0.00	0.00	22,512.50
70750010 CMS	01/31/17	21966	31,050.00	0.00	0.00	31,050.00
70750100 Asset Recovery	01/31/17	21967	16,410.00	0.00	0.00	16,410.00
70750102 NHC vs. CMS Litigation	01/31/17	21968	9,798.75	0.00	0.00	9,798.75
70750201 Partner Re	01/31/17	21969	1,756.25	0.00	0.00	1,756.25
Totals (11)			163,617.50	0.00	0.00	163,617.50

June 07, 2017
3:08 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750001 Takeover Administration	01/31/17	21947	0.00	8,357.55	0.00	8,357.55
Totals (1)			0.00	8,357.55	0.00	8,357.55

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June 19, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

February 1, 2017 - February 28, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
February 2017	21983- 21994	\$114,376.25	\$ 7,624.98	\$122,001.23
Totals (1)		\$114,376.25	\$ 7,624.98	\$122,001.23

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
2/1/17 - 2/28/17**

		Billable Hours	Billable Rate	February 2017 Billing
1	Timekeeper - Patrick H. Cantilo	26.40	\$450.00	\$11,880.00
2	Timekeeper - Mark F. Bennett	63.20	\$375.00	\$23,700.00
3	Timekeeper - Kristen W. Johnson	115.60	\$175.00	\$20,230.00
4	Timekeeper - Josh O. Lively	144.75	\$175.00	\$25,331.25
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	76.50	\$200.00	\$15,300.00
7	Timekeeper - Law Clerks		\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	132.00	\$100.00	\$13,200.00
9	TimeKeeper -- Pierre Riou	16.60	\$225.00	\$3,735.00
9	TimeKeeper -- Jeffrey L. Collins	8.00	\$125.00	\$1,000.00
	GRAND TOTAL	583.05		\$114,376.25

June 19, 2017
12:28 pm

Cantilo & Bennett, L.L.P.
Timekeeper Submitted Work by Matter

Page 1
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Work Date 02/01/2017:02/28/2017
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750003 Claims	2.25	843.75	0.00	0.00	
70750004 Financial Matters	6.30	2,362.50	0.00	0.00	
70750006 Provider Issues	0.25	93.75	0.00	0.00	
70750007 Member Issues	0.25	93.75	0.00	0.00	
70750008 Company Administration	6.00	2,250.00	0.00	0.00	
70750010 CMS	2.35	881.25	0.00	0.00	
70750100 Asset Recovery	41.80	15,675.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	4.00	1,500.00	0.00	0.00	
Sub Total (MFB)	63.20	23,700.00	0.00	0.00*	
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	76.50	15,300.00	0.00	0.00	
Sub Total (ABS)	76.50	15,300.00	0.00	0.00*	
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750003 Claims	2.30	1,035.00	0.00	0.00	
70750010 CMS	1.80	810.00	0.00	0.00	
70750100 Asset Recovery	15.80	7,110.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	6.50	2,925.00	0.00	0.00	
Sub Total (PHC)	26.40	11,880.00	0.00	0.00*	
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750100 Asset Recovery	5.25	656.25	0.00	0.00	
70750102 NHC vs. CMS Litigation	2.75	343.75	0.00	0.00	
Sub Total (JLC)	8.00	1,000.00	0.00	0.00*	
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	115.60	20,230.00	0.00	0.00	
Sub Total (KWJ)	115.60	20,230.00	0.00	0.00*	
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	43.75	7,656.25	0.00	0.00	
70750002 Legal	25.25	4,418.75	0.00	0.00	
70750008 Company Administration	41.50	7,262.50	0.00	0.00	
70750100 Asset Recovery	34.25	5,993.75	0.00	0.00	
Sub Total (JOL)	144.75	25,331.25	0.00	0.00*	
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750002 Legal	0.60	135.00	0.00	0.00	
70750010 CMS	16.00	3,600.00	0.00	0.00	
Sub Total (PJR)	16.60	3,735.00	0.00	0.00*	
IXS ISAIAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750008 Company Administration	132.00	13,200.00	0.00	0.00	
Sub Total (IXS)	132.00	13,200.00	0.00	0.00*	
Grand Total	583.05	114,376.25	0.00	0.00	

June 19, 2017
3:03 pm

Canillo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 02/01/2017:02/28/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	1,200.00	0.00	1,200.00
FD1A	FEDERAL EXPRESS	0.00	145.47	0.00	145.47
PK1A	PARKING	0.00	161.00	0.00	161.00
PO1E	POSTAGE	0.00	97.05	0.00	97.05
TA1A	TRAVEL-AIRFARE	0.00	2,052.32	0.00	2,052.32
TE1A	TRANSPORTATION EXPENSE	0.00	948.43	0.00	948.43
TH1A	TRAVEL-HOTEL	0.00	1,648.19	0.00	1,648.19
TL2E	TELEPHONE	0.00	1,372.52	0.00	1,372.52
	Sub Total ()	0.00	7,624.98	0.00	7,624.98
	Grand Total	0.00	7,624.98	0.00	7,624.98

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March 14, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

October 1, 2016 – October 31, 2016

Matter No. and Description	Fees	Costs	Total
October 2016	\$22,990.00	\$0.00	\$22,990.00
Totals (1)	\$22,990.00	\$0.00	\$22,990.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD OCTOBER 2016

		Billable Hours	Billable Rate	October 2016 Billing
1	TIME KEEPER - Nicole Wilkins	9.50	\$250.00	\$2,375.00
2	TIME KEEPER - Mike Loya	23.75	\$160.00	\$3,800.00
3	TIME KEEPER - Johanna Eades	4.00	\$150.00	\$600.00
4	TIME KEEPER - Neda Khalaf	20.25	\$160.00	\$3,240.00
5	TIME KEEPER - Susan Roehm	61.25	\$150.00	\$9,187.50
6	TIME KEEPER - Gayathri Sivadasan	25.25	\$150.00	\$3,787.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	144.00		\$22,990.00

Palomar Financial, LC
10/01/2016-10/31/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounts Payable and Receivable	7.00	\$ 1,750.00
		Investment Accounting/Support	2.50	\$ 625.00
		Sub Total (NMW)	9.50	\$ 2,375.00
MJL	Mike Loya	Payroll & Employee Benefits	16.75	\$ 2,680.00
		Maintenance & Retrieval of Records Information	7.00	\$ 1,120.00
		Sub Total (MJL)	23.75	\$ 3,800.00
JJE	Johanna Eades	Investment Accounting/Support	4.00	\$ 600.00
		Sub Total (JJE)	4.00	\$ 600.00
NK	Neda Khalaf	Accounts Payable and Receivable	20.25	\$ 3,240.00
		Sub Total (NK)	20.25	\$ 3,240.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	1.50	\$ 225.00
		PartnerRe reporting	1.50	\$ 225.00
		Claims Matter	9.50	\$ 1,425.00
		UHH/Javelina	2.00	\$ 300.00
		IT Support & Administration	46.75	\$ 7,012.50
		Sub Total (SER)	61.25	\$ 9,187.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	25.25	\$ 3,787.50
		Sub Total (GS)	25.25	\$ 3,787.50
	Grand Total		144.00	\$22,990.00

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March 31, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

November 1, 2016 – November 30, 2016

Matter No. and Description	Fees	Costs	Total
November 2016	\$18,065.00	\$0.00	\$18,065.00
Totals (1)	\$18,065.00	\$0.00	\$18,065.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD NOVEMBER 2016

		Billable Hours	Billable Rate	November 2016 Billing
1	TIME KEEPER - Nicole Wilkins	11.75	\$250.00	\$2,937.50
2	TIME KEEPER - Mike Loya	22.00	\$160.00	\$3,520.00
3	TIME KEEPER - Johanna Eades	0.50	\$150.00	\$75.00
4	TIME KEEPER - Neda Khalaf	32.00	\$160.00	\$5,120.00
5	TIME KEEPER - Susan Roehm	14.00	\$150.00	\$2,100.00
6	TIME KEEPER - Gayathri Sivadasan	28.75	\$150.00	\$4,312.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	109.00		\$18,065.00

Palomar Financial, LC
11/01/2016-11/30/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	General Ledger Accounting	0.40	\$ 100.00
		Payroll & Employee Benefits	2.30	\$ 575.00
		Accounts Payable and Receivable	8.50	\$ 2,125.00
		Investment Accounting/Support	0.30	\$ 75.00
		Bank Account Admionistration/Reconciliation	0.25	\$ 62.50
		Sub Total (NMW)	11.75	\$ 2,937.50
MJL	Mike Loya	Payroll & Employee Benefits	13.00	\$ 2,080.00
		Maintenance & Retrieval of Records Information	9.00	\$ 1,440.00
		Sub Total (MJL)	22.00	\$ 3,520.00
JJE	Johanna Eades	Investment Accounting/Support	0.50	\$ 75.00
		Sub Total (JJE)	0.50	\$ 75.00
NK	Neda Khalaf	Accounts Payable and Receivable	32.00	\$ 5,120.00
		Sub Total (NK)	32.00	\$ 5,120.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	0.75	\$ 112.50
		PartnerRe reporting	0.75	\$ 112.50
		Claims Matter	11.25	\$ 1,687.50
		IT Support & Administration	1.25	\$ 187.50
		Sub Total (SER)	14.00	\$ 2,100.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	28.75	\$ 4,312.50
		Sub Total (GS)	28.75	\$ 4,312.50
	Grand Total		109.00	\$ 18,065.00

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April 18, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

December 1, 2016 – December 31, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2016	\$15,870.00	\$0.00	\$15,870.00
Totals (1)	\$15,870.00	\$0.00	\$15,870.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD DECEMBER 2016

		Billable Hours	Billable Rate	December 2016 Billing
1	TIME KEEPER - Nicole Wilkins	10.90	\$250.00	\$2,725.00
2	TIME KEEPER - Mike Loya	22.25	\$160.00	\$3,560.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	32.25	\$160.00	\$5,160.00
5	TIME KEEPER - Susan Roehm	5.25	\$150.00	\$787.50
6	TIME KEEPER - Gayathri Sivadasan	24.25	\$150.00	\$3,637.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	94.90		\$15,870.00

Palomar Financial, LC
12/01/2016-12/31/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounts Payable and Receivable	10.70	\$ 2,675.00
		Bank Account Admionistration/Reconciliation	0.20	\$ 50.00
		Sub Total (NMW)	10.90	\$ 2,725.00
MJL	Mike Loya	Payroll & Employee Benefits	12.50	\$ 2,000.00
		Maintenance & Retrieval of Records Information	9.75	\$ 1,560.00
		Sub Total (MJL)	22.25	\$ 3,560.00
NK	Neda Khalaf	Accounts Payable and Receivable	32.25	\$ 5,160.00
		Sub Total (NK)	32.25	\$ 5,160.00
SER	Susan Roehm	Accounts Payable and Receivable	0.75	\$ 112.50
		IT Support & Administration	4.50	\$ 675.00
		Sub Total (SER)	5.25	\$ 787.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	24.25	\$ 3,637.50
		Sub Total (GS)	24.25	\$ 3,637.50
	Grand Total		94.90	\$ 15,870.00

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June 8, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

January 1, 2017 – January 31, 2017

Matter No. and Description	Fees	Costs	Total
January 2017	\$23,895.00	\$0.00	\$23,895.00
Totals (1)	\$23,895.00	\$0.00	\$23,895.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JANUARY 2017

		Billable Hours	Billable Rate	January 2017 Billing
1	TIME KEEPER - Nicole Wilkins	13.70	\$250.00	\$3,425.00
2	TIME KEEPER - Mike Loya	27.75	\$160.00	\$4,440.00
3	TIME KEEPER - Johanna Eades	1.00	\$150.00	\$150.00
4	TIME KEEPER - Neda Khalaf	43.00	\$160.00	\$6,880.00
5	TIME KEEPER - Susan Roehm	24.50	\$150.00	\$3,675.00
6	TIME KEEPER - Gayathri Sivadasan	35.50	\$150.00	\$5,325.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	145.45		\$23,895.00

Palomar Financial, LC
01/01/2017-01/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	3.95	\$ 987.50
		Accounts Payable and Receivable	9.55	\$ 2,387.50
		Taxes and Tax Planning	0.20	\$ 50.00
		Sub Total (NMW)	13.70	\$ 3,425.00
MJL	Mike Loya	Payroll & Employee Benefits	10.50	\$ 1,680.00
		Maintenance & Retrieval of Records Information	17.25	\$ 2,760.00
		Sub Total (MJL)	27.75	\$ 4,440.00
JJE	Johanna Eades	Payroll & Employee Benefits	1.00	\$ 150.00
		Sub Total (JJE)	1.00	\$ 150.00
NK	Neda Khalaf	Accounts Payable and Receivable	43.00	\$ 6,880.00
		Sub Total (NK)	43.00	\$ 6,880.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	0.25	\$ 37.50
		Claims Matter	8.50	\$ 1,275.00
		IT Support & Administration	15.75	\$ 2,362.50
		Sub Total (SER)	24.50	\$ 3,675.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	35.5	\$ 5,325.00
		Sub Total (GS)	35.5	\$ 5,325.00
Grand Total			145.45	\$ 23,895.00

EXHIBIT “2”

SANTORO WHITMIRE

10100 W. Charleston Blvd.

Ste. 250

Las Vegas, NV 89135

Telephone (702) 948-8771

Attn: Mark Bennett
Nevada Health CO-OP

Statement Date: April 30, 2017

Statement No. 13000

Account No. 871.01

Page: 1

Report Date: May 10, 2017

Nevada Health CO-OP

Fees	Expenses	Advances	Balance
70.00	0.00	0.00	<u>\$70.00</u>

Please make checks payable to Santoro Whitmire.

We accept Visa, Master Card, Discover Card and American Express.

Payment may be made telephone 702-948-8771.

Tax ID 45-4396259

Billing inquiries may be emailed to billing@santoronevada.com

Please include this page with your remittance.

0230

Timekeeper Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Average Rate</u>	<u>Total</u>
Mark E. Ferrario	1.80	575.00	1,035.00
Eric W. Swanis	28.90	475.00	13,727.50
Shayna Noyce	2.30	190.00	437.00
TOTAL:	33.00	460.59	\$15,199.50

Current Services Rendered: \$ 15,199.50**Total Current Fees and Expenses:** \$ 15,199.50

Previous Balance (see attached statement): \$ 26,440.92

Total Amount Due: \$ 41,640.42

MEF:TKK

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Account Statement

<u>Date</u>	<u>Invoice #</u>	<u>Fees Due</u>	<u>Expenses Due</u>	<u>Other Due</u>	<u>Total Due</u>
02/21/17	4422228	26,433.50	7.42	0.00	26,440.92
	Totals:	\$ 26,433.50	\$ 7.42	\$ 0.00	\$ 26,440.92

MEF:TKK

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Page : 10
Date : April 3, 2017
Client No. : 170678.010100
Invoice No. : 4456697
Tax ID : 13-3613083

Account Statement

<u>Date</u>	<u>Invoice #</u>	<u>Fees Due</u>	<u>Expenses Due</u>	<u>Other Due</u>	<u>Total Due</u>
03/09/17	4437270	15,199.50	0.00	0.00	15,199.50
	Totals:	\$ 15,199.50	\$ 0.00	\$ 0.00	\$ 15,199.50

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0233



Page : 7
Date : May 9, 2017
Client No. : 170678.010100
Invoice No. : 4497267
Tax ID : 13-3613083

Total Current Fees and Expenses: \$ 23,828.50

MEF:TKK

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0234



Page : 8
Date : June 7, 2017
Client No. : 170678.010100
Invoice No. : 4515240
Tax ID : 13-3613083

Total Current Fees and Expenses:	\$	<u>34,333.50</u>
Previous Balance (see attached statement):	\$	23,828.50
Total Amount Due:	\$	<u>58,162.00</u>

MEF:TKK

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0235

Account Statement

<u>Date</u>	<u>Invoice #</u>	<u>Fees Due</u>	<u>Expenses Due</u>	<u>Other Due</u>	<u>Total Due</u>
05/09/17	4497267	23,579.50	249.00	0.00	23,828.50
	Totals:	\$ 23,579.50	\$ 249.00	\$ 0.00	\$ 23,828.50

MEF:TKK

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Page : 2
Date : June 6, 2017
Client No. : 170678.010200
Invoice No. : 4511679
Tax ID : 13-3613083

Timekeeper Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Average Rate</u>	<u>Total</u>
Eric W. Swanis	0.90	475.00	427.50
Stephanie Bedker	3.20	320.00	1,024.00
TOTAL:	4.10	354.02	\$1,451.50

Current Services Rendered: \$ 1,451.50

Total Current Fees and Expenses: \$ 1,451.50

EWS:TKK

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EXHIBIT “3”

NEVADA HEALTH CO-OP
Cash Flow Analysis
Oct 2015 - May 2017

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,755,920
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	571,956
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	787,352
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Other	311,524
TOTAL SOURCES:	\$24,048,006

USES:

Medical Claims Q4 2015 and Post 2015 Adj	(161,019)
Rx Claims Q4 2015	(7,599,195)
Risk Adjustment 2015	-
Medical PMPMs Q4	(43,967)
FTR Reinsurance Premium	(898,687)
Traditional Reins Premium Q4 2015	(547,319)
Premium Tax	(294,665)
Other Admin	(8,393,644)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(2,661,706)

TOTAL USES:

(20,761,445)

Net cash increase for period

\$3,286,561

Ending Cash at end of May 31, 2017

\$ 8,638,978 ***

*** Excl \$767,823 restricted US Bank bal May 31, 2017