

IN THE SUPREME COURT OF NEVADA

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

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Elizabeth A. Brown
Clerk of Supreme Court

Appellants,

vs.

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,

Respondents.

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

APPELLANTS' APPENDIX - VOLUME 1 OF 13

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June 14, 2021

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TAB 1

TAB 1

**MINUTES OF THE REGULAR MEETING OF
THE FORMATION BOARD OF DIRECTORS OF NEVADA HEALTH CO-OP**

May 23, 2014

A regular meeting of the Board of Directors of Nevada Health CO-OP, a Nevada non-profit, non-stock cooperative corporation (the "CO-OP"), was held on May 23, 2014, at 3900 Meadows Lane, Suite 100, Las Vegas, NV 89107 pursuant to notice duly given. The following Directors were present: Jeff Ellis, Christine Carafelli and Tom Zumtobel. Bobbette Bond, D Taylor and Danny Thompson were not in attendance.

The following guests were present: Basil Dibsie, Chief Financial Officer (NHC), Dr. Nicole Flora, Chief Medical Officer, (NHC) and Gwendolyn Harris, Compliance Officer (NHC). Cara Elias Esq. (Brownstein Hyatt Farber Schreck) attended telephonically. Michele Schultz was present as minute's taker.

Mr. Ellis called the meeting to order at 11:10am.

I Approval of Minutes: Chairman Ellis discussed Roll Call with Ms. Elias and Tom Zumtobel. Meeting continued with the understanding no decisions would be made since 4 members were unable to attend the Board meeting

II Financial Report:

Enrollment: Mr. Dibsie presented the enrollment figures as of May 19, 2014. There are 15,088 members enrolled with the CO-OP. In the past month, the CO-OP gained 600 new members. The Exchange enrolled an additional 1,200 members since the last Board report. Mr. Dibsie stated the CO-OP has 36% of the marketshare. Mr. Ellis asked if the CO-OP continues to carry the marketshare. Mr. Zumtobel stated in the last Exchange report, Sierra gained the lead over the CO-OP by 1% which translates to a couple hundred more members. The CO-OP is working to regain the marketshare by doing outreach to the consumers on the pended list to receive payments. The CO-OP has until May 30th, the end of the special enrollment period to do this outreach. Mr. Ellis asked how many of the CO-OP's members have selected Dr. Volker's network. Mr. Dibsie responded 8,500 members are in Dr. Volker's Star network.

March Financial Statements: Mr. Dibsie reviewed the Statement of Operations report for March 2014. Mr. Dibsie stated the CO-OP's membership is currently 1,200 short of the projected target but expects enrollment to be higher than the targeted 13,000 on Exchange by the end of May. The CO-OP is still receiving premium from enrollment through the end of May. The premiums have a 22% higher than projected PMPM due to the CO-OP's demographics. Mr. Dibsie pointed out the benefit cost for the month has a 16% higher than projected PMPM, also due to demographics. Benefit cost ratio for the month is 76.6% with year to date on target at 80%.

Mr. Ellis asked if the premium tax, broker commissions, and exchange fee expenses will remain the same. Mr. Dibsie thought the broker commissions could possibly increase. He went on to explain that the Brokers unexpectedly provided 20% of the CO-OP's Exchange business at 2,300 members. Mr. Zumtobel stated he was not sure if the higher than expected Broker contribution was due to the problems consumers were experiencing with the Exchange and therefore providing an alternative entry point for signing up.

Mr. Dibsie reviewed the Administrative Expenses. He announced there were two out of budget categories. Actuarial is over budget on timing due to Nevada State Exchange moving to a "Supported State Based Marketplace" causing Rate Filings to be done earlier. The change will impact timeline and expenses. Mr. Zumtobel stated under the "State Supported Based Marketplace", there will be an earlier deadline for plan submissions. The CO-OP's filing deadline is June 27th. Mr. Ellis asked how the actuaries are doing with plan pricing for next year. Mr. Dibsie stated Milliman's rates have been coming back steady with only a 6 or 7% increase, but there is much work to be done. Mr. Zumtobel added that WellHealth will more than likely have to transition to a fee for service option for their products as their capitation rate is higher than expected claims cost as projected by Milliman. If WellHealth doesn't adjust, the pricing of their rates could be still approximately 20% higher for next year. Mr. Zumtobel stated a higher premium could reduce membership for WellHealth and CO-OP. Ms. Carafelli asked if it's expected that WellHealth will reduce its capitation rate to remain competitive and maintain enrollment. Mr. Zumtobel believes WellHealth eventually will reduce its capitation rate. Ms. Carafelli asked about the fee for service rate compared to the Medicaid rate. Mr. Zumtobel replied that Milliman used the Fund's experience to establish the fee for service equivalent. The Funds' fee for service experience is \$73 PMPM while WellHealth is at \$92.50 pmpm.

Mr. Dibsie pointed out the monthly expenditure from Unite Here Health administrative costs was over budget due to a 53K carry over charge from the prior month. Claims agreement for ICES software was a onetime payment of 21K. Mr. Dibsie pointed out the CO-OP operated at \$985,000 deficit for the month and finished under the budgeted deficit amount of 1.1M. Favorable for March 2014.

Mr. Dibsie reviewed the Supplemental Schedule – Premium & Membership report for March 2014. The spreadsheet breaks the premium revenue into subsidy and unsubsidized revenue on and off Exchange. Approximately 70% of premium revenue is generated from subsidy with 30% being the members' responsibility. 78% of the Exchange membership is receiving a subsidy. Mr. Ellis thought the percentage would be higher with almost everyone that went on the Exchange receiving a subsidy. Dr. Flora added that most consumers were unaware they could go directly to a carrier.

Mr. Dibsie reviewed the Balance sheet for March 2014. He pointed out the CO-OP received \$21M in solvency funding in March. Solvency funds continue to be held with the investment managers with \$15M being invested at the end of March. Interest income for the month after all is invested is estimated at \$25K. The IBNR is \$3M. There are \$48M in assets at the end of March. Mr. Ellis asked if the CO-OP was above its Capital Surplus requirement. Mr. Dibsie respond, the CO-OP is above Capital Surplus. Mr. Dibsie informed the Board the NAIC filing for the current quarter was completed by the due date of May 15th. RBC is filed in the annual NAIC filing report.

Mr. Dibsie presented a 3 month Statement of Operations. He explained that overall the CO-OP deficit is favorable by \$208,000 year-to-date. The Administrative expenses are favorable by \$158,000 versus year to date budget.

Claims Reports: Mr. Dibsie presented the claims report as of May 16, 2014. Total of 2.3M paid out for 9,900 claims segregated by month of service. Mr. Ellis asked what the Culinary Health Funds pays on average per claim. Mr. Zumtobel responded he was unsure but thought it was around \$2.00 range. There are currently 5,500 pended claims with the majority coming in in April. Mr. Ellis asked if the CO-OP had an ageing tracking report for claims. Dr. Flora responded that she did and would send to Mr. Dibsie.

2013 Draft Audit Report

Mr. Dibsie reported the A-133 Compliance Report related to the Audit of Federal Awards recipients to ensure compliance with CMS program. The CO-OP has hired Larson & Company, a Utah company to perform the audit. Mr. Dibsie pointed out on page eight current checklist of findings. There was only one significant deficiency regarding the CO-OP's prior practice for payment approval. The findings were old findings found within the CMS audit of 2013 whereby expenditures were not reviewed by anyone else other than prepare/requestor. CO-OP's response was there is in-house CFO and Sr. Accountant and all internal controls are in place.

III Outreach Plan

Xerox: Mr. Zumtobel reported on the Exchange Board decision to replace Xerox and form a Supported State Based Marketplace. The new system will actually be hosted by the Federal Exchange with the State of Nevada operating it. The Silver State Exchange staff visited with CMS and collectively, decided to form the Supported State Based Exchange which was one of many options considered. There is a zero cost for the Supported State Exchange per the Exchange Board. This plan will stay in affect for one year, then go out to bid for a replacement to Xerox. Mr. Ellis asked what the States responsibility with the new structure is. Ms. Harris reported the States responsibility under the new system is: (1) the shopping experience on the front end for consumers to navigate through (2) all advertising for State Exchange (3) on the back end, is where the eligibility and enrollment will take place and be passed to the carriers. Mr. Zumtobel explains that under the new structure, the Division of Insurance keeps primary position for plan review and if the Federal system took over, the Nevada Division of Insurance would be secondary to CMS. Mr. Ellis asked who is doing open enrollment for 2015. Ms. Harris responded the new structure will take affect for 2015 however, Xerox will continue to handle qualifying life events. Mr. Zumtobel has two concerns: (1) The CO-OP has to collect and manage premium payments starting no later than open enrollment 2014. In the meantime, the State will continue to collect premium payments on behalf of the CO-OP. (2) The renewal process for existing members. Ms. Harris explained the challenges in getting the Federal Exchange the current data considering the accuracy issues with Xerox data. The board discussed the ability to utilize Navigators to initiate pre-enrollment prior to open enrollment. Ms. Carafelli asked if the State is open to allowing consumers to remain on their existing plan if they take no action during the open enrollment period. Ms. Harris replied she expects the Exchange to do something similar.

Special Enrollment Update: Mr. Zumtobel reported the special open enrollment ends May 30, 2014. With the challenges Xerox is having with their payment channels, the CO-OP has been trying to set up a payment process. Xerox finally admitted their payment collection process is only working at 45% capacity to accept payments. Ms. Carafelli asked if the CO-OP had the ability to accept payments. Mr. Dibsie responded the CO-OP can only accept off exchange payments. The Governor's office and the Exchange Board Chair are aware of the payment collection issues with Xerox and may consider extending the deadline for consumers to make payments past May 30th. There are over 4,000 consumers wanting to pay their premium but are unable due to the system errors with Xerox. Mr. Zumtobel explained to the Board that Xerox claims there are no appeals on record. Mr. Zumtobel disagreed with that assertion as the CO-OP assists with appeals on consumers' behalf regularly. Further, Xerox presented the CO-OP with the Exchange's most recent delinquency report that listed over 900 members dated back to January 2014 that were never reported and the CO-OP was unaware of. Mr. Zumtobel expressed the overall negative impact Xerox has had on the CO-OP business. Xerox has drained the CO-OP's resources as no less than 50% of the CO-OP's resources have been committed to Xerox and Xerox related issues since October 2013. Mr. Dibsie stated CO-OP staff along with the on-site Xerox representative, will be reaching out to the 900 pended consumers and provide them an opportunity to pay.

Mr. Zumtobel explained that claims reports consist of 6,000 pending claims as well as 6,000 pre-pending claims that are backlogged. The total number of pending claims is mostly the result of glitches with the CO-OP's new processing system, Javelina. Some of the glitches with Javelina were explained as: (1) cannot connect the prior authorization with a claim. Prior authorizations were paying everything or nothing. Javelina claims system is not allocating co-pays. Due to these system glitches, no claims are able to be auto adjudicated. Even after the pended claim has been corrected, the claim has to be manually processed. (2) There is a learning curve for Unite Here Health with the new system as this is a new system for them. (3) The volume of claims. El Dorado/Javelina sent a claims specialist to Unite Here Health to better understand the challenges the claims department had been experiencing. The feedback from both Unite Here Health and Eldorado was positive in that both sides heard each other and understand the problems Unite Here Health has been experiencing. Moving forward, out-patient claims that require authorization will be released and once the claims come in, the authorization will be acquired. Dr. Flora is working with doctors to show the CO-OP's commitment to paying them. Additionally, there are several new processors onboarding in the next week to assist the CO-OP with claims processing. Mr.

Zumtobel will meet with the Division of Insurance and explain the challenges the CO-OP has faced with the timely processing of claims. The hope is with the CO-OP being upfront with the Division of Insurance about the delayed processing of claims, the Division of Insurance will allow the CO-OP additional time to work through the learning curve. Concern was expressed as the Division of Insurance allowed the CO-OP to process claims out of Aurora. Mr. Ellis asked about the timeframe to get the claims processing moving. Dr. Flora estimates in the next run she anticipates 30-40% of claims to auto-adjudicate and within the next 4-5 weeks the backlog will be caught up.

IV Operational Report:

Board Development: Mr. Zumtobel stated he hoped to have a list of potential members for the Consumer Advisory Group. According to the By-laws, one member from the CO-OP's Consumer Advisory Group will select one member to work with the Nominating Committee. Ms. Harris and Ms. Bond will be working to establish the annual fourth quarter meeting date in accordance with the program requirements. The deadline is June 30th 2014 to establish a date and location of the annual meeting. The board discussed ways to find interested members who would like to serve on the Board and are good communicators. Mr. Zumtobel thought of polling the customer care crew to get their feedback on consumers who may be potential candidates for the Board.

Mr. Zumtobel asked Ms. Harris to provide the Board a brief report on her meeting with Bill Oemichen. Ms. Harris reported she met with Bill Oemichen, CEO/President of Health Cooperative Network in Madison, WI. He leads a network of cooperatives from varying sectors in WI. Additionally, he is considered to be an expert in the education/training of new Operational Boards that have members who have never served on a Board prior. Mr. Oemichen advised it can take 5 years to engage members to get involved in a cooperative. He recommended using a newsletter, social media and your own Webpage to engage members. He spoke about how to train members and provided training materials to Ms. Harris for her to review. Oemichen assisted in drafting the language contained within the regulations of the CMS program regarding the Consumer Advisory Board. Mr. Oemichen is grant supported and assists organizations with training and education of new Board members. Ms. Carafelli recommended, if it was affordable for the CO-OP, that the CO-OP engage Mr. Oemichen to assist in the training of new Board members. She pointed out challenges she has experienced on other Boards that had consumer members that had no Board training.

2015 Pricing Discussion: This topic was not discussed

Large Group Strategy: Mr. Ellis asked about the CO-OP's Large Group sales. Mr. Dibsie reported that the CO-OP is participating in a Broker event in June. Mr. Zumtobel is working to grow the CO-OP's sales sophistication to write large group. .Additionally, Mr. Dibsie and Mr. Zumtobel have been working to get the value for large group tiered network. They are working on a skinny model with Brady Linens to provide primary care. There is concern that if the CO-OP landed a 1,000 member group or larger, there may be challenges with the CO-OP's ability to manage a group that size.

Staffing: This topic was not discussed

CEO Contract: This topic was not discussed

Mr. Ellis adjourned the meeting at 12:15pm (PST).

TAB 2

TAB 2

Nevada, Xerox in private talks to settle \$75 million health care contract out of court

By [Kyle Roerink](#)

Wednesday, Oct. 1, 2014 | 2 a.m.

After firing Xerox for major flaws with its health insurance software, Nevada's leaders are in confidential talks with the tech company to close out the \$75 million contract and keep the dispute out of court.

The Silver State Exchange, the agency in charge of the software, hired Xerox in 2012 on a three-year contract. The company's job was to build software to accept online applications and payments from consumers buying from Nevada's health insurance marketplace under the federal Affordable Care Act.

The state launched the software a year ago today. But it never worked correctly. An audit found [1,500 glitches](#) and [consumers complained they paid for insurance but got nothing in return](#).

Under the original contract, the state was scheduled to pay Xerox \$22 million by now. But the state has paid only \$12.3 million.

Xerox has filed invoices, or requests for payment, for an additional \$4.4 million this year. Requests for about one-quarter of that money came after [the state fired Xerox in May](#), according to documents obtained by the Sun through a request under Nevada public records law.

That money hasn't been paid, and it's unclear why.

That leaves a balance of about \$5.3 million on the \$22 million schedule. The state either refused to pay or Xerox never asked for that money, said Shawna DeRousse, chief operating officer of the exchange.

The jobs that the company hasn't been paid for line up with problems highlighted by audits and consumers' complaints, including the payment system.

"There are still deliverables that we have not accepted," DeRousse said

Nevada and Xerox have so far decided to resolve their disputes quietly, in private and out of court.

Officials at the state and Xerox declined to disclose details of their negotiations.

The Nevada attorney general also refused the Sun's request under the state's public records law to disclose all of Xerox's billings and invoices.

Normally, records about state spending are quickly disclosed. But in a letter, Deputy Attorney General Dennis Belcourt said public interest in keeping some of the state's financial records private outweighed the public benefit in making them public.

0008

Privacy, said state spokesman Tyler Klimas, offers “the best outcome and benefit for Nevadans.”

In addition to its state contract talks, Xerox faces two class-action lawsuits because of the exchange's failures. Around 150 consumers representing the class said they paid Xerox for health insurance but didn't receive it. Insurance brokers also sued to recover fees they said they never received through the system.

Not all states and software companies have been so private about their breakups.

In Oregon, software giant Oracle sued the state in August in federal court and demanded \$23 million. The state then sued Oracle in state court and accused the company of wire fraud.

In Nevada, both sides say the talks have been amicable.

Xerox has a reason to keep the break up graceful. The company, which hopes to continue expanding from copier company to software contractor, has ongoing business in Nevada and in the health care industry.

Its health care division serves 36 million people in 37 states, including Affordable Care Act software in Kentucky, Connecticut and Virginia. Xerox also recently won a \$500 million contract in New York to build Medicaid software.

Despite its health exchange problems, Xerox salvaged other contracts in Nevada.

Sandoval [briefly held up two Xerox contracts worth \\$7.8 million for work with the state Treasurer's Office](#). The contracts had no relation to the health care exchange, but Sandoval wanted to make sure the problems wouldn't be repeated.

Xerox also has a long history of providing copiers and scanners to state offices.

TAB 3

TAB 3

DISTRICT COURT CIVIL COVER SHEET

A-15-725244-C

County, Nevada

I

Case No.

(Assigned by Clerk's Office)

I. Party Information (provide both home and mailing addresses if different)

Plaintiff(s) (name/address/phone): State of Nevada, ex rel Commissioner of Insurance, in her Official Capacity as Statutory Receiver for Delinquent Domestic Insurer	Defendant(s) (name/address/phone): Nevada Health CO-OP
Attorney (name/address/phone): Joanna N. Grigoriev, SDAG Office of the Attorney General 555 E. Washington Ave., #3900 Las Vegas, NV 89101 702-486-3101	Attorney (name/address/phone):

II. Nature of Controversy (please select the one most applicable filing type below)**Civil Case Filing Types**

Real Property Landlord/Tenant <input type="checkbox"/> Unlawful Detainer <input type="checkbox"/> Other Landlord/Tenant Title to Property <input type="checkbox"/> Judicial Foreclosure <input type="checkbox"/> Other Title to Property Other Real Property <input type="checkbox"/> Condemnation/Eminent Domain <input type="checkbox"/> Other Real Property	Negligence <input type="checkbox"/> Auto <input type="checkbox"/> Premises Liability <input type="checkbox"/> Other Negligence Malpractice <input type="checkbox"/> Medical/Dental <input type="checkbox"/> Legal <input type="checkbox"/> Accounting <input type="checkbox"/> Other Malpractice	Torts Other Torts <input type="checkbox"/> Product Liability <input type="checkbox"/> Intentional Misconduct <input type="checkbox"/> Employment Tort <input type="checkbox"/> Insurance Tort <input type="checkbox"/> Other Tort
Probate Probate (select case type and estate value) <input type="checkbox"/> Summary Administration <input type="checkbox"/> General Administration <input type="checkbox"/> Special Administration <input type="checkbox"/> Set Aside <input type="checkbox"/> Trust/Conservatorship <input type="checkbox"/> Other Probate Estate Value <input type="checkbox"/> Over \$200,000 <input type="checkbox"/> Between \$100,000 and \$200,000 <input type="checkbox"/> Under \$100,000 or Unknown <input type="checkbox"/> Under \$2,500	Construction Defect & Contract Construction Defect <input type="checkbox"/> Chapter 40 <input type="checkbox"/> Other Construction Defect Contract Case <input type="checkbox"/> Uniform Commercial Code <input type="checkbox"/> Building and Construction <input type="checkbox"/> Insurance Carrier <input type="checkbox"/> Commercial Instrument <input type="checkbox"/> Collection of Accounts <input type="checkbox"/> Employment Contract <input type="checkbox"/> Other Contract	Judicial Review/Appeal Judicial Review <input type="checkbox"/> Foreclosure Mediation Case <input type="checkbox"/> Petition to Seal Records <input type="checkbox"/> Mental Competency Nevada State Agency Appeal <input type="checkbox"/> Department of Motor Vehicle <input type="checkbox"/> Worker's Compensation <input type="checkbox"/> Other Nevada State Agency Appeal Other <input type="checkbox"/> Appeal from Lower Court <input type="checkbox"/> Other Judicial Review/Appeal
Civil Writ Civil Writ <input type="checkbox"/> Writ of Habeas Corpus <input type="checkbox"/> Writ of Mandamus <input type="checkbox"/> Writ of Quo Warrant <input type="checkbox"/> Writ of Prohibition <input type="checkbox"/> Other Civil Writ	Other Civil Filing Other Civil Filing <input type="checkbox"/> Compromise of Minor's Claim <input type="checkbox"/> Foreign Judgment <input checked="" type="checkbox"/> Other Civil Matters	

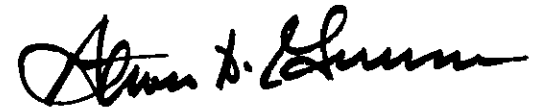
Business Court filings should be filed using the Business Court civil coversheet.

09/25/2015

Date

Signature of initiating party or representative

See other side for family-related case filings.



CLERK OF THE COURT

PET
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
Attorney for the Division of Insurance

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

CLARK COUNTY, NEVADA

A-15-725244-C

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

Case No.

I

Dept. No.

**PETITION FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND OTHER
PERMANENT RELIEF; REQUEST FOR TEMPORARY INJUNCTION
PURSUANT TO NRS 696B.270(1)**

COMES NOW Plaintiff State of Nevada, ex rel. Acting Commissioner of Insurance, Amy L. Parks ("Commissioner"), pursuant to Nevada Revised Statute ("NRS") 696B.250, and petitions this Honorable Court, which has original jurisdiction of delinquency proceedings pursuant to NRS 696B.190(1), to appoint the Commissioner as Receiver of the NEVADA HEALTH CO-OP ("CO-OP"), Company ID No. 119733 and NAIC ID No. 15132, for the purpose of conservation/rehabilitation and to grant permanent injunctive and other relief authorized by Chapter 696B of the NRS and other applicable law, in order to finally ascertain

1 the CO-OP's true and current state of affairs, to conserve its assets, and protect the
2 policyholders and public from the dangers inherent to the delinquency of this entity. To that
3 end, it is respectfully requested that the Court issue an order directing the CO-OP to appear in
4 Court on the day fixed in the order and show cause why the Petition should not be granted.

5 The Commissioner further respectfully requests that the Court issue the following
6 interim orders for injunctive relief pending the show cause hearing and further orders by the
7 Court, on the grounds set forth in this Petition and as permitted in NRS 696B.270(1):

8 1. Pursuant to NRS 696B.210(2), on the grounds that the insurer is in unsound
9 condition, and pursuant to NRS 696B.210(14), on the grounds that the majority of its directors
10 consented to conservation/rehabilitation, to appoint the Commissioner as Temporary Receiver
11 pending further orders by the Court, to enter the business and immediately oversee the
12 operation and conservation/ rehabilitation of the business.

13 2. Pursuant to NRS 696B.270, pending further orders by the Court, to immediately
14 enjoin the CO-OP, the officers, directors, stockholders, members, subscribers, agents,
15 employees, and all other persons from transacting any further business on behalf of the CO-
16 OP unless otherwise directed by the Receiver, or from wasting or disposing of any assets or
17 property of the CO-OP.

18 3. Pursuant to NRS 696B.340, pending further orders by the Court, to immediately
19 enjoin any and all persons from the commencement or prosecution of any actions by or on
20 behalf of the CO-OP, or against the CO-OP. Further, all persons should be restrained from
21 obtaining any preferences, judgments, attachments, or other liens as to any property of the
22 CO-OP, or making any levy against the CO-OP or against their assets or any part thereof.

23 4. Pursuant to NRS 696B.270, pending further orders by the Court, to enjoin all
24 persons other than the Receiver, or as directed by the Receiver, from withdrawal of any funds
25 from the CO-OP's accounts, or removal of other property from the CO-OP.

26 5. Authorizing the Commissioner as Temporary Receiver to impose such partial or
27 full lien or moratoria on any disbursements for such time and under such terms as she deems
28 necessary and appropriate for the protection of members and creditors, provided that such

1 lien or moratoria shall apply in the same manner to all similarly situated persons and providing
2 that under no circumstances shall the Receiver or her representatives be liable to any person
3 for a good faith decision to impose, or refrain from imposing, such lien or moratorium.

4 6. Authorizing the Commissioner as Temporary Receiver to make such
5 arrangements for the replacement or continuation of health care coverage provided by the
6 CO-OP as she deems appropriate and in the interest of the CO-OP's members and to enter
7 into such as agreements as she deems necessary for that purpose.

8 7. Authorizing the Commissioner as Temporary Receiver to appoint, without prior
9 notice to or prior approval by the Court, such Special Deputy Receiver and consultants as she
10 deems necessary for the conduct of the CO-OP's receivership; such Special Deputy Receiver
11 thereby being vested with all the rights, duties, and authority of the Temporary Receiver
12 subject to the supervision of the Commissioner as Temporary Receiver and of the Court.

13 8. Authorizing the Commissioner as Temporary Receiver to issue such Directives
14 as she deems appropriate to memorialize and provide notice of the exercise of her authority
15 under the Court's Orders and applicable law.

16 The Commissioner requests that, following the hearing to show cause, the Court issue
17 orders to:

18 1. Pursuant to NRS 696B.210, appoint the Commissioner as Permanent Receiver
19 to enter the business and immediately oversee the operation and conservation/rehabilitation
20 of the business;

21 2. Pursuant to NRS 696B.255(1) and NRS 696B.290(6), authorize the
22 Commissioner as Receiver to employ special deputies, counsel, assistants, employees,
23 accountants, actuaries, investment counselors, asset managers, consultants, assistants, and
24 other personnel as she considers necessary, without prior notice to or prior approval by the
25 Court.

26 3. Pursuant to NRS 696B.255(1), authorize the Receiver to fix the compensation of
27 special deputies, counsels, clerks and assistants with the approval of the Court and thereafter,
28 without prior notice or prior approval of the Court, to pay compensation at such approved rate,

1 in addition to any other administrative expenses of taking possession of, conserving,
2 collecting, or otherwise dealing with, the business and property of CO-OP: all actions to be
3 subsequently included in Receiver's quarterly reports and subject to the Court's review, as
4 provided in NRS 696B.290(7).

5 4. Pursuant to NRS 696B.270, permanently enjoin the CO-OP, the officers,
6 directors, stockholders, members, subscribers, agents, employees, and all other persons from
7 transacting any further business on behalf of the CO-OP unless otherwise directed by the
8 Receiver, or from wasting or disposing of any assets or property of the CO-OP;

9 5. Pursuant to NRS 696B.340, permanently enjoin any and all persons from the
10 commencement or prosecution of any actions by or on behalf of the CO-OP, or against the
11 CO-OP. Further, all persons should be restrained from obtaining any preferences, judgments,
12 attachments, or other liens as to any property of the CO-OP, or making any levy against the
13 CO-OP or against their assets or any part thereof;

14 6. Pursuant to NRS 696B.270, permanently enjoin all persons other than the
15 Receiver, or as directed by the Receiver, from withdrawal of any funds from the CO-OP's
16 accounts, or removal of other property from the CO-OP;

17 7. Pursuant to NRS 696B.290 and 696B.270, vest the Commissioner as Receiver
18 with the title to all of the CO-OP's real and personal property of every kind whatsoever and
19 take possession of the assets wherever located, whether in the possession of the CO-OP or
20 its officers, directors, employees, consultants, attorneys, agents, managers, parents,
21 subsidiaries, affiliated corporations, or those acting in concert with any of these persons, and
22 any other persons, including, but not limited to, all property, offices maintained or utilized by
23 the CO-OP, books, papers, contracts, deposits, stocks, securities, rights of action, accounts,
24 documents, data records, papers, evidences of debt, bonds, debentures, mortgages, furniture,
25 fixtures, office supplies, safe deposit boxes, legal/litigation files, and all books and records of
26 insurers, and administer them under the general supervision of the Court;

27 ///

28 ///

9. Authorize the Commissioner as Receiver to take any and all actions that she deems advisable in connection with conservation/rehabilitation of the CO-OP, and as provided in Chapter 696B of the NRS and any other applicable law.

By: /s/ Joanna N. Grigoriev
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Attorney for the Division of Insurance

I. Introduction

///

II. Facts

NEVADA HEALTH CO-OP ("CO-OP"), Company ID No. 119733 and NAIC ID No. 15132, is incorporated as a nonprofit, non-stock cooperative corporation pursuant to NRS 81.410 - .540, inclusive, and operates as a health maintenance organization ("HMO") chartered in Nevada, with a certificate of authority issued on January 2, 2013. It operates as an HMO under the authority of NRS Chapter 695C.

The Patient Protection and Affordable Care Act ("ACA") established health insurance exchanges in order to provide individuals and small businesses another option through which to shop for health insurance and possibly receive certain tax credits. To expand the number of health insurance plans that could be made available on the exchanges, the ACA also provided for the creation of the Consumer Operated and Oriented Plan program ("Program"). This Program is overseen by the Centers for Medicare and Medicaid Services' ("CMS").

In order to assist in the creation of co-ops through the Program, CMS made two types of loans to qualified applicants including the CO-OP: Startup Loans which were intended to assist co-op applicants with approved costs for beginning operations; and Solvency Loans that were intended to assist applicants with meeting the capital reserve requirement of the State in which they intended to be domiciled. Subsequent to receipt of the Startup and Solvency Loans from CMS, no additional Federal funds are forthcoming for the capitalization of the CO-OP.

The CO-OP, which was created through the Program, is a private, nonprofit, member-owned insurance company subject to State insurance laws and certain Federal statutes, rules, regulations, and terms. For example, the CO-OP cannot offer equity interests to private investors. Additionally, because the CO-OP is organized as an HMO, there is no guaranty fund association protection available to its policyholders. NRS 686C.100.

The CO-OP's most recent financial statement filed as of June 30, 2015, pursuant to NRS 680A.270, reported total admitted assets of \$ 47,923,084, total liabilities of \$ 40,788,422 and capital & surplus in the amount of \$7,134,662. As of June 30, 2015, the CO-OP reported a net loss of (\$30,422,301).

1 On August 21, 2015, the CO-OP was allowed a limited one-time permitted practice to
2 report the CMS Startup funds as surplus rather than as a liability in accordance with SSAP
3 No. 15 – Debt and Holding Company Obligations. This permitted practice was limited to the
4 CO-OP's second quarter reporting period which ended on June 30, 2015.

5 According to the analysis by Division of Insurance Examiner, Kathleen Lace, (Ex. A),
6 there has been significant, materially-adverse loss development, such that the CO-OP is now
7 unsound pursuant to NRS 696B.210(2):

- 8 • The CO-OP's operating loss in the most previous 6-month period, is greater than
9 50 percent of the insurer's surplus which is in excess of the statutory minimum
10 surplus required for HMOs pursuant to Nevada Administrative Code ("NAC")
11 695C.130.
- 12 • Upon expiration of the permitted practice, the CO-OP's capital & surplus will
13 likely show that it is below the statutory minimum requirement pursuant to NAC
14 695C.130.
- 15 • The CO-OP does not have access to additional sources of capital to improve its
16 financial outlook.

17 Additional evidence supporting the conclusion that the CO-OP is in unsound condition
18 is provided and further explained in the Affidavit of Division of Insurance Lead Actuary,
19 Annette James (Ex. B), and is summarized as follows:

- 20 • The CO-OP's claims unpaid reserve has increased significantly over the first six
21 months of 2015.
- 22 • Continued losses over the first six months of 2015 resulted in the immediate
23 recognition of a large premium deficiency reserve as of June 30, 2015.
- 24 • The collectability of the CO-OP's accounts receivable from the Federal Risk
25 Corridor program in the amount of \$16,200,240 as of June 30, 2015, is
26 uncertain.

27 An unsound/hazardous condition serves as grounds for receivership pursuant to
28 NRS 696B.210(2). Additionally, the consent of the board of directors also serves as grounds
for said receivership pursuant to NRS 696B.210(14) (Ex. D). The foregoing facts constitute
grounds to place the CO-OP in a receivership pursuant to NRS 696B.210 and 696B.290.
These facts also support an order of injunction as provided in NRS 696B.270(1).

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III. Analysis

A. Receivership

Chapter 696B of the NRS governs delinquency proceedings, including by conservation, rehabilitation, or liquidation, against all persons and entities defined in NRS 696B.020. Nevada has adopted the Uniform Insurers Liquidation Act ("UILA"). See NRS 696B.280, 696B.030 - .180 and NRS 696B.290 - .340. The UILA serves the purpose to "make uniform the laws of those states which enact it," NRS 696B.280(3), and to provide for a uniform and orderly method of making claims against an insolvent insurer and distributing an insolvent insurer's assets. It prevents local creditors from seizing the assets of an insurer while liquidation proceedings are administered, thus ensuring that all creditors of the insolvent company, regardless of their geographical location, are treated equally. See *Ace Grain Co. v. Rhode Island Ins. Co.*, 107 F. Supp. 80 (S.D.N.Y. 1952), *aff'd*, 199 F. 2d. 758 (2d Cir. 1953).

In the State of Nevada, where this delinquent insurer is domiciled, the Commissioner is the proper authority to be appointed as the Receiver for proceedings to administer the CO-OP's assets. See NRS 696B.290. Under the statutory scheme patterned after UILA, the Receiver takes possession and control of the insurer's property and "steps into the shoes" of the insurer and proceeds to administer the receivership. *Am Jur. Receivers* § 116. Her powers are derived from the governing statutes, and not from the court. See *State ex. Rel. Sizemore v. United Physicians Ins. Risk Retention*, 56 S.W. 3d 557, 563 (Tenn. Ct. App. 2001) (citations omitted). The receiver is afforded great deference, as evidenced by the language of NRS 696B.290(7): "the court shall not withhold approval or disapprove any such action unless found by the court after a hearing thereon in open court to be unlawful, arbitrary or capricious." *Id.*

Unsound condition is grounds for receivership. NRS 696B.210(2). Additionally, the consent of the board of directors provides grounds under NRS 696B.210(14). The Commissioner, as Receiver in the state of domicile, is vested with title to all of the company's property and has the sole right to receive the books, records, and assets of the delinquent

1 company, wherever located, to satisfy the claims of policyholders and creditors in this state
2 and elsewhere, pursuant to NRS 696B.290. Claims against the insurer, including any claims
3 of Nevada residents, are reviewed pursuant to the provisions of NRS Chapter 696B. These
4 provisions apply broadly to all corporations, firms, associations, societies, entities or
5 individuals doing insurance business in Nevada. The Commissioner as Receiver is
6 responsible for the proper administration of assets.

7 The Petition filed in this case seeks an order appointing the Commissioner
8 as the Receiver as to the assets and special deposits of the CO-OP located within this state
9 and elsewhere. NRS 696B.250 sets forth the proper procedure as follows:

10 1. The Commissioner shall commence a delinquency proceeding
11 authorized under this chapter, the Attorney General representing
12 the Commissioner, by filing a petition in a court of proper
jurisdiction praying for appointment of the Commissioner as
receiver of the insurer.

13 2. Upon the filing of the petition the court shall issue an order
14 directing the insurer to appear in court on the day fixed in the order
15 and show cause why the petition should not be granted. Unless
16 good cause is shown for a shorter period, the order shall require
the insurer so to show cause not less than 15 days nor more than
30 days from the date of the order.

17 3. The order to show cause and service thereof on the insurer
18 shall constitute due and legal process and shall be in lieu of any
19 other process otherwise provided by law or court rule.

20 The District Court has original jurisdiction of delinquency proceedings under
21 NRS 696B.010 - .565 and "may make all necessary or proper orders to carry out the purposes
22 of those sections." See NRS 696B.190(1). In this case, as indicated in Ex. A and B and the
23 supporting documents, the CO-OP is unsound as provided in NRS 696B.210(2). As such,
24 proceeding with this receivership is appropriate.

25 **B. Injunctions**

26 The Commissioner is under a duty to act for the protection of subscribers, members,
27 and policyholders and conserve the available assets. To this end, the Commissioner
28 may seek an injunction to stay the commencement or prosecution of actions and the procuring
of judgment against the insurer, restrain the consummation of business transactions, prohibit
interference with the delinquency proceedings, or prevent waste of the assets. See NRS

696B.270 and NRS 696B.340. "The UILA authorizes the court in which a delinquency proceeding was instituted to enjoin all claims against the insurer...." *Integrity Ins. Co. v. Martin*, 105 Nev. 16, 18, 769 P.2d 69, 70 (1989). This Court may issue such injunctions in this matter without notice upon the commencement of these delinquency proceedings as provided in NRS 696B.270:

1. Upon application by the Commissioner for such an order to show cause, or at any time thereafter, **the court may without notice issue an injunction** restraining the insurer, its officers, directors, stockholders, members, subscribers, agents and all other persons from the transaction of its business or the waste or disposition of its property until the further order of the court. . . .

2. **The court may at any time during a proceeding** under NRS 696B.010 to 696B.565, inclusive, **issue such other injunctions** or orders as may be deemed necessary to prevent interference with the Commissioner or the proceeding, or waste of the assets of the insurer, or the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof.

3. No bond may be required of the Commissioner as a prerequisite for the issuance of any injunction or restraining order pursuant to this section. (Emphasis added).

The Commissioner seeks to preserve the status quo and to enforce the purposes of NRS 696B.270, and to protect policyholders of the CO-OP from the wasting of assets, as well as potential collection actions pending payment of claims. The CO-OP is in unsound condition and has been subject to such methods and practices in the conduct of its business as to render its further transaction of insurance, without formal conservation/rehabilitation receivership efforts by the Commissioner, presently or prospectively hazardous to the policyholders, creditors and the public. As evident from Exhibits A and B attached hereto, an order of an immediate injunction pending further orders of the Court is essential to preserve the assets, the status quo, to enforce the purposes of NRS 696B.270, and to protect insureds and creditors of the CO-OP from collection actions pending payment of claims.

IV. Conclusion

Based on the foregoing, the Commissioner respectfully requests that the Court issue an Order to Show Cause directing the CO-OP to appear and show cause why the Petition to Appoint Commissioner as Receiver and Associated Relief should not be granted. The

1 Commissioner further requests that the Court issue interim orders of injunction as set forth
2 herein, pending the show cause hearing and further orders of the Court as set forth herein.
3 The statutory immunity of NRS 696B.565 extends to deputy receivers as officers or agents of
4 the Receiver.

5 The Commissioner respectfully requests further that the Court grant the Petition for
6 Appointment of Commissioner as Receiver, along with the associated permanent relief and
7 injunctions.

8 DATED this 25th day of September, 2015.

9
10 ADAM PAUL LAXALT
Attorney General

11 By: /s/ Joanna N. Grigoriev
12 JOANNA N. GRIGORIEV
13 Senior Deputy Attorney General
14 *Attorney for the Division of Insurance*
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EXHIBIT A

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

STATE OF NEVADA
DEPARTEMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION FOR
APPOINTMENT OF COMMISSIONER AS RECEIVER AND OTHER PERMANENT
RELIEF; REQUEST FOR TEMPORARY INJUNCTION PURSUANT TO
NRS 696B.270(1)**

STATE OF NEVADA)
) ss:
COUNTY OF CARSON CITY)

I, Kathleen Lace, being duly sworn, on oath, depose and say that:

1. I am an Insurance Examiner I in the Corporate and Financial Affairs Section for the State of Nevada, Department of Business and Industry, Division of Insurance ("Division").

2. I have a Bachelor of Science in Health Ecology, a four-year undergraduate degree from the University of Nevada, Reno, secured in 1999. I have a Masters Degree in Business Administration ("MBA") with a concentration in Accounting and Finance obtained from the University of Nevada, Reno in 2005. I received the Associate Professional in Insurance Regulation ("APIR") designation awarded by the National Association of Insurance Commissioners in 2014.

3. From December 2014 to August 2015, I was the financial analyst assigned at the Division to review the financial information and related documents filed with the Division by the Nevada Health CO-OP ("CO-OP" or "Company"). I am providing this Affidavit in my capacity and responsibility as the assigned analyst during that period.

4. Attachment 1 is the Certificate of Authority granted to the CO-OP as a Health Maintenance Organization ("HMO") on January 2, 2013, and as amended on July 3, 2013. As an HMO, the CO-OP is subject to Nevada law in Chapter 695C and, pursuant to Nevada Revised Statute ("NRS") 686C.100, the CO-OP is not eligible to participate in the Nevada Life and Health Insurance Guaranty Association. The CO-OP is incorporated as a Nevada nonprofit cooperative corporation without stock, pursuant

1 to NRS 81.410 - .540, inclusive.

2 5. Pursuant to NRS 695C.210(1), the CO-OP was required to file a full and
3 true statement of its financial condition, transactions and affairs; and an accurate
4 statement of its financial condition, in accordance with the NAIC Annual Statement
5 Instructions and NAIC Accounting Practices and Procedures Manual. NRS
6 695C.210(1). Attachment 2 includes pages 1-5 of the CO-OP's 2014 Health Annual
7 Statement (financial) submitted on March 3, 2015.

8 6. Nevada Administrative Code ("NAC") 695C.130 requires that health
9 companies, such as the CO-OP, maintain a minimum capital and surplus balance of
10 \$1,500,000.

11 7. Pages 1-5 of the CO-OP's most recent Quarterly Statement (financial), as
12 of June 30, 2015, are attached as Attachment 3.

13 8. The CO-OP's June 30, 2015 financial statement reflects total admitted
14 assets of \$47,923,084 and total liabilities of \$40,788,422, resulting in capital and
15 surplus of \$7,134,662.

16 9. The CO-OP reported a net loss as of June, 30, 2015, of (\$30,422,301).
17 For the 2014 calendar year, the CO-OP reported a net loss of (\$15,295,456).

18 10. On June 30, 2015, the policyholders' surplus of \$7,134,662 was
19 comprised of \$48,820,349 of surplus notes, \$151,601 of aggregate write-ins for special
20 surplus funds, and \$17,080,047 of aggregate write-ins for other than special surplus
21 funds, less (\$58,917,335) in unassigned funds from operating losses since the CO-
22 OP's inception.

23 11. On August 21, 2015, the Division approved a temporary, limited one-time
24 permitted practice to allow the CMS Startup loan, in the amount of \$17,080,047, to be
25 reported as surplus rather than a liability in accordance with SSAP No. 15 – Debt and
26 Holding Company Obligations. The time period during which the permitted practice
27 was allowed was limited to the June 30, 2015 Quarterly Statement. A copy of the
28 permitted practice is attached as Attachment 4.

1 12. Due to the significant losses experienced since its inception, along with
2 the lack of new sources of capital, the CO-OP is unsound pursuant to NRS
3 696B.210(2).

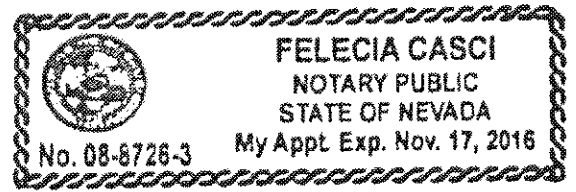
4 13. I declare under penalty of perjury that the foregoing is true and correct
5 based on my personal knowledge.

6
7 

8 Kathleen Lace
9 Insurance Examiner I

10
11 SUBSCRIBED and SWORN to
12 before me this 25 day of September, 2015.

13
14 
15 NOTARY PUBLIC



ATTACHMENT 1

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**

Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID #: **119733**

THE **NEVADA HEALTH CO-OP**

Incorporated in the State of **NEVADA**

Home office at **LAS VEGAS, NEVADA**

having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****


(Service Area by Counties and zip codes): Clark – All zip codes

*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*

Original Certificate Dated at Carson City,

Nevada this 2nd day of January, 2013





Commissioner of Insurance

Amended Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID: 119733
THE NEVADA HEALTH CO-OP
Incorporated in the State of NEVADA
Home office at LAS VEGAS, NEVADA
having duly qualified is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****
(Service Area: All zip codes in Nevada)

*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City, Nevada

this 2nd day of January, 2013

Amended this 3rd day of July, 2013



Commissioner of Insurance

ATTACHMENT 2

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

Nevada Health CO-OP

NAIC Group Code 0000 0000 NAIC Company Code 15132 Employer's ID Number 90-0917673
(Current) (Prior)
Organized under the Laws of Nevada State of Domicile or Port of Entry NV
Country of Domicile United States of America
Licensed as business type Health Maintenance Organization
Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized 10/30/2012 Commenced Business 01/01/2014
Statutory Home Office 3900 Meadows Lane Suite 214 Las Vegas, NV, US 89107
(Street and Number) (City or Town, State, Country and Zip Code)
Main Administrative Office 3900 Meadows Lane Suite 214
(Street and Number) Las Vegas, NV, US 89107 702-802-4600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Mail Address 3900 Meadows Lane Suite 214 Las Vegas, NV, US 89107
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)
Primary Location of Books and Records 3900 Meadows Lane Suite 214
(Street and Number) Las Vegas, NV, US 89107 702-802-4600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Internet Website Address nevadahealthcoop.org
Statutory Statement Contact Bas, Charles D base 702-802-4600
(Name) (Area Code) (Telephone Number)
cdibase@nevadahealthcoop.org 702-802-4601
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer Pamela Lynn Egan
Secretary Bobbette Ade's Bond

OTHER

DIRECTORS OR TRUSTEES

Danny Lynn Thompson Christine Joy Carlisle Donald Ray Taylor Jr.

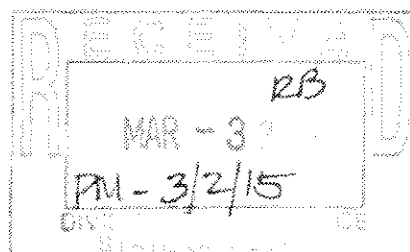
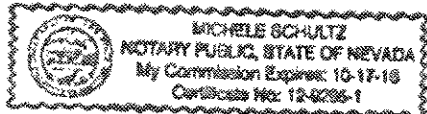
State of Nevada SS:
County of Clark

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Pamela Lynn Egan Bas, Charles D base
CEO CFO

Subscribed and sworn to before me this 28th day of February 2015
Michelle Schultz
Michelle Schultz
CEO Executive Assistant
October 17, 2016

- a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

ASSETS

	Current Year		Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)
1 Bonds (Schedule D)	23,855,511		23,855,511
2 Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3 Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4 Real estate (Schedule A):			
4.1 Properties occupied by the company (less \$ encumbrances)			0
4.2 Properties held for the production of income (less \$ encumbrances)			0
4.3 Properties held for sale (less \$ encumbrances)			0
5 Cash (\$ 3,808,157, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 36,343, Schedule DA)	3,845,501		3,845,501
6 Contract loans, (including \$ premium notes)			0
7 Derivatives (Schedule DB)			0
8 Other invested assets (Schedule BA)			0
9 Receivables for securities			0
10 Securities lending reinvested collateral assets (Schedule DL)			0
11 Aggregate write-ins for invested assets	0	0	0
12 Subtotals, cash and invested assets (Lines 1 to 11)	27,701,012	0	27,701,012
13 Title plants less \$ charged off (for Title insurers only)			0
14 Investment income due and accrued	67,052		67,052
15 Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,479,646	1,256,702	222,944
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0
15.3 Accrued retrospective premiums	4,391,073		4,391,073
16 Reinsurance:			
16.1 Amounts recoverable from reinsurers	7,092,348		7,092,348
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts	323,405		323,405
17 Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19 Guaranty funds receivable or on deposit			0
20 Electronic data processing equipment and software	737,002		737,002
21 Furniture and equipment, including health care delivery assets (\$)	362,958	362,958	0
22 Net adjustment in assets and liabilities due to foreign exchange rates			0
23 Receivables from parent, subsidiaries and affiliates			0
24 Health care (\$ 151,507) and other amounts receivable	238,900	147,299	151,507
25 Aggregate write-ins for other than invested assets	3,152,275	316,948	3,152,275
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,822,626	2,083,907	43,738,719
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28 Total (Lines 26 and 27)	45,822,626	2,083,907	43,738,719
29 DETAILS OF WRITE-INS			
1101			
1102			
1103			
1198 Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199 Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501 Solvency Loan Receivable	3,152,275		3,152,275
2502 Accrued Receivable	70,560	70,560	0
2503 Prepaid Assets	103,765	103,765	0
2598 Summary of remaining write-ins for Line 25 from overflow page	142,623	142,623	0
2599 Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,469,223	316,948	3,152,275

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 2,092,232 reinsurance ceded)	5,538,001		5,538,001	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	233,000		233,000	0
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,964,034		1,964,034	381,716
9. General expenses due or accrued	2,259,374		2,259,374	842,080
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	569,730		569,730	0
12. Amounts withheld or retained for the account of others			0	0
13. Reinsurance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	15,980,047		15,980,047	15,962,245
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under unsecured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	27,514,186	0	27,514,186	18,186,051
25. Aggregate write-ins for special surplus funds	XXX	XXX	83,199	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid-in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX	42,965,583	18,680,047
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(26,924,350)	(10,720,947)
32. Less treasury stock, at cost				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	18,124,532	7,959,100
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	43,738,718	26,145,151
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2399. Summary of remaining write-ins for Line 23 from overview page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2399)(Line 23 above)	0	0	0	0
2501. 5010 ACA Assessment	XXX	XXX	83,199	
2502.	XXX	XXX		
2503.	XXX	XXX		
2599. Summary of remaining write-ins for Line 25 from overview page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2599)(Line 25 above)	XXX	XXX	83,199	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3099. Summary of remaining write-ins for Line 30 from overview page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3099)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	xxx	162,632	0
2. Net premium income (including \$ non-health premium income)	xxx	51,526,023	
3. Change in unearned premium reserves and reserve for rate credits	xxx	0	
4. Post-ior-service (net of \$ medical expenses)	xxx	0	
5. Risk revenue	xxx	0	
6. Aggregate write-ins for other health care related revenues	xxx	0	0
7. Aggregate write-ins for other non-health revenues	xxx	0	15,000
8. Total revenues (Lines 2 to 7)	xxx	51,526,023	15,000
Hospital and Medical:			
9. Hospital/medical benefits		40,240,031	
10. Other professional services		9,937	
11. Outside referrals		0	
12. Emergency room and out-of-area		0	
13. Prescription drugs		12,331,645	
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		0	
16. Subtotal (Lines 9 to 15)	0	52,580,613	0
Less:			
17. Net reinsurance recoveries		9,184,580	
18. Total hospital and medical (Lines 16 minus 17)	0	43,396,033	0
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 1,174,626 cost containment expenses		4,409,031	0
21. General administrative expenses		19,041,284	7,928,516
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	66,867,248	7,928,516
24. Net underwriting gain or (loss) (Lines 8 minus 23)	xxx	(15,341,225)	(7,913,516)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		44,807	5,113
26. Net realized capital gains (losses) less capital gains tax of \$		962	
27. Net investment gains (losses) (Lines 25 plus 26)	0	45,769	5,113
28. Net gain or (loss) from agents' or premium balances charged off (Amount recovered \$) (amount charged off \$)			
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	xxx	(15,295,456)	(7,908,403)
31. Federal and foreign income taxes incurred	xxx		
32. Net income (loss) (Lines 30 minus 31)	xxx	(15,295,456)	(7,908,403)
DETAILS OF WRITE-INS			
0601.	xxx		
0602.	xxx		
0603.	xxx		
0698. Summary of remaining write-ins for Line 6 from overflow page	xxx	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	xxx	0	0
0701. Unrestricted Marketing Funds	xxx		15,000
0702.	xxx		
0703.	xxx		
0798. Summary of remaining write-ins for Line 7 from overflow page	xxx	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	xxx	0	15,000
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	7,959,100	(1,125,614)
34. Net income or (loss) from Line 32	(13,295,456)	(7,908,403)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(396,377)	(1,686,930)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	24,285,636	18,680,047
43. Cumulative effect of changes in accounting principles		
44. Capital Changes		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(427,770)	0
48. Net change in capital and surplus (Lines 34 to 47)	8,169,433	9,084,714
49. Capital and surplus end of reporting period (Line 33 plus 48)	16,124,533	7,959,100
DETAILS OF WRITE-INS		
4701. Prior Period Adjustment	(427,770)	
4702.		
4703.		
4796. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4796)(Line 47 above)	(427,770)	0

ATTACHMENT 3

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**



QUARTERLY STATEMENT
AS OF JUNE 30, 2015
OF THE CONDITION AND AFFAIRS OF THE
NEVADA HEALTH CO-OP

NAHC Green Code	8900 (Current Period)	9900 (Prior Period)	NAHC Company Code	15132	Employer's ID Number	80-0917673
Organized under the Laws of	Nevada	State of Domicile or Port of Entry	Nevada			
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Dental Service Corporation [] Other []	Property/Casualty [] Vision Service Corporation [] Is HMO Federally Qualified? Yes [] No [X] N/A []	Hospital, Medical & Dental Service or Indemnity [] Health Maintenance Organization [X]			
Incorporated/Organized	10/30/2012	Commenced Business	01/01/2014			
Statutory Home Office	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Main Administrative Office	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Mail Address	3900 MEADOWS LANE SUITE 214 (Street and Number or P.O. Box)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Internet Web Site Address	NEVADAHEALTHCOOP.ORG					
Statutory Statement Contact	BASIL CHARLES DIBSIE (Name)	702/802-4600 (Area Code) (Telephone Number)				
	BDIBSIE@NEVADAHEALTHCOOP.ORG (E-Mail Address)	702/802-4601 (Area Code) (Telephone Number) (Extension)				
		702/802-4600 (Area Code) (Telephone Number)				

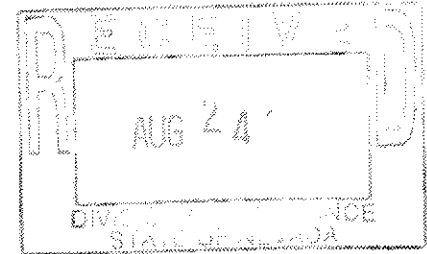
OFFICERS

Name	Title
PAMELA LYNN EGAN	CHIEF EXECUTIVE OFFICER
LINDA IRENE MATTON	CHIEF OPERATING OFFICER
BASIL CHARLES DIBSIE	CHIEF FINANCIAL OFFICER
NICOLE RENEE FLORAND	CHIEF MEDICAL OFFICER

OTHERS

DIRECTORS OR TRUSTEES

DANNY LYNN THOMPSON CHRISTINE JOY CARAFELLI
RONALD RAY TAYLOR JR.



State of Nevada
County of Clark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAHC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAHC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

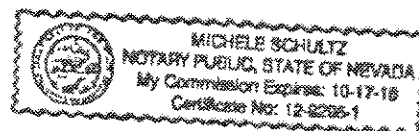
(Signature)	(Signature)	(Signature)
PAMELA LYNN EGAN	BASIL CHARLES DIBSIE	
(Printed Name)	(Printed Name)	(Printed Name)
1	2	3
CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
21 day of August 2015

(Notary Public Signature)

a. Is this an original filing?
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No []



ASSETS

		Current Statement Date			4
		1	2	3	December 31 Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols 1 - 2)	
1	Bonds	857,410		857,410	23,855,511
2	Stocks				
2.1	Preferred stocks				
2.2	Common stocks				
3	Mortgage loans on real estate				
3.1	First liens				
3.2	Other than first liens				
4	Real estate				
4.1	Properties occupied by the company (less \$ 0 encumbrances)				
4.2	Properties held for the production of income (less \$ 0 encumbrances)				
4.3	Properties held for sale (less \$ 0 encumbrances)				
5	Cash (\$ 7,818,076), cash equivalents (\$ 0) and short-term investments (\$ 4,196,316)	12,014,392		12,014,392	3,845,501
6	Contract loans (including \$ 0 premium notes)				
7	Derivatives				
8	Other invested assets				
9	Receivables for securities				
10	Securities lending reinvested collateral assets				
11	Aggregate write-ins for invested assets				
12	Subtotals, cash and invested assets (Lines 1 to 11)	12,871,802		12,871,802	27,701,012
13	Title plants less \$ 0 charged off (for Title insurers only)				
14	Investment income due and accrued	1,884		1,884	67,052
15	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	6,254,851	1,222,263	5,032,588	222,944
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums	16,200,240		16,200,240	4,291,073
16	Reinsurance:				
16.1	Amounts recoverable from reinsurers	12,670,001		12,670,001	7,092,348
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts	323,405		323,405	323,405
17	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19	Guaranty funds receivable or on deposit				
20	Electronic data processing equipment and software	571,686		571,686	737,002
21	Furniture and equipment, including health care delivery assets (\$ 0)	422,953	422,953		
22	Net adjustments in assets and liabilities due to foreign exchange rates				
23	Receivables from parent, subsidiaries and affiliates				
24	Health care (\$ 251,477) and other amounts receivable	582,628	331,151	251,477	151,507
25	Aggregate write-ins for other than invested assets	406,117	406,117		3,152,275
26	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	50,305,567	2,382,483	47,923,084	43,738,718
27	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28	TOTAL (Lines 26 and 27)	50,305,567	2,382,483	47,923,084	43,738,718
DETAILS OF WRITE-INS					
1101				
1102				
1103				
1198	Summary of remaining write-ins for Line 11 from overflow page				
1199	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501	SOLVENCY LOAN RECEIVABLE				3,152,275
2502	ACCRUED RECEIVABLE	174,493	174,493		
2503	PREPAID ASSETS	89,001	89,001		
2598	Summary of remaining write-ins for Line 25 from overflow page	142,623	142,623		
2599	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	406,117	406,117		3,152,275

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1 Claims unpaid (less \$ 0 reinsurance ceded)	15,027,286		15,027,286	5,608,001
2 Accrued medical incentive pool and bonus amounts				
3 Unpaid claims adjustment expenses	869,612		869,612	233,000
4 Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	19,529,890		19,529,890	
5 Aggregate life policy reserves				
6 Property/casualty unearned premium reserve				
7 Aggregate health claim reserves				
8 Premiums received in advance	2,115,524		2,115,524	1,964,034
9 General expenses due or accrued	2,611,506		2,611,506	2,259,374
10 1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10 2 Net deferred tax liability				
11 Ceded reinsurance premiums payable	634,421		634,421	569,730
12 Amounts withheld or retained for the account of others				
13 Remittances and items not allocated				
14 Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				16,980,047
15 Amounts due to parent, subsidiaries and affiliates				
16 Derivatives				
17 Payable for securities	182		182	
18 Payable for securities lending				
19 Funds held under reinsurance treaties with (\$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)				
20 Reinsurance in unauthorized and ceded (\$ 0) companies				
21 Net adjustments in assets and liabilities due to foreign exchange rates				
22 Liability for amounts held under uninsured plans				
23 Aggregate write-ins for other liabilities (including \$ 0 current)				
24 Total liabilities (Lines 1 to 23)	40,788,422		40,788,422	27,614,186
25 Aggregate write-ins for special surplus funds	X X X	X X X	151,601	83,199
26 Common capital stock	X X X	X X X		
27 Preferred capital stock	X X X	X X X		
28 Gross paid in and contributed surplus	X X X	X X X		
29 Surplus notes	X X X	X X X	48,870,349	42,965,683
30 Aggregate write-ins for other than special surplus funds	X X X	X X X	17,080,047	
31 Unassigned funds (surplus)	X X X	X X X	(58,917,335)	(26,924,350)
32 Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33 Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	7,134,662	16,124,532
34 Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	47,923,084	43,738,718
DETAILS OF WRITE-INS				
2301				
2302				
2303				
2398 Summary of remaining write-ins for Line 23 from overflow page				
2399 TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501 9010 ACA ASSESSMENT	X X X	X X X	151,601	83,199
2502	X X X	X X X		
2503	X X X	X X X		
2598 Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599 TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	151,601	83,199
3001 CMS Start-up Loans	X X X	X X X	17,080,047	
3002	X X X	X X X		
3003	X X X	X X X		
3098 Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099 TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	17,080,047	

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1	2	3	4
	Uncovered	Total	Total	Total
1 Member Months	X X X	124,054		162,632
2 Net premium income (including \$ 0 non-health premium income)	X X X	47,877,767	7,087,249	51,528,023
3 Change in unearned premium reserves and reserves for rate credits	X X X			
4 Fee-for-service (net of \$ 0 medical expenses)	X X X			
5 Risk revenue	X X X			
6 Aggregate write-ins for other health care related revenues	X X X			
7 Aggregate write-ins for other non-health revenues	X X X			
8 Total revenues (Lines 2 to 7)	X X X	47,877,767	7,087,249	51,528,023
Hospital and Medical:				
9 Hospital/medical benefits		35,303,149	3,581,631	40,240,031
10 Other professional services		9,294	1,118,007	8,837
11 Outside referrals				
12 Emergency room and out-of-area				
13 Prescription drugs		14,523,726	1,063,453	12,331,645
14 Aggregate write-ins for other hospital and medical				
15 Incentive pool, withhold adjustments and bonus amounts				
16 Subtotal (Lines 9 to 15)		49,836,170	5,763,091	52,580,613
Less:				
17 Net reinsurance recoveries		4,068,071		9,184,580
18 Total hospital and medical (Lines 16 minus 17)		45,770,100	5,763,091	43,398,633
19 Non-health claims (net)				
20 Claims adjustment expenses, including \$ 677,311 cost containment expenses		3,161,436		4,429,931
21 General administrative expenses		13,348,683	5,010,309	19,041,284
22 Increase in reserve for life and accident and health contracts (including \$ 0 increase in reserves for life only)		15,900,000		
23 Total underwriting deductions (Lines 18 through 22)		78,179,819	10,773,400	68,867,248
24 Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(30,301,050)	(3,686,151)	(15,341,225)
25 Net investment income earned		(124,449)	4,826	44,807
26 Net realized capital gains (losses) less capital gains tax of \$ 0		3,936		962
27 Net investment gains or (losses) (Lines 25 plus 26)		(120,451)	4,826	45,769
28 Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$ 0) (amount charged off \$ 0))				
29 Aggregate write-ins for other income or expenses				
30 Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(30,422,301)	(3,681,525)	(15,295,456)
31 Federal and foreign income taxes incurred	X X X			
32 Net income (loss) (Lines 30 minus 31)	X X X	(30,422,301)	(3,681,525)	(15,295,456)
DETAILS OF WRITE-INS				
0601	X X X			
0602	X X X			
0603	X X X			
0698 Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699 TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701	X X X			
0702	X X X			
0703	X X X			
0798 Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799 TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401				
1402				
1403				
1498 Summary of remaining write-ins for Line 14 from overflow page				
1499 TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901				
2902				
2903				
2998 Summary of remaining write-ins for Line 29 from overflow page				
2999 TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	16,124,533	7,959,100	7,959,100
34.	Net income or (loss) from Line 32	(30,422,301)	(3,681,525)	(15,295,456)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	(298,577)	893,901	(395,977)
40.	Change in unauthorized and certified reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes	5,854,666	21,133,361	24,285,636
43.	Cumulative effect of changes in accounting principles	17,080,047		
44.	Capital Changes			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus ..	(1,203,705)	(427,770)	(427,770)
48.	Net change in capital and surplus (Lines 34 to 47) ..	(8,989,870)	17,917,967	8,165,433
49.	Capital and surplus end of reporting period (Line 33 plus 48) ..	7,134,663	25,877,067	16,124,533
DETAILS OF WRITE-INS				
4701.	PRIOR YEAR ADJUSTMENT SUBSEQUENT TO THE ANNUAL FILING ..	(1,203,705)	(427,770)	(427,770)
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page ..			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) ..	(1,203,705)	(427,770)	(427,770)

ATTACHMENT 4

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

AMY L. PARKS
Acting Commissioner



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

August 21, 2015

Pamela Egan
Chief Executive Officer
Nevada Health CO-OP
3900 Meadows Lane
Las Vegas, NV 89107

SENT VIA E-MAIL:
pegan@nevadahealthcoop.org
CERTIFIED MAIL NO.
7012 2920 0001 8639 3661

Re: Request for Reconsideration of Permitted Practice

Dear Ms. Egan:

Please accept this letter in response to your request for reconsideration of permitted practice dated August 20, 2015. On August 10, 2015, on behalf of the Nevada Health CO-OP ("NHC"), you requested that NHC be granted a permitted practice by the State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), to remove from your 2015 second quarter financial statement, the liability of a \$17,080,047 debt ("Debt") for the start-up loan from the Centers for Medicare & Medicaid Services ("CMS"). The Debt is currently being treated as a long term liability in accordance with SSAP No. 15 – Debt and Holding Company Obligations. On August 14, 2015, this request was denied.

On Monday, August 17, 2015, you provided information to the Division that NHC, through a Board resolution on August 15, 2015, resolved to cease certain operations in Nevada for the 2015 plan year, withdraw its proposed 2016 health benefit plans and not seek certification, voluntarily suspend NHC's Certificate of Authority, and immediately cease and desist from selling health benefit plans in 2015. Moreover, you requested assistance from the Division in effecting a voluntary and orderly run-off for NHC's 2015 operations, recognizing that the paramount concern is for policyholders, providers, and consumers. Also on August 17, 2015, you requested, and the Division granted, an extension until the end of business on August 21, 2015, for NHC to submit its 2015 second quarter financial statement.

In order to accomplish a voluntary and orderly run-off of NHC's 2015 operations, you have now requested that the Acting Commissioner reconsider granting a permitted practice deviating from SSAP No. 15, and allow NHC to not report the Debt as a liability in its 2015 second quarter financial statement. This is now requested based on the Board's resolution to submit to a voluntary surrender of its Certificate of Authority, cease certain operations in Nevada, commence a voluntary and orderly run-off for its 2015 operations, and a commitment to its policyholders, providers and consumers.

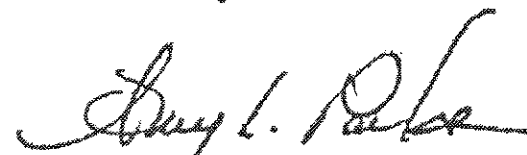
The request for a permitted practice to allow NHC to not report the Debt as a liability on its 2015 second quarter financial statement is granted *contingent on the following terms and conditions*:

- NHC not write or solicit any new business in the state of Nevada for the 2015 plan year, withdraw its proposed 2016 health benefit plans and not seek certification of those health benefit plans, voluntarily suspend NHC's Certificate of Authority, and immediately cease and desist from selling health benefit plans in 2015; and
- NHC submit to the Division for review an approvable run-off plan by Friday, August 28, 2015; and
- NHC understands and agrees that the run-off will include supervision by the Division and cooperation with the Division and CMS in achieving an orderly run-off in the best interests of consumers.

Failure to meet any or all of the conditions as outlined above for this conditional permitted practice may result in the immediate reversion of the permitted practice such that the Debt will be treated as a long term liability post hoc for the NHC's 2015 quarterly financial statement in accordance with long term liability in accordance with SSAP No. 15 – Debt and Holding Company Obligations.

Thank you for your cooperation and commitment to the policyholders, providers, and consumers in Nevada. If any further request or extension is needed beyond the second quarter filing, a separate request to renew the permitted practice must be made in writing. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,


AMY L. PARKS
Acting Commissioner

c: Omar Akel, Chief Insurance Examiner

EXHIBIT B

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

STATE OF NEVADA
DEPARTEMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

**AFFIDAVIT OF ANNETTE JAMES IN SUPPORT OF PETITION FOR
APPOINTMENT OF COMMISSIONER AS RECEIVER AND OTHER PERMANENT
RELIEF; REQUEST FOR TEMPORARY INJUNCTION PURSUANT TO
NRS 696B.270(1)**

STATE OF NEVADA)
) ss:
COUNTY OF CARSON CITY)

I, Annette James, being duly sworn, on oath, depose and say that:

1. I am a Lead Actuary for the State of Nevada, Department of Business and Industry, Division of Insurance ("Division").

2. I have a Bachelor of Science in Actuarial Science, a four-year undergraduate degree from Drake University, Des Moines, Iowa. I am a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries.

I am an active volunteer in the actuarial and regulatory community. I am a member of the Health Committee of the Actuarial Standards Board¹ ("ASB"), a member of the Health Practice International Committee and the Financial Reporting and Solvency Committee of the American Academy of Actuaries. I also serve on the AV/MV Work Group and the Risk Sharing Subcommittee of the Individual and Small Group Committee of the Health Practice Council of the American Academy of Actuaries. Additionally, I am a member of the Committee for Collaboration between the Financial Reporting and Health Sections of the Society of Actuaries.

3. As the Lead Actuary for Life and Health insurance matters at the Division, I am responsible for reviewing the actuarial reserves and actuarial assets included in the financial statements and related documents filed with the Division by the Nevada Health CO-OP ("CO-OP" or "Company"). I am providing this Affidavit in my capacity as

¹ The ASB sets professional standards for the actuarial profession in the United States.

1 the Lead Actuary for Life and Health insurance matters.

2 4. During my review of the CO-OP's financial statements as of December 31,
3 2014, and as of March 31, 2015, I noted the significant and continuing underwriting
4 losses experienced by the CO-OP which indicates that the premiums charged were
5 insufficient. As a result, I requested that the CO-OP establish a premium deficiency
6 reserve ("PDR")² as of June 30, 2015, in accordance with Statement of Statutory
7 Accounting Principles ("SSAP") No. 54 and the applicable actuarial standards of
8 practice ("ASOP"). The CO-OP's actuaries calculated the PDR to be \$15,900,000 as of
9 June 30, 2015, and this amount was recorded on the June 30, 2015 quarterly financial
10 statements. I reviewed the calculation of the PDR and found it to be reasonable and in
11 accordance with the appropriate ASOPs. The PDR accounted for \$15,900,000 of the
12 \$30,422,301 loss reported as of June 30, 2015.

13 5. I also reviewed the claims unpaid liability of \$15,027,286 and found it to be a
14 reasonable estimate of the claims that were incurred and not yet paid as of June 30,
15 2015.

16 6. As of June 30, 2015, the CO-OP reported a receivable of \$16,200,240 as the
17 amount expected to be received from the Centers for Medicare and Medicaid Services
18 ("CMS") under the Federal Risk Corridor program. The calculations of the amounts
19 due to be paid to the CO-OP appear to be reasonable. However, since only the
20 amounts collected under this three-year program may be distributed, and CMS has not
21 yet released its initial report of the program's collections and distributions, there is
22 significant uncertainty about the timing and magnitude of the actual payments.
23 Pursuant to SSAP 107, the entire amount is currently being recognized as a receivable
24 since the Risk Corridor amounts will be considered as admitted assets regardless of
25 when it is collected and information relating to the ultimate collectability of amounts due
26

27 ² A premium deficiency reserve is required to be held if it is expected that claims and
28 expenses will exceed premiums charged during the contract period.

1 under this program is not yet available. The collectability of the amounts receivable
2 under the Risk Corridor program is not an actuarial assumption and is, therefore,
3 beyond the scope of my review.

4 7. On September 23, 2015, the CO-OP provided the Division with draft
5 financials as of August 31, 2015. However, the actuarial items are currently under
6 review for accuracy and reasonableness.

7 8. Due to the size of the liabilities in relation to assets, the inadequacy of
8 premiums to support incurred claims and expenses, and the uncertainty surrounding
9 the collectability of large receivables, the CO-OP is unsound pursuant to NRS
10 696B.210(2).

11 9. I declare under penalty of perjury that the foregoing is true and correct based
12 on my personal knowledge.

13
14
15 Annette James.
16 Annette James, FSA, MAAA, FCA,
17 Lead Actuary

18 SUBSCRIBED and SWORN to
19 before me this 25 day of September, 2015.

20
21 Felecia Casci
22 NOTARY PUBLIC

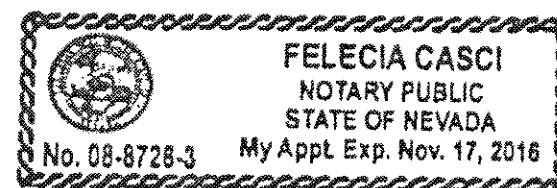
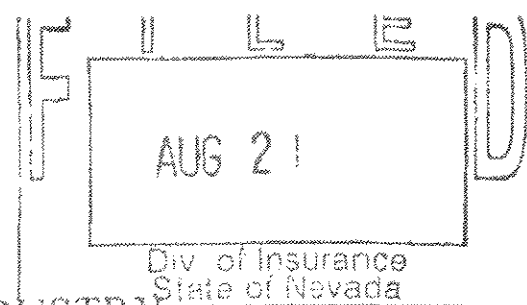


EXHIBIT C

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE



IN THE MATTER OF

CAUSE NO. 15.0268
COMPANY ID NO. 119733
NAIC ID NO. 15132

NEVADA HEALTH CO-OP.

ORDER OF VOLUNTARY
SUSPENSION OF CERTIFICATE
OF AUTHORITY

WHEREAS, the NEVADA HEALTH CO-OP ("NHC") is a health maintenance organization domiciled in the state of Nevada, Company ID No. 119733, and NAIC ID NO. 15132; and

WHEREAS, pursuant to Chapter 695C of the Nevada Revised Statutes ("NRS"), on January 2, 2013, NHC received a Certificate of Authority from the State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), to establish or operate a health maintenance organization in the state of Nevada (Exhibit A); and

WHEREAS, on July 3, 2013, NHC received an Amended Certificate of Authority reflecting the service area as all zip codes in Nevada (Exhibit B); and

WHEREAS, NHC, pursuant to a Board resolution on August 15, 2015, and subsequent request on August 17, 2015, has resolved and agreed to voluntarily suspend its Certificate of Authority and establish an orderly run-off plan for its operations; and

WHEREAS, the Commissioner finds that it would be in the best interests of the people of this state that NHC's Certificate of Authority be suspended effective on the date of this Order; and

WHEREAS, effective immediately, NHC shall:

- (1) Not write any new business or solicit any new enrollees in the state of Nevada;
- (2) Continue to administer its 2015 health care plans in accordance with a run-off plan approved by the Commissioner;
- (3) File its annual statements and pay required fees; and
- (4) Complete any further items outlined by the Commissioner.

WHEREAS, it is the policy of the Commissioner that the Certificate of Authority is not transferrable and, pursuant to NRS 680A.160, remains at all times the property of the state of Nevada; and

WHEREAS, NRS 680A.160 requires that the insurer shall promptly deliver the Certificate of Authority to the Commissioner upon its suspension, termination or expiration.

IT IS THEREFORE ORDERED that:


1. The Certificate of Authority of NHC, Company ID No. 119733 and NAIC ID No. 15132, is hereby voluntarily suspended pursuant to NRS 695C.330, effective August 21, 2015, according to the above.

2. NHC requested a voluntary suspension and, as a result, waived its right to a hearing pursuant to NRS 695C.330.

3. Nothing in this Order shall prevent the Commissioner from pursuing any other subsequent regulatory action as may be necessary.

4. NHC shall forthwith deliver to the Commissioner the Nevada Certificate of Authority, Company ID No. 119733.

SO ORDERED this 21st day of August, 2015.


AMY L. PARKS
Acting Commissioner of Insurance

Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID #: 119733

THE NEVADA HEALTH CO-OP

Incorporated in the State of NEVADA

Home office at LAS VEGAS, NEVADA

having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****

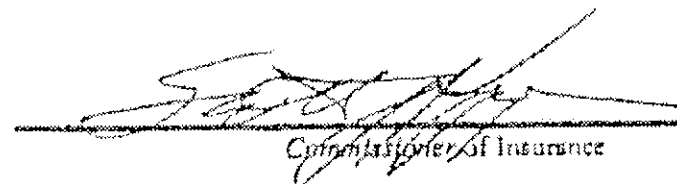
(Service Area by Counties and zip codes): Clark – All zip codes

*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City,

Nevada this 2nd day of January, 2013



Commissioner of Insurance

EXHIBIT A
PAGE 1 OF 1

Amended
Certificate
of
Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID: 119733
THE NEVADA HEALTH CO-OP
Incorporated in the State of NEVADA
Home office at LAS VEGAS, NEVADA
having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****
(Service Area: All zip codes in Nevada)

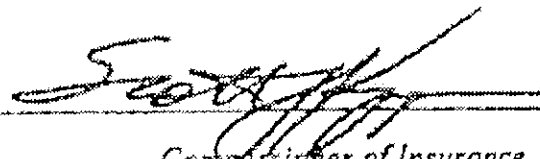
*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City, Nevada

this 2nd day of January, 2013

Amended this 3rd day of July, 2013



Commissioner of Insurance

EXHIBIT B
PAGE 1 OF 1

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Pamela Egan
Chief Executive Officer
Nevada Health CO-OP
3900 Meadows Lane
Las Vegas, NV 89107
CERTIFIED MAIL NO. 7012 2920 0001 8639 3661
E-MAIL: pegan@nevadahealthcoop.org

DATED this 21st day of August, 2015.

Terry Verbrugge
Employee of the State of Nevada
Department of Business and Industry
Division of Insurance

EXHIBIT D

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NEVADA HEALTH CO-OP**

The Board of Directors (the "Board") of Nevada Health CO-OP, a Nevada non-profit cooperative corporation ("CO-OP"), pursuant to Article IV.I of the CO-OP Bylaws, do hereby adopt the following resolution:

WHEREAS, pursuant to Nevada Revised Statutes Section 78.315 and Section 82.206, as well as Article IV.H. of the CO-OP's Bylaws, the Board may by resolution, passed by a majority of the Board, take action to approve and cooperate with the Nevada Department of Insurance (the "Division") in its filing for a Conservation/Rehabilitation Receivership (the "Receivership") to preserve assets during the wind-down of the CO-OP;

WHEREAS, the Board believes it is in the best interest of the CO-OP's members to cooperate with the Division in the filing for Receivership and preservation of assets during the wind-down of the CO-OP;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves cooperation with the Division in the filing for Receivership and other actions as may be necessary and appropriate to preserve assets during the wind-down of the CO-OP;

BE IT FURTHER RESOLVED, that all acts and things done by any officer of the CO-OP as any of them deemed necessary or appropriate in connection with the foregoing resolutions hereby are, in all respects ratified, confirmed, approved and adopted as acts by and on behalf of the CO-OP.

Unanimously adopted by the Board of Directors as of this 25th day of September, 2015:

BOARD OF DIRECTORS



JEFF ELLIS

ITS: CHAIRMAN

TAB 4

TAB 4


CLERK OF THE COURT

ORD
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
Attorney for the Division of Insurance

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

Case No. A-15-725244-C
Dept. No. I

**ORDER APPOINTING THE ACTING INSURANCE COMMISSIONER, AMY L. PARKS AS
TEMPORARY RECEIVER PENDING FURTHER ORDERS OF THE COURT AND
GRANTING TEMPORARY INJUNCTIVE RELIEF PURSUANT TO NRS 696B.270**

Whereas a Petition for Appointment of the Acting Commissioner Amy L. Parks ("Commissioner") as Receiver, and Other Permanent Relief, Request for Temporary Injunction pursuant to NRS 696B.270(1) ("Petition") was filed in the above entitled Court initiating these proceedings, and;

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that pursuant to NRS 696B.210(2), on the grounds that the insurer is in unsound condition, and pursuant to NRS 696B.210(14), on the grounds that the majority of its directors consented to

1 conservation/rehabilitation, the Commissioner is appointed as Temporary Receiver
2 ("Receiver") pending further orders by the Court, to enter the business and immediately
3 oversee the operation and conservation/ rehabilitation of the business.

4 IT IS FURTHER ORDERED that pursuant to NRS 696B.270(1), pending the show
5 cause hearing and further orders by the Court, Insurers, all officers, directors, stockholders,
6 members, subscribers, agents, employees, and all other persons, except the Receiver or any
7 person or persons designated by the Receiver, are immediately enjoined from transacting any
8 further business on behalf of the Insurers or wasting or disposing of any assets or property of
9 Insurers.

10 IT IS HEREBY FURTHER ORDERED that pursuant to NRS 696B.270, pending
11 further orders by the Court, the CO-OP, the officers, directors, stockholders, members,
12 subscribers, agents, employees, and all other persons are immediately enjoined from
13 transacting any further business on behalf of the CO-OP unless otherwise directed by the
14 Receiver, or from wasting or disposing of any assets or property of the CO-OP.

15 IT IS HEREBY FURTHER ORDERED that pursuant to NRS 696B.340, pending
16 further orders by the Court, all persons are immediately enjoined from the commencement or
17 prosecution of any actions by or on behalf of the CO-OP, or against the CO-OP. Further, all
18 persons shall be restrained from obtaining any preferences, judgments, attachments, or other
19 liens as to any property of the CO-OP, or making any levy against the CO-OP or against their
20 assets or any part thereof.

21 IT IS HEREBY FURTHER ORDERED that pursuant to NRS 696B.270, pending
22 further orders by the Court, all persons, other than the Receiver or as directed by the
23 Receiver, are enjoined from withdrawal of any funds from the CO-OP's accounts, or removal
24 of other property from the CO-OP.

25 IT IS HEREBY FURTHER ORDERED that Commissioner as Temporary Receiver is
26 authorized to impose such partial or full lien or moratoria on any disbursements for such time
27 and under such terms as she deems necessary and appropriate for the protection of members
28 and creditors; provided that such lien or moratoria shall apply in the same manner to all

1 similarly situated persons and provided that under no circumstances shall the Receiver or her
2 representatives be liable to any person for a good faith decision to impose, or refrain from
3 imposing, such lien or moratorium.

4 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver
5 is authorized to make such arrangements for the replacement or continuation of health care
6 coverage provided by the CO-OP as she deems appropriate and in the interest of the CO-
7 OP's members and to enter into such as agreements as she deems necessary for that
8 purpose.

9 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver
10 is authorized to appoint, without prior notice to or prior approval by the Court, such Special
11 Deputy Receiver and consultants as she deems necessary for the conduct of the CO-OP's
12 receivership; such Special Deputy Receiver thereby being vested with all the rights, duties,
13 and authority of the Temporary Receiver subject to the supervision of the Commissioner as
14 Temporary Receiver and of the Court.

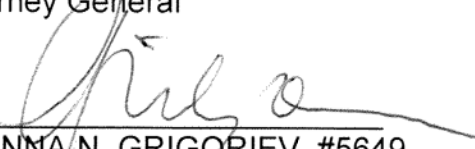
15 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver
16 is authorized to issue such Directives as she deems appropriate to memorialize and provide
17 notice of the exercise of her authority under the Court's Orders and applicable law.

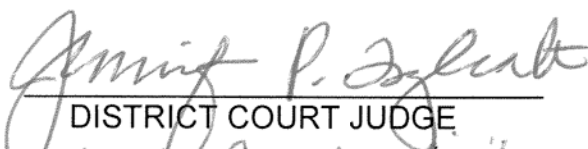
18
19 DATED 1st day of October, 2015.

20
21
22 Respectfully submitted by:

23
24 ADAM PAUL LAXALT
Attorney General

25
26 By:

27 
JOANNA N. GRIGORIEV, #5649
Senior Deputy Attorney General
555 East Washington Avenue, Suite 3900
Las Vegas, NV 89101
Attorneys for the Division of Insurance


DISTRICT COURT JUDGE
Acting Presiding Civil
Division Judge

TAB 5

TAB 5


CLERK OF THE COURT

ORD
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
Attorney for the Division of Insurance

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

Case No. A-15-725244-C

Dept. No. 1

**PERMANENT INJUNCTION AND ORDER APPOINTING COMMISSIONER AS
PERMANENT RECEIVER OF NEVADA HEALTH CO-OP**

A Petition For Appointment Of Commissioner as Receiver and Other Permanent Relief;
Request for Injunction Pursuant to NRS 696B.270(1) by the Commissioner of Insurance, Amy
L. Parks, in her official capacity as Temporary Receiver of NEVADA HEALTH CO-OP ("CO-
OP") was filed with the consent of CO-OP's board of directors on September 25, 2015; a Non
Opposition to Petition For Appointment Of Commissioner as Receiver and Other Permanent
Relief and a waiver of the opportunity to appear at a show cause hearing was filed by CO-OP
through its counsel on September 29, 2015; an Order Appointing the Acting Commissioner of

1 Insurance, Amy L. Parks, as Temporary Receiver Pending Further Orders of the Court,
2 Granting Temporary Injunctive Relief Pursuant to NRS 696B.270, and authorizing the
3 Temporary Receiver to appoint a special deputy receiver was filed on October 1, 2015; the
4 Commissioner, as Temporary Receiver, appointed the firm of Cantilo & Bennett, L.L.P.
5 ("C&B"), as Special Deputy Receiver ("SDR") of CO-OP on October 1, 2015 .

6 The Court having reviewed the points and authorities submitted by counsel and exhibits
7 in support thereof, and for good cause,

8 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

9 (1) Acting Commissioner of Insurance, Amy L. Parks, is hereby appointed
10 Permanent Receiver ("Receiver"), and C&B is appointed Permanent SDR of CO-OP. The
11 SDR shall have all the responsibilities, rights, powers, and authority of the Receiver subject to
12 supervision and removal by the Receiver and the further Orders of this Court. The Receiver
13 and the SDR are hereby directed to conserve and preserve the affairs of CO-OP and are
14 vested, in addition to the powers set forth herein, with all the powers and authority expressed
15 or implied under the provisions of chapter 696B of the Nevada Revised Statute ("NRS"), and
16 any other applicable law. The Receiver and Special Deputy Receiver are hereby authorized
17 to rehabilitate or liquidate CO-OP's business and affairs as and when they deem appropriate
18 under the circumstances and for that purpose may do all acts necessary or appropriate for the
19 conservation, rehabilitation, or liquidation of CO-OP. Whenever this Order refers to the
20 Receiver, it will equally apply to the Special Deputy Receiver.

21 (2) Pursuant to NRS 696B.290, the Receiver is hereby vested with exclusive title
22 both legal and equitable to all of CO-OP's property (referred to hereafter as the "Property")
23 and consisting of all:

- 24 a. Assets, books, records, property, real and personal, including all property or
25 ownership rights, choate or inchoate, whether legal or equitable of any kind
26 or nature;
 - 27 b. Causes of action, defenses, and rights to participate in legal proceedings;
- 28

- 1 c. Letters of credit, contingent rights, stocks, bonds, cash, cash equivalents,
2 contract rights, reinsurance contracts and reinsurance recoverables, in force
3 insurance contracts and business, deeds, mortgages, leases, book entry
4 deposits, bank deposits, certificates of deposit, evidences of indebtedness,
5 bank accounts, securities of any kind or nature, both tangible and intangible,
6 including but without being limited to any special, statutory or other deposits
7 or accounts made by or for CO-OP with any officer or agency of any state
8 government or the federal government or with any banks, savings and loan
9 associations, or other depositories;
- 10 d. All of such rights and property of CO-OP described herein now known or
11 which may be discovered hereafter, wherever the same may be located and
12 in whatever name or capacity they may be held.

13 (3) The Receiver is hereby directed to take immediate and exclusive possession
14 and control of the Property except as she may deem in the best interest of the Receivership
15 Estate. In addition to vesting title to all of the Property in the Receiver or her successors, the
16 said Property is hereby placed in the *custodia legis* of this Court and the Receiver, and the
17 Court hereby assumes and exercises sole and exclusive jurisdiction over all the Property and
18 any claims or rights respecting the Property to the exclusion of any other court or tribunal,
19 such exercise of sole and exclusive jurisdiction being hereby found to be essential to the
20 safety of the public and of the claimants against CO-OP.

21 (4) The Receiver is authorized to employ and to fix the compensation of such
22 deputies, counsel, employees, accountants, actuaries, investment counselors, asset
23 managers, consultants, assistants and other personnel as she considers necessary. Any
24 Special Deputy Receiver appointed by the Receiver pursuant to this Order shall exercise all of
25 the authority of the Receiver pursuant hereto subject only to oversight by the Receiver and the
26 Court. All compensation and expenses of such persons and of taking possession of CO-OP
27 and conducting this proceeding shall be paid out of the funds and assets of CO-OP in
28 accordance with NRS 696B.290.

1 (5) All persons, corporations, partnerships, associations and all other entities
2 wherever located, are hereby enjoined and restrained from interfering in any manner with the
3 Receiver's possession of the Property or her title to or right therein and from interfering in any
4 manner with the conduct of the receivership of CO-OP. Said persons, corporations,
5 partnerships, associations and all other entities are hereby enjoined and restrained from
6 wasting, transferring, selling, disbursing, disposing of, or assigning the Property and from
7 attempting to do so except as provided herein.

8 (6) All providers of health care services, including but not limited to physicians
9 hospitals, other licensed medical practitioners, patient care facilities, diagnostic and
10 therapeutic facilities, pharmaceutical companies or managers, and any other entity which has
11 provided or agreed to provide health care services to members or enrollees of CO-OP, directly
12 or indirectly, pursuant to any contract, agreement or arrangement to do so directly with CO-
13 OP or with any other organization that had entered into a contract, agreement, or arrangement
14 for that purpose with CO-OP are hereby permanently enjoined and restrained from:

- 15 a. Seeking payment from any such member or enrollee for amount owed by
16 CO-OP;
- 17 b. Interrupting or discontinuing the delivery of health care services to such
18 members or enrollees during the period for which they have paid (or because
19 of a grace period have the right to pay) the required premium to CO-OP
20 except as authorized by the Receiver or as expressly provided in any such
21 contract or agreement with CO-OP that does not violate applicable law;
- 22 c. Seeking additional or unauthorized payment from such CO-OP members or
23 enrollees for health care services required to be provided by such
24 agreements, arrangements, or contracts beyond the payments authorized by
25 the agreements, arrangements, or contracts to be collected from such
26 members or enrollees; and

d. Interfering in any manner with the efforts of the Receiver to assure that CO-OP's members and enrollees in good standing receive the health care services to which they are contractually entitled.

(7) All landlords, vendors and parties to executory contracts with CO-OP are hereby enjoined and restrained from discontinuing services to, or disturbing the possession of premises and leaseholds, including of equipment and other personal property, by CO-OP or the Receiver on account of amounts owed prior to October 1, 2015, or as a result of the institution of this proceeding and the causes therefor, provided that CO-OP or the Receiver pays within a reasonable time for premises, goods, or services delivered or provided by such persons on and after October 1, 2015, at the request of the Receiver and provided further that all such persons shall have claims against the estate of CO-OP for all amounts owed by CO-OP prior to October 1, 2015.

(8) All claims against CO-OP its assets or the Property must be submitted to the Receiver as specified herein to the exclusion of any other method of submitting or adjudicating such claims in any forum, court, or tribunal subject to the further Order of this Court. The Receiver is hereby authorized to establish a Receivership Claims and Appeal Procedure, for all receivership claims. The Receivership Claims and Appeal Procedures shall be used to facilitate the orderly disposition or resolution of claims or controversies involving the receivership or the receivership estate.

(9) The Receiver may change to her own name the name of any of CO-OP's accounts, funds or other property or assets, held with any bank, savings and loan association, other financial institution, or any other person, wherever located, and may withdraw such funds, accounts and other assets from such institutions or take any lesser action necessary for the proper conduct of the receivership.

(10) All secured creditors or parties, pledge holders, lien holders, collateral holders or other persons claiming secured, priority or preferred interest in any property or assets of CO-OP, including any governmental entity, are hereby enjoined from taking any steps whatsoever

1 to transfer, sell, encumber, attach, dispose of or exercise purported rights in or against the
2 Property.

3 (11) The officers, directors, trustees, partners, affiliates, brokers, agents, creditors,
4 insureds, employees, members, and enrollees of CO-OP, and all other persons or entities of
5 any nature including, but not limited to, claimants, plaintiffs, petitioners, and any governmental
6 agencies who have claims of any nature against CO-OP, including cross-claims,
7 counterclaims and third party claims, are hereby permanently enjoined and restrained from
8 doing or attempting to do any of the following, except in accordance with the express
9 instructions of the Receiver or by Order of this Court:

- 10 a. Conducting any portion or phase of the business of CO-OP;
 - 11 b. Commencing, bringing, maintaining or further prosecuting any action at law,
12 suit in equity, arbitration, or special or other proceeding against CO-OP or its
13 estate, or the Receiver and her successors in office, or any person appointed
14 pursuant to Paragraph (4) hereinabove;
 - 15 c. Making or executing any levy upon, selling, hypothecating, mortgaging,
16 wasting, conveying, dissipating, or asserting control or dominion over the
17 Property or the estate of CO-OP;
 - 18 d. Seeking or obtaining any preferences, judgments, foreclosures, attachments,
19 levies, or liens of any kind against the Property;
 - 20 e. Interfering in any way with these proceedings or with the Receiver, any
21 successor in office, or any person appointed pursuant to Paragraph (4)
22 hereinabove in their acquisition of possession of, the exercise of dominion or
23 control over, or their title to the Property, or in the discharge of their duties as
24 Receiver thereof; or
 - 25 f. Commencing, maintaining or further prosecuting any direct or indirect
26 actions, arbitrations, or other proceedings against any insurer of CO-OP for
27 proceeds of any policy issued to CO-OP.
- 28

1 (12) However, notwithstanding any other provision of this Order, the commencement
2 of conservatorship, receivership, or liquidation proceedings against CO-OP in another state by
3 an official lawfully authorized by such state to commence such proceeding shall not constitute
4 a violation of this Order.

5 (13) No bank, savings and loan association or other financial institution shall, without
6 first obtaining permission of the Receiver, exercise any form of set-off, alleged set-off, lien, or
7 other form of self-help whatsoever or refuse to transfer the Property to the Receiver's control.

8 (14) The Receiver shall have the power and is hereby authorized to:

- 9 a. Collect all debts and monies due and claims belonging to CO-OP, wherever
10 located, and for this purpose: (i) to institute and maintain actions in other
11 jurisdictions, in order to forestall garnishment and attachment proceedings
12 against such debts; (ii) to do such other acts as are necessary or expedient
13 to marshal, collect, conserve or protect its assets or property, including the
14 power to sell, compound, compromise or assign debts for purposes of
15 collection upon such terms and conditions as she deems appropriate, and
16 the power to initiate and maintain actions at law or equity or any other type of
17 action or proceeding of any nature, in this and other jurisdictions; (iii) to
18 pursue any creditor's remedies available to enforce her claims;
- 19 b. Conduct public and private sales of the assets and property of CO-OP,
20 including any real property;
- 21 c. Acquire, invest, deposit, hypothecate, encumber, lease, improve, sell,
22 transfer, abandon, or otherwise dispose of or deal with any asset or property
23 of CO-OP, and to sell, reinvest, trade or otherwise dispose of any securities
24 or bonds presently held by, or belonging to, CO-OP upon such terms and
25 conditions as she deems to be fair and reasonable, irrespective of the value
26 at which such property was last carried on the books of CO-OP. She shall
27 also have the power to execute, acknowledge and deliver any and all deeds,
28 assignments, releases and other instruments necessary or proper to

1 effectuate any sale of property or other transaction in connection with the
2 receivership;

3 d. Borrow money on the security of CO-OP' assets, with or without security, and
4 to execute and deliver all documents necessary to that transaction for the
5 purpose of facilitating the receivership;

6 e. Enter into such contracts as are necessary to carry out this Order, and to
7 affirm or disavow as more fully provided in subparagraph p., below, any
8 contracts to which CO-OP is a party;

9 f. Designate, from time to time, individuals to act as her representatives with
10 respect to affairs of CO-OP for all purposes, including, but not limited to,
11 signing checks and other documents required to effectuate the performance
12 of the powers of the Receiver.

13 g. Establish employment policies for CO-OP employees, including retention,
14 severance and termination policies as she deems necessary to effectuate the
15 provisions of this Order;

16 h. Institute and to prosecute, in the name of CO-OP or in her own name, any
17 and all suits and other legal proceedings, to defend suits in which CO-OP or
18 the Receiver is a party in this state or elsewhere, whether or not such suits
19 are pending as of the date of this Order, to abandon the prosecution or
20 defense of such suits, legal proceedings and claims which she deems
21 inappropriate, to pursue further and to compromise suits, legal proceedings
22 or claims on such terms and conditions as she deems appropriate;

23 i. Prosecute any action which may exist on behalf of the members, enrollees,
24 insureds or creditors, of CO-OP against any officer or director of CO-OP, or
25 any other person;

26 j. Remove any or all records and other property of CO-OP to the offices of the
27 Receiver or to such other place as may be convenient for the purposes of the
28 efficient and orderly execution of the receivership; and to dispose of or

- 1 destroy, in the usual and ordinary course, such of those records and property
2 as the Receiver may deem or determine to be unnecessary for the
3 receivership;
- 4 k. File any necessary documents for recording in the office of any recorder of
5 deeds or record office in this County or wherever the Property of CO-OP is
6 located;
- 7 l. Intervene in any proceeding wherever instituted that might lead to the
8 appointment of a conservator, receiver or trustee of CO-OP or its
9 subsidiaries, and to act as the receiver or trustee whenever the appointment
10 is offered;
- 11 m. Enter into agreements with any ancillary receiver of any other state as she
12 may deem to be necessary or appropriate;
- 13 n. Perform such further and additional acts as she may deem necessary or
14 appropriate for the accomplishment of or in aid of the purpose of the
15 receivership, it being the intention of this Order that the aforestated
16 enumeration of powers shall not be construed as a limitation upon the
17 Receiver;
- 18 o. Terminate and disavow the authority previously granted CO-OP' agents,
19 brokers, or marketing representatives to represent CO-OP in any respect,
20 including the underlying agreements, and any continuing payment obligations
21 created therein, as of the receivership date, with reasonable notice to be
22 provided and agent compensation accrued prior to any such termination or
23 disavowal to be deemed a general creditor expense of the receivership; and
- 24 p. Affirm, reject, or disavow part or all of any leases or executory contracts to
25 which CO-OP is a party. The Receiver is authorized to reject, or disavow
26 any leases or executory contracts at such times as she deems appropriate
27 under the circumstances, provided that payment due for any goods or
28 services received after appointment of the Receiver, with her consent, will be

1 deemed to be an administrative expense of the receivership, and provided
2 further that other unsecured amounts properly due under the disavowed
3 contract, and unpaid solely because of such disavowal, will give rise to a
4 general unsecured creditor claim in the Receivership proceeding.

5 (15) CO-OP, its officers, directors, partners, agents, brokers and employees, any
6 person acting in concert with them, and all other persons, having any property or records
7 belonging to CO-OP, including data processing information and records of any kind such as,
8 by way of example only, source documents and electronically stored information, are hereby
9 ordered and directed to surrender custody and to assign, transfer and deliver to the Receiver
10 all of such property in whatever name the same may be held, and any persons, firms or
11 corporations having any books, papers or records relating to the business of CO-OP shall
12 preserve the same and submit these to the Receiver for examination at all reasonable times.
13 Any property, books, or records asserted to be simultaneously the property of CO-OP and
14 other parties, or alleged to be necessary to the conduct of the business of other parties though
15 belonging in part or entirely to CO-OP, shall nonetheless be delivered immediately to the
16 Receiver who shall make reasonable arrangements for copies or access for such other parties
17 without compromising the interests of the Receiver or CO-OP.

18 (16) Nothing in this Order may be construed as to prevent the Nevada Life and
19 Health Insurance Guaranty Association and the Nevada Insurance Guaranty Association from
20 exercising their respective powers under Title 57 of the NRS.

21 (17) In addition to that provided by statute or by CO-OP's policies or contracts of
22 insurance, and to the extent not in conflict with the other provisions of this Paragraph (17), the
23 Receiver may, at such time she deems appropriate, without prior notice, subject to the
24 following provisions, impose such full or partial moratoria or suspension upon disbursements
25 owed by CO-OP, provided that

- 26 a. Any such suspension or moratorium shall apply in the same manner or to the
27 same extent to all persons similarly situated. However, the Receiver may, in
28

- 1 her sole discretion, impose the same upon only certain types, but not all, of
2 the payments due under any particular type of contract; and
- 3 b. Notwithstanding any other provision of this Order, the Receiver may
4 implement a procedure for the exemption from any such moratorium or
5 suspension, those hardship claims, as she may define them, that she, in her
6 sole discretion, deems proper under the circumstances.
- 7 c. The Receiver shall only impose such moratorium or suspension when the
8 same is not specifically provided for by contract or statute:
- 9 i. As part, or in anticipation, of a plan for the partial or complete
10 rehabilitation of CO-OP;
- 11 ii. When necessary to assure the delivery of health care services to
12 covered persons pending the replacement of underlying coverage; or
- 13 iii. When necessary to determine whether partial or complete
14 rehabilitation is reasonably feasible.
- 15 d. Under no circumstances shall the Receiver be liable to any person or entity
16 for her good faith decision to impose, or to refrain from imposing, such
17 moratorium or suspension.
- 18 e. Notice of such moratorium or suspension, which may be by publication, shall
19 be provided to the holders of all policies or contracts affected thereby.

20 (18) It is hereby ordered that all evidences of coverage, insurance policies and
21 contracts of insurance of CO-OP are hereby terminated effective on December 31, 2015,
22 unless the Receiver determines that any such contracts should be cancelled as of an earlier
23 date.

24 (19) No judgment, order, attachment, garnishment sale, assignment, transfer,
25 hypothecation, lien, security interest or other legal process of any kind with respect to or
26 affecting CO-OP or the Property shall be effective or enforceable or form the basis for a claim
27 against CO-OP or the Property unless entered by the Court, or unless the Court has issued its
28 specific order, upon good cause shown and after due notice and hearing, permitting same.

1 (20) All costs, expenses, fees or any other charges of the Receivership, including but
2 not limited to fees and expenses of accountants, peace officers, actuaries, investment
3 counselors, asset managers, attorneys, special deputies, and other assistants employed by
4 the Receiver, the giving of the Notice required herein, and other expenses incurred in
5 connection herewith shall be paid from the assets of CO-OP. Provided, further, that the
6 Receiver may, in her sole discretion, require third parties, if any, who propose rehabilitation
7 plans with respect to CO-OP to reimburse the estate of CO-OP for the expenses, consulting
8 or attorney's fees and other costs of evaluating and/or implementing any such plan.

9 (21) The Commissioner is part of the government of the State of Nevada, acting in
10 her official capacity, and as such, should be exempt from any bond requirements that might
11 otherwise be required when seeking the relief sought in this proceeding. Accordingly, it is
12 Ordered that no bond shall be required from the Commissioner as Receiver.

13 (22) If any provision of this Order or the application thereof is for any reason held to
14 be invalid, the remainder of this Order and the application thereof to other persons or
15 circumstances shall not be affected thereby.

16 (23) The Receiver may at any time make further application for such further and
17 different relief as she sees fit.

18 (24) The Court shall retain jurisdiction for all purposes necessary to effectuate and
19 enforce this Order.

20 (25) The Receiver is authorized to deliver to any person or entity a copy or certified
21 copy of this Order, or of any subsequent order of the Court, such copy, when so delivered,
22 being deemed sufficient notice to such person or entity of the terms of such Order. But nothing
23 herein shall relieve from liability, nor exempt from punishment by contempt, any person or
24 entity that, having actual notice of the terms of any such Order, shall be found to have violated
25 the same.

(26) Notice of any filings in this proceeding shall additionally be provided by electronic delivery to the email addresses provided by the Special Deputy Receiver and counsel for the Receiver.

IT IS SO ORDERED

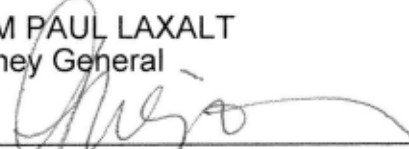
DATED this 14 day of October, 2015.



DISTRICT COURT JUDGE

Respectfully submitted by:

ADAM PAUL LAXALT
Attorney General

By: 

JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Attorneys for the Division of Insurance

NOTICE TO BE PROVIDED TO:

Cantilo & Bennett, L.L.P.
Special Deputy Receiver
Nevada Health CO-OP
3900 Meadows Lane
Las Vegas, NV 89107

Copy to:
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

TAB 6

TAB 6


CLERK OF THE COURT

MOT
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
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Email: jgrigoriev@ag.nv.gov
Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA

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

MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP
TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION, AND
GRANTING RELATED RELIEF

COMES NOW Commissioner of Insurance and Receiver ("Receiver"), Barbara D. Richardson, by and through her attorneys of record, Attorney General Adam Paul Laxalt and

1 Senior Deputy Attorney General Joanna N. Grigoriev, pursuant to Nevada Revised Statutes
2 ("NRS") 696B.220, and respectfully moves this Court, through this Motion (the "Motion") for a
3 final order finding and declaring Nevada Health CO-OP to be insolvent, placing Nevada
4 Health CO-OP into liquidation, and granting related relief as set forth in this Motion (the "Final
5 Order").

6 This Motion is made and based upon the following Memorandum of Points and
7 Authorities, all other documents on file with the Court in this matter, and any oral argument at
8 a hearing on this matter.

9
10 **NOTICE OF MOTION**

11 **TO: ALL INTERESTED PARTIES:**

12 YOU AND EACH OF YOU will please take notice that the undersigned will bring the
13 foregoing **MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH**
14 **CO-OP TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION,**
15 **AND GRANTING RELATED RELIEF**, on hearing in Department I of the above-entitled court
16 on the 22 day of AUGUST, 2016, at the hour of CHAMBERS am/pm, or as soon
17 thereafter as counsel may be heard.
18

19 Dated this 21st day of July, 2016.

20
21 ADAM PAUL LAXALT
22 Attorney General

23
24 By: /s/ Joanna N. Grigoriev
25 JOANNA N. GRIGORIEV
26 Senior Deputy Attorney General
27 Nevada Bar No. 5649
28 555 E. Washington Ave., Ste. 3900
Las Vegas, NV 89101

MEMORANDUM OF POINTS AND AUTHORITIES

I. Background

NHC is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization, to which the State of Nevada Division of Insurance issued a Certificate of Authority effective January 2, 2013. 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 ("CO-OPs"). As a Qualified Non-Profit Health Insurance Issuer as defined in Internal Revenue Code 501(c)(29), NHC is exempt from federal income tax.

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.

On October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP ("Permanent Receivership Order"), and appointing Cantilo & Bennett, L.L.P. as the Special Deputy Receiver ("SDR") in accordance with Chapter 696B of the Nevada Revised Statutes. A Notice of Substitution of Receiver was filed with this Court on April 6, 2016, changing the Receiver from Amy L. Parks to Barbara D. Richardson—the newly appointed Commissioner of Insurance for the State of Nevada.

II. Argument

This Court has original jurisdiction of the subject matter of this Motion under NRS 696B.190.

NRS 696B.220 authorizes the Receiver to apply to this Court for an order authorizing her to liquidate the business of a domestic insurer having assets located in Nevada, whether or not there has been a prior rehabilitation order, so long as certain grounds exist justifying the entry of a liquidation order.

NRS 696B.460 requires the Court, upon a hearing after such notice as it deems proper, to make and enter an order adjudging the insurer to be insolvent, if upon entry of an

1 order of liquidation, or at any time thereafter during liquidation proceedings, the insurer is not
2 clearly solvent.

3 NRS 696B.330 authorizes the Receiver to establish a process by which claimants
4 against the assets of NHC may set forth in reasonable detail the amounts of their claims, the
5 facts upon which those claims are based, and any priorities asserted.

6 NRS 696B.460 authorizes this Court to approve the manner of notice for this claims
7 filing process, as well as to set the deadline for the timely filing of claims.

8 NRS 696B.330 directs the Receiver to determine whether to approve or deny, in whole
9 or in part, every claim against the insurer in receivership. NRS 696B.420 directs the
10 Receiver to pay claims in order of priority as provided therein.

11 The Permanent Receivership Order authorizes the Receiver to establish a RAP to
12 facilitate the orderly disposition or resolution of claims or controversies involving the estate.

13 **The Request for a Final Order Finding Insolvency and Directing Liquidation**

14 NRS 696B.220 establishes the grounds for liquidation of a domestic insurer. NRS
15 696B.220(2) provides that an insurer's insolvency, or commencement of voluntary liquidation
16 or dissolution, is grounds for an order of liquidation. NRS 696B.110 defines "insolvency,"
17 among other definitions, as existing when the insurer fails to meet its obligations as they
18 mature. As explained in the Receiver's Status Reports to this Court and in other pleadings,
19 NHC's hazardous financial condition, alongside the uncertainty that it will receive certain
20 promised federal payments owing to qualified health plans ("QHPs") organized under
21 provisions of the ACA, has forced the Receiver to defer payment of NHC obligations as they
22 have matured. There is no reasonable probability that NHC's hazardous financial condition
23 will improve sufficiently to enable NHC to resume operations, much less to meet all
24 obligations as they mature. Thus, pursuant to this plan of liquidation, all operations of NHC
25 should cease and its affairs should be wound up as provided herein.

26 NRS 696B.220(5) provides that, upon application of the Receiver, the Court may order
27 an insurer liquidated if "efforts to rehabilitate the insurer and remove the causes or adverse
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1 effects thereof for which rehabilitation was instituted have failed despite all reasonable efforts
2 by the Commissioner, or cannot be continued without material increase of risk of loss to the
3 insurer's creditors or policyholders." The Receiver believes that, despite her reasonable
4 efforts to rehabilitate NHC, liquidation is warranted under NRS 696B.220(5) because:
5 (a) continued efforts to rehabilitate NHC are unlikely to remove the underlying causes of
6 NHC's hazardous financial condition, which is exacerbated by the decline in available liquid
7 assets resulting from the failure by The Centers for Medicare and Medicaid Services ("CMS")
8 to make promised payments; (b) all of NHC's enrolled members were required to and did
9 transition to other QHPs; (c) the Nevada Division of Insurance has suspended NHC's license
10 to transact insurance business; (d) NHC no longer satisfies the federal certification
11 requirements for QHPs; (e) NHC does not have the infrastructure and resources to enable
12 rehabilitation and resumption of its pre-receivership business operations; and (f) NHC does
13 not have, and there is no reason to believe that in the future it would or could have, sufficient
14 capital and surplus to be rehabilitated, resume its pre-receivership business operations, and
15 meet its obligations as they mature.

16 In addition, because NHC is not clearly solvent (indeed, it is woefully insolvent), the
17 Receiver submits respectfully that, pursuant to NRS 696B.460, the Court should, after notice
18 and a hearing, enter its Final Order adjudging NHC to be insolvent.

19 **The Proposed Notice Procedures**

20 **I. Implementing Notice**

21 The Receiver will provide service notice of this Motion to the parties denoted on this
22 Motion's certificate of service list. The Receiver further proposes to provide post-hearing
23 notice of the order on this Motion and of any approved claims filing deadline, POC process,
24 POC forms, and RAP in the following manners: (1) by mail notice, to the categories of
25 persons described below; (2) by newspaper publication; and (3) through the company's
26 website. The Receiver believes that providing notice on these matters, in the manners
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described below, would be fair, reasonable, and sufficient, and would comport with the requirements of Nevada law and due process.

A. Internet Notice

The Receiver proposes to post on NHC's website, <http://www.nevadahealthcoop.org> ("Website"), no later than ten (10) days after issuance of the Court's order on this Motion, notice of any order entered on this Motion and of any approved claims filing deadline, POC process, POC forms, and RAP. Notice of any order for this Motion will be made by posting a copy of the Exhibit 2 notice to the NHC Website.

The Website is already online and accessible to the public, and receivership information is being routinely posted to this Website. The SDR has been, and intends to continue, posting on the Website relevant documents and notice of significant receivership developments, including updates of relevant court filings and orders.

Pursuant to NRS 696B.290 and the Permanent Order, the Receiver respectfully requests that the Court: (1) grant the Receiver authority to utilize the NHC Website in combination with the other notice methods set forth in this Motion (*i.e.* via U.S. mail and newspaper publication) to provide notice of any order entered for this Motion; (2) grant the Receiver authority to utilize the NHC Website as the sole source of notice of any subsequent motions and orders concerning the receivership estate (with the exceptions noted in the next paragraph); and (3) authorize the Receiver to instruct all interested parties to check the NHC Website, on a regular basis, for all material developments, activity, and notices concerning the receivership estate.

By utilizing notice via Website—after the notices that will have been provided by mail, publication and the Website of the Court's order on this Motion (including any approved claims filing deadline, POC process, POC forms, and RAP)—the receivership estate will save thousands of dollars and avoid notifying thousands of parties that may have little to no further interest in the affairs of NHC. This request to approve notice by posting on the Website does not extend to parties already on (or to be added later) to the existing case service list, the

1 posting of claimant-specific notices of claim determinations, or requests or responses
2 concerning specific appeals, or claim-specific payment information. Notices for these specific
3 parties and instances will be sent by First Class and/or Certified U.S. Mail, where possible, in
4 the future. The Receiver would report all Website notices by attaching copies of such notices
5 as exhibits to the Receiver's regular status reports to this Court.

6 Due to the evolving and dynamic nature of the NHC receivership, and the need for the
7 Receiver to take prompt action when necessary, requiring mailed notice to approximately
8 46,000 interested parties for every Motion and/or matter of requested relief before this Court,
9 would create time and resource constraints, and financial drain on an already burdened
10 receivership estate. The streamlining of notices, which is directed to those parties truly
11 interested in the affairs of NHC, would reduce expenses and assist the Receiver's ongoing
12 efforts to manage NHC's affairs in a timely, diligent, and cost-efficient manner.

13 For these reasons, the Receiver submits respectfully that permitting Website notice, as
14 set forth in this Motion, is appropriate and necessary.

15 **B. Notice by Mail**

16 Should the Court grant the relief sought in this Motion, the Receiver proposes that
17 notice of the resulting order be sent by First Class U.S. mail to the interested parties detailed
18 below, in addition to the order being placed on the company website.

19 The Receiver proposes that the intended recipients of the attached Exhibit 1 notice will
20 be as follows:

- 21 a. all known persons identified as NHC health plan members during plan years
22 2014 and 2015;
- 23 b. all persons having submitted claims to NHC that have, as of the date of
24 receivership, not been paid in full;
- 25 c. all known present and former agents, brokers, and reinsurers of NHC;
- 26
- 27
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- d. all known NHC in-network and out-of-network health care providers who had performed services for health plan members throughout NHC plan years 2014 and 2015;
- e. all known general creditors and vendors of NHC;
- f. government agencies with potential or known claims against NHC, including agencies of the United States (e.g., the Internal Revenue Service, CMS, and the United States Department of Justice), the Nevada Attorney General, and other governmental agencies that in correspondence with the SDR have referenced claims against NHC;
- g. financial institutions with a history of business with NHC; and
- h. all other persons who request in writing to receive this notice or information regarding the POC process.

Notice of any order entered for this Motion regarding the claims filing deadline, POC process, POC forms, and RAP will be sent via the attached Exhibit 1 notice.

C. Notice by Publication

The Receiver proposes to cause publication of notice of any approved POC process, POC forms, deadline for filing claims, and RAP, as well as directions for obtaining additional receivership information, at least once a week for two (2) consecutive weeks in The Las Vegas Review-Journal and the Reno Gazette-Journal. Such notice would be reasonably calculated to inform any unknown creditors of those matters and afford them an opportunity to file their claims with the SDR. The notice would be in the form of the attached Exhibit 2. The Receiver requests, as part of the notice procedures approved by this Court, that notice of publication will serve as a substitute for any interested party of NHC that does not receive actual and/or timely notice of the entry of this Court's order. Publication will begin within fifteen (15) business days after the Court enters an order approving this Motion.

D. Mailing Notice Upon Request by Claimant

The Receiver proposes that, in the case that NHC receives a request from any claimant for a physical copy of the above-described documents, whether such request is made in writing, by e-mail, or by telephone, the SDR be permitted to respond as requested. All such requesting persons would be sent the requested documents by First Class U.S. Mail, where possible, to a specific postal address designated by the requester or to the last known valid postal address of the requester.

The Receiver respectfully submits that providing notices in the manner proposed herein would, under the circumstances, be the best methods practicable. In conclusion, the Receiver respectfully requests that the Court find that the proposed recipients and methods of notice are sufficient to provide notice to all parties interested in the current and ongoing affairs of NHC, and to approve them.

The Proposed Claims Process

I. Proof of Claim Form

NRS 696B.330 provides that every claim against an insurer in receivership must be filed in a manner and form that sets forth in reasonable detail the amount of the claim, the facts underlying the claim, and any payment priority asserted. The Receiver requests the Court's approval of the POC form and accompanying instructions attached as Exhibit 3. Claimants would be sent the POC form and interested parties would be informed that copies of said form and instructions can be obtained by request to the SDR, if such requests are made in writing, by e-mail, or by telephone.

The Receiver also requests that the Court authorize her to exempt from the claim filing requirement the health care providers (e.g., physicians or hospitals) that provided health care services to NHC's members and already reported their claims to the Receiver. There is a specific format and method by which health care provider claims have historically been reported to NHC, and this reporting format and method are still compatible with the claims and information technology systems of NHC. The claims reporting format and methods are

1 an efficient and streamlined process for reporting health care provider claims. Many health
2 care providers have already reported their claims to the Receiver, and the Receiver has
3 already processed many of their claims—or is completing the processing of these claims.
4 There is no need for the health care providers to report their claims to the Receiver for a
5 second time. For any health care provider claims not previously reported to NHC, it will also
6 save costs and be more time efficient for health care providers to use the same reporting
7 method as they have used before, and with which they are familiar. For the aforementioned
8 reasons, it is not necessary for health care providers to submit POCs for their existing or new
9 claims, and health care providers should be exempt from filing POCs with the Receiver.
10 Health care providers must still be required to report any new claims (*i.e.*, new claims not
11 previously reported to NHC) to the Receiver on or before the claims filing deadline, if such
12 deadline is approved by the Court. However, health care providers should report new claims
13 pursuant to the report format and method that they have always used for reporting their
14 claims (*i.e.*, they should not submit the new claims under the POC form process).

15 **Claims Filing Deadline**

16 NRS 696B.460 provides that after the entry of an Order of Liquidation, the
17 Commissioner shall notify all persons who may have claims against the insurer in
18 receivership to file such claims with the Commissioner within the time specified unless they
19 are within the scope of exemptions to the claim-filing requirement authorized by the Court.
20 The statute further provides that the time specified in the notice shall be fixed by this Court,
21 and shall not be less than six (6) months after the entry of the Order of Liquidation. The
22 Receiver requests that the Court set March 15, 2017, as the claims filing deadline (the
23 "Claims Filing Deadline") for the submission of NHC's claims, but further requests that the
24 Court allow claims to be considered timely filed by the Claims Filing Deadline if delivered by
25 U.S. Mail and received at NHC's mailing address by March 20, 2017. The proposed Claims
26 Filing Deadline would allow all parties in interest sufficient time and opportunity to identify and
27 file claims. The Receiver requests that the Court order that all claims against NHC must be
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1 received by the SDR on or before the Claims Filing Deadline, whether required to be
2 submitted on the prescribed POC form or otherwise. The Receiver further requests that the
3 Court order that claims received by the SDR after the Claims Filing Deadline may not share
4 in the assets of the receivership estate.

5 NRS 696B.400 provides that the rights and liabilities of the insurer and of its creditors,
6 policyholders, members, subscribers, and all other persons interested in the estate shall be
7 fixed as of the date of the Order of Liquidation, unless the Court directs otherwise, subject to
8 the provisions of Chapter 696B with respect to the rights of claimants holding contingent
9 claims. With respect to contingent claims, NRS 696B.450 provides in relevant part:

10 No contingent and unliquidated claim shall share in a distribution of
11 the assets of an insurer which has been adjudicated to be insolvent
12 by an order made pursuant to this chapter, except that such claim
13 shall be considered, if properly presented, and ***may be allowed to***
14 ***share where: (a) Such claim becomes absolute against the***
insurer on or before the last day for filing claims against the
assets of such insurer, or

15 (emphasis added). Accordingly, the Receiver requests that the Court order that claims which
16 have not been liquidated in amount and made non-contingent on or before the Claims Filing
17 Deadline may not share in the assets of the receivership estate.

18 The Receiver therefore requests respectfully that the Court enter its order directing
19 that: (a) all rights of parties regarding claims against NHC are fixed as of the date of the Final
20 Order except to the extent that the rights of claimants with respect to contingent or
21 unliquidated claims are protected by NRS 696B.400 and 696B.450; (b) NHC's claims against
22 others are not fixed as of the date of the Final Order; (c) no claim filed after the Claims Filing
23 Deadline may share in the assets of the estate, and NHC shall have no liability as to any
24 such late-filed claims; and (d) no claim that is not rendered absolute (*i.e.*, both non-contingent
25 and liquidated in amount) on or before the Claims Filing Deadline may share in the assets of
26 the estate, and NHC shall have no liability as to any such claims.

Pursuant to 686C.100(2), a health maintenance organization is not a "member insurer" for purposes of coverage by the Nevada Life and Health Insurance Guaranty Association. Therefore, no guaranty fund coverage is available for claims against NHC.

II. Processing Claims

Except as to the payment of hardship claims authorized previously by the Court, the Receiver seeks authority for the SDR to process POCs and to make distributions on approved claims after all POCs have been finally resolved, according to the requirements of: (1) NRS 696B.420, which requires the payment of each class of approved creditor claims in full, or to retain adequate funds for such payment, before making even partial payments on any inferior class of creditor claims; (2) NRS 696B.450, which precludes payment on any claim that is not rendered absolute (*i.e.*, both non-contingent and liquidated in amount) on or before the proposed Claims Filing Deadline; and (3) such other requirements as this Court may provide in its Final Order.

III. Appeals

The Receiver proposes to adopt the RAP set forth in Exhibit 4 in order to facilitate the orderly disposition or resolution of claims or controversies involving the receivership estate. As proposed, the RAP would apply to all decisions that concern any type of claim against the receivership estate (both health care-related as well as non-insurance claims), as well as decisions that concern non-claim matters, so long as the decision affects, or may affect, a financial interest, contract right, or legal entitlement of the receivership or the person asserting the appeal.

The Need for a *Final* Order on this Motion

In order for the Claims Filing Deadline to be enforceable, it must be established by a final, appealable order. If it were to be established solely in an interlocutory order, subject to appeal for potentially years after the Claims Filing Deadline passes, that would make it impracticable for the Receiver to make any distribution of estate assets until such time as a final appealable order were to eventually be entered. Granting the relief requested by this

1 Motion in a final order would have the added advantage of making immediately appealable all
2 prior interlocutory orders of the Court in this case, giving finality to those orders as well.
3 Accordingly, the Receiver respectfully requests that the Court designate the Final Order as a
4 Final Order of Liquidation pursuant to NRS 696B.190(5).

5 **Requested Relief**

6 For the reasons discussed above, the Receiver respectfully requests that the Court
7 issue an Order:

- 8 1. adjudging NHC to be insolvent on grounds that it is unable to meet obligations
9 as they mature;
- 10 2. authorizing the Receiver to liquidate the business of NHC and wind up its
11 ceased operations;
- 12 3. directing that the rights of parties regarding claims against NHC are fixed as of
13 the date of the Final Order except to the extent that the rights of claimants with
14 respect to contingent or unliquidated claims are protected by NRS 696B.400
15 and 696B.450;
- 16 4. directing that NHC's claims against others are not fixed as of the date of the
17 Final Order;
- 18 5. approving March 15, 2017, as the Claims Filing Deadline for the submission of
19 NHC's claims, but allowing claims to be considered timely filed by the Claims
20 Filing Deadline if delivered by U.S. Mail and received at NHC's mailing address
21 by March 20, 2017;
- 22 6. authorizing the Receiver to exempt health care providers (e.g., physicians or
23 hospitals) from being required to submit POCs for existing or new claims, and to
24 consider existing claims of health care providers as timely filed, but requiring
25 health care providers to submit new claims before the claims filing deadline in
26 the same reporting manner that they have previously used with NHC;

- 1 7. directing that no claim received after the Claims Filing Deadline may share in
- 2 the assets of the estate, and NHC shall have no liabilities as to any such late-
- 3 filed claims;
- 4 8. directing that no claim that is not rendered absolute (*i.e.*, both non-contingent
- 5 and liquidated in amount) on or before the Claims Filing Deadline may share in
- 6 the assets of the estate, and NHC shall have no liability as to any such claims;
- 7 9. approving the proposed POC process, including the POC form attached as
- 8 Exhibit 3, and finding that such process and form, or a substantially similar
- 9 process and form, comply with applicable Nevada law;
- 10 10. approving the proposed claims processing procedures described in this Motion;
- 11 11. approving the proposed RAP in the form attached as Exhibit 4, and finding that
- 12 a receivership appeal procedure substantially in that form complies with
- 13 applicable Nevada law and is within the authority granted to the Receiver in the
- 14 Permanent Receivership Order;
- 15 12. designating the order as a Final Order of Liquidation pursuant to NRS
- 16 696B.190(5);
- 17 13. Approving the notice procedures proposed herein (including the forms of notice
- 18 attached as Exhibits 1 and 2), finding that those notice procedures, or notice
- 19 procedures in substantially similar form, comply with the requirements of
- 20 Nevada law and due process;

21 ///

22 ///

- 1 14. granting all other relief requested by the Motion; and
2 15. granting the Receiver such other relief as the Court may deem just and
3 equitable.

4 DATED this 21st day of July, 2016.

6 Respectfully submitted:

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

11 By: /s/ Cantilo & Bennett, L.L.P.
12 Special Deputy Receiver
13 By Its Authorized Representative
 Patrick H. Cantilo

14 Respectfully submitted by:

15 ADAM PAUL LAXALT
16 Attorney General

17 By: /s/ Joanna N. Grigoriev
18 JOANNA N. GRIGORIEV
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24 Email: jgrigoriev@ag.nv.gov
25 Attorney for Attorney for Barbara D. Richardson,
26 Commissioner of Insurance, as the Permanent
27 Receiver for Nevada Health CO-OP
28

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of the State of Nevada, Office of the Attorney General, and that on the 21st day of July, 2016, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION, AND GRANTING RELATED RELIEF** on all parties receiving service by electronic transmission through the Wiznet system in this action to:

Barbara D. Richardson, Commissioner
State of Nevada Department of Business
and Industry
Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706

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/s/ Marilyn Millam

An employee of the Office of the Attorney General

EXHIBIT 1

EXHIBIT 1

EXHIBIT #1: Mailing Notice

IMPORTANT NOTICE OF LIQUIDATION AND CLAIMS FILING DEADLINE TO ALL PERSONS INTERESTED IN NEVADA HEALTH CO-OP'S ("NHC") AFFAIRS

This notice provides important information regarding the liquidation of NHC. On October 14, 2015, the Eighth Judicial District Court of Clark County, Nevada, Department Number 1 (the "Court"), placed NHC into permanent receivership. The Commissioner of the Nevada Division of Insurance, Barbara D. Richardson, is the Receiver for NHC, and CANTILLO & BENNETT, L.L.P. is the appointed Special Deputy Receiver. On _____, the Court entered its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related Relief (the "Order"). The Order is enclosed, and you should read it in its entirety rather than just reading this notice.

The Order directs the Receiver to liquidate the business of NHC and approves a Proof of Claim ("POC") process for filing and processing claims against NHC. The Order also establishes March 15, 2017, as the claims filing deadline (the "Deadline") for the submission of NHC's claims, but it allows claims to be considered timely filed by the Deadline if delivered by U.S. Mail and received at NHC's mailing address by March 20, 2017. Claims must be non-contingent and liquidated in amount by the Deadline to share in NHC's assets, and claims received after the Deadline will be barred from sharing in NHC's assets. All claims against NHC (except claims for Health Care Providers (*e.g.*, physicians or hospitals)) must be submitted on the approved POC form. All claimants (including Health Care Providers) must submit their claims to NHC before the Deadline. The POC form, instructions, and additional information are enclosed. The process for submitting Health Provider Claims are explained further below.

The Order also provides that all future receivership notices will be made through NHC's website (<http://www.nevadahealthcoop.org>) as a cost-savings measure, except in the limited circumstances described in the Order. Thus, you should periodically review the NHC website regularly to stay informed about your legal rights and receivership updates. You may also request the POC form and instructions by calling 1-855-606-2667, e-mailing SDR@NevadaHealthCoop.org, or writing to Nevada Health CO-OP, in Receivership, ATTN: Special Deputy Receiver, 840 S. Rancho Drive #4-321, Las Vegas, Nevada 89106. Any claimant may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your claims have been submitted and are being processed. NHC must be notified of any address changes to assure that you receive receivership mail in the future.

Claims of Health Care Providers ("Providers"): Providers are exempt from using 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. New claims of Providers must be filed with NHC by the Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Deadline will be considered late-filed and are ineligible for payment. Please DO NOT SUBMIT DUPLICATE CLAIMS (*i.e.*, claims that have been previously submitted to NHC), as this will delay the processing time for all claims. However, you may re-submit claims that require correction. You may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your Provider claims have been submitted and are being processed. 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.

EXHIBIT 2

EXHIBIT 2

EXHIBIT #2: Newspaper and Website Publication Notice

IMPORTANT NOTICE OF LIQUIDATION AND CLAIMS FILING DEADLINE TO ALL PERSONS INTERESTED IN NEVADA HEALTH CO-OP'S ("NHC") AFFAIRS

This notice provides important information regarding the liquidation of NHC. On October 14, 2015, the Eighth Judicial District Court of Clark County, Nevada, Department Number 1 (the "Court"), placed NHC into permanent receivership. The Commissioner of the Nevada Division of Insurance, Barbara D. Richardson, is the Receiver for NHC, and CANTILO & BENNETT, L.L.P. is the appointed Special Deputy Receiver. On _____, the Court entered its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related Relief (the "Order").

The Order directs the Receiver to liquidate the business of NHC and approves a Proof of Claim ("POC") process for filing and processing claims against NHC. The Order also establishes March 15, 2017, as the claims filing deadline (the "Deadline") for the submission of NHC's claims, but it allows claims to be considered as timely filed if delivered by U.S. Mail and received at NHC's mailing address by March 20, 2017. Claims must be non-contingent and liquidated in amount by the Deadline to share in NHC's assets, and claims received after the Deadline will be barred from sharing in any assets of NHC. All claims against NHC (except claims for Health Care Providers (e.g., physicians or hospitals)) must be submitted on the approved POC form. All claimants (including Health Care Providers) must submit their claims to NHC before the Deadline. The POC form, instructions, Order, and other information are available at www.NevadaHealthCoop.Org. You should read the Order in its entirety rather than just reading this summary of the Order. The process and procedures for submitting Health Care Provider Claims are explained further below.

The Order also provides that all future receivership notices will be made through NHC's website (<http://www.nevadahealthcoop.org>) as a cost-savings measure, except in the limited circumstances described in the Order. Thus, you should periodically review the NHC website regularly to stay informed about your legal rights and receivership updates. You may also request the POC form, instructions, and Order by calling 1-855-606-2667, e-mailing SDR@NevadaHealthCoop.org, or writing to Nevada Health CO-OP, in Receivership, ATTN: Special Deputy Receiver, 840 S. Rancho Drive #4-321, Las Vegas, Nevada 89106. Any claimant may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your claims have been submitted and are being processed. NHC must be notified of any address changes to assure that you receive receivership mail in the future.

Claims of Health Care Providers ("Providers"): Providers are exempt from using 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. New claims of Providers must be filed with NHC by the Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Deadline will be considered late-filed and are ineligible for payment. Please DO NOT SUBMIT DUPLICATE CLAIMS (i.e., claims that have been previously submitted to NHC), as this will delay the processing time for all claims. However, you may re-submit claims that require correction. You may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your Provider claims have been submitted and are being processed. 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.

EXHIBIT 3

EXHIBIT 3

EXHIBIT #3: 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)		Member ID
Street Address		Coverage Date(s)
City/State/Zip		Alternate Contact Name & Telephone No.
Phone	E-Mail	

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 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 Special Deputy Receiver (*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 Special Deputy Receiver. The Special Deputy Receiver 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 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. 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 submitted to NHC—and Providers should not use this POC form for the submission of their new claims.

See the pages that follow for the POC Instructions to use when completing this POC.

Explanation of Claim:	(Attach additional pages if necessary)
-----------------------	--

State of _____	
County of _____	

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

Printed Name

Sworn to and subscribed before me this _____ day of _____, 20____.

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 MARCH 15, 2017 (THE “CLAIMS DEADLINE”), BUT POC FORMS WILL ALSO BE CONSIDERED TIMELY FILED WITH NHC BY THE CLAIMS DEADLINE IF DELIVERED BY U.S. MAIL AND RECEIVED AT NHC’S MAILING ADDRESS BY MARCH 20, 2017. 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. 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 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 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.

Any claimant or any Providers may contact 1-855-606-2667 or e-mail [**SDR@NevadaHealthCoop.org**](mailto:SDR@NevadaHealthCoop.org) to verify that 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 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 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.
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.
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 it. 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 mail or e-mail the form to:

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

EXHIBIT 4

EXHIBIT 4

EXHIBIT #4: Receivership Appeal Procedure

Claims Administration and Adjudication Procedure for Nevada Health CO-OP (“NHC”)

1. The Eighth Judicial District Court of Clark County, Nevada, Department Number 1, as the receivership court (the “Receivership Court”) for NHC, has directed that March 15, 2017, will be the claims filing deadline (the “Claims Deadline”) for the submission of NHC’s claims, but it will also allow any NHC claim to be considered timely filed by the Claims Deadline if delivered by U.S. Mail and received at NHC’s mailing address by March 20, 2017.
2. The claims of Health Care Providers (“Providers”), such as physicians or hospitals, will be exempted from the claims filing requirement for existing claims, but new claims of providers must be filed by the Claims Deadline as referenced by paragraph 3. below.
3. This paragraph 3 only applies to the claims of Providers, such as physicians or hospitals, and other claimants and parties need not read this paragraph. Providers 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. 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 Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Claims Deadline will be considered late-filed 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, Providers may re-submit claims that require correction. Providers may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that their claims have been submitted and are being processed. 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. However, the appeal of any Provider claim determination will be governed by the terms of this appeal procedure.
4. Any claimant may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org if you would like to verify that your claims have been submitted and are being processed.
5. The Special Deputy Receiver (“SDR”) is not required to process any claims in a creditor class unless assets will be available to pay that class. The SDR shall notify the Receivership Court if there are insufficient assets to process and pay claims for a class, and the Court will later decide the disposition of these claims—and all affected claimants will be notified at that time.
6. All claims submitted to the SDR shall detail the amount and factual basis for the claim. All claims must be verified by an affidavit of the claimant, or someone authorized to act for the claimant with factual knowledge. Claims must be supported by documentation.
7. Under this appeal procedure, the SDR shall mail (by First Class U.S. Mail to claimants) written notice of the claim determination (“Notice of Claim Determination”). The Notice

of Claim Determination will inform claimants of when the claimant's appeal must be sent to the SDR. The procedure for appeal is described further below.

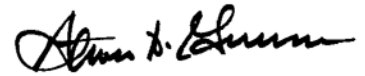
8. The SDR shall provide the Receivership Court with a report of all claim determinations.
9. The next section is only relevant if the claimant wishes to appeal the SDR's Notice of Claim Determination. The next section details how to make and file an appeal.

Appeals of Receivership Decisions

10. Claimants have sixty (60) days to appeal from the Notice of Claim Determination date.
11. Failure to file a timely objection with the SDR of the claim determination will waive any right of the claimant to pursue his, her, or its claim against NHC, and the SDR's claim determination will become final and non-appealable.
12. The claimant's appeal must be received by the appeal due date, or five days after the appeal due date if mailed, to be timely appealed. A claimant must submit any claim appeal to the SDR within sixty (60) days after the Notice of Claim Determination date. The SDR will work to resolve appeals based upon information submitted.
13. The SDR shall submit to the Receivership Court a report of all claim determinations on which any objection was filed, including a report of any unresolved objections.
14. The Receivership Court shall fix a time for a hearing on all unresolved claim objections, and the SDR will give these claimants notice of the Court hearing for an appealed claim.
15. The SDR's notice of Receivership Court hearing will cover the following:
 - a. Will be addressed to the claimant by First Class U.S. Mail not more than thirty (30) days and not less than ten (10) days before the Receivership Court hearing, on any unresolved claim to which an objection has been filed; and
 - b. Will specify the time and place of the hearing.
16. A hearing may be conducted by the Receivership Court or by any court-appointed master or referee. A master or referee will submit findings of fact and recommendations to the Receivership Court—and the Court will enter an order that decides the appealed claim.
17. An order by the Receivership Court may be appealable to the Supreme Court of Nevada in accordance with Nevada Supreme Court Rules.
18. An order by the Receivership Court that is not timely appealed to the Supreme Court of Nevada is deemed "final."
19. Interested parties may also utilize this Receivership Appeal Procedure to appeal decisions of the Receiver concerning non-claim matters if the claim decision may affect a financial interest, contract right, or legal entitlement of the person making the appeal.

TAB 7

TAB 7



CLERK OF THE COURT

1 **RSPN**
2 MARK E. FERRARIO, ESQ.
3 NV Bar No. 9499
4 ERIC W. SWANIS, ESQ.
5 NV Bar No. 6840
6 GREENBERG TRAURIG, LLP
7 3773 Howard Hughes Parkway
8 Suite 400 North
9 Las Vegas, NV 89169
10 Telephone: (702) 792-3773
11 Facsimile: (702) 792-9002
12 E-mail: swanise@gtlaw.com
13 ferrariom@gtlaw.com
14 *Counsel for Defendant*
15 *Valley Health System*

10 **DISTRICT COURT**
11 **CLARK COUNTY, NEVADA**

13 STATE OF NEVADA, EX REL.
14 COMMISSIONER OF INSURANCE, IN HER
15 OFFICIAL CAPACITY AS STATUTORY
16 RECEIVER FOR DELINQUENT DOMESTIC
17 INSURER

17 Plaintiff,

18 v.

19 NEVADA HEALTH CO-OP,

20 Defendant.

Case No.: A-15-725244-C
Dept. No.: 1

**RESPONSE TO MOTION FOR FINAL
ORDER FINDING AND DECLARING
NEVADA HEALTH CO-OP TO BE
INSOLVENT, PLACING NEVADA HEALTH
CO-OP INTO LIQUIDATION, AND
GRANTING RELATED RELIEF**

22 COME NOW Valley Health System ("VHS"), by and through its counsel, the law firm of
23 Greenberg Traurig LLP, hereby submits this response to Motion for Final Order Finding and
24 Declaration Nevada Co-Op to be Insolvent, Placing Nevada Health Co-Op into Liquidation, and
25 Granting Related Relief ("Motion"). This Response is based upon the attached Memorandum of
26
27
28

1 Points and Authorities, the papers, pleadings and records contained in this Court's file, and the
2 evidence and argument of counsel to be presented at the hearing on the Motion.

3 DATED this 8th day of August, 2016.

4 GREENBERG TRAURIG, LLP

5
6 By: /s/Mark E. Ferrario

7 MARK E. FERRARIO, ESQ. (NV Bar No. 9499)

8 ERIC W. SWANIS, ESQ. (NV Bar No. 6840)

9 3773 Howard Hughes Parkway, Suite 400 North

10 Las Vegas, NV 89169

11 *Counsel for Defendant Valley Health System*

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

VHS is a medical provider with a potential claim against the receivership estate in excess of \$5 million. The Court should hold its ruling on the Motion in abeyance until the Commissioner provides clarity on the potential sources of recovery identified by the Commissioner, including federal agencies and private reinsurers, and reimbursement funds which the Commissioner admits exceeds \$15 million. The Court should also require the Commissioner to explain all of her efforts to obtain those funds for potential payout to all providers who have been damaged through NHC's failed insurance cooperative.

The Commissioner is required - under Nevada law and pursuant to this Court's order - to undertake efforts to rehabilitate NHC and recover all funds available to be dispersed to the as-yet-unpaid providers. However, the Commissioner has not been transparent in her efforts such that this Court and providers, like VHS, cannot assess whether the Commissioner and her agents have appropriately assessed and recovered all available funds belonging to the receivership estate.

II.

BACKGROUND

A. **The Commissioner Files Her Petition for Appointment As Receiver.**

On September 25, 2015, the State of Nevada, ex rel. Acting Commissioner of Insurance ("Commissioner") filed its Petition for Appointment as Receiver ("Petition") pursuant to Chapter 698B of the Nevada Revised Statutes, in order to "enter the business and immediately oversee the operation and conservation/rehabilitation of the business." *See* Petition, filed with the Court on September 25, 2015 ("Petition"), at 2:8-12. In the Petition, the Commissioner requested authority "to make such arrangements for the replacement or continuation of healthcare coverage provided by the [Nevada Health Co-Op] (hereinafter "NHC")) as she deems appropriate and in the interest of [NHC] members and to enter into such agreements as she deems necessary for that purpose. *Id.* at 3:4-7. Additionally, the Commissioner asked the Court to vest her with "title to all of [NHC's] real and personal property of every kind whatsoever and take possession of the assets wherever located, whether in the possession of [NHC] or its officers, directors, employees, consultants,

1 attorneys, agents, managers, parent subsidiaries, affiliated corporations or those acting in concert
2 with any of these persons and any other persons, including, but not limited to all property offices
3 maintained or utilized by [NHC], books, papers, contracts, deposits, stocks, securities, **rights of**
4 **action**, accounts, documents, data records, paper evidences of debt, bonds, debentures, mortgages,
5 furniture, fixtures, office supplies, safe deposit boxes, legal/litigation files and all books and records
6 of insurers and administer them under the general supervision of the Court.” *Id.* at 4:17-26.
7 (emphasis added). Finally, the Commissioner asked the Court to authorize her “to take any and all
8 actions that she deems advisable in connection with **conservation/rehabilitation** of [NHC] and as
9 provided in Chapter 696B of the NRS and any other applicable law.” *Id.* at 5:2-4 (emphasis added).

10 **B. The Court Grants the Commissioner’s Petition.**

11 The Court granted the Commissioner’s Petition, and all of the relief sought therein. *See*
12 Order, filed October 14, 2015 (“Order”). In particular, the Court directed the Receiver: “to take
13 immediate and exclusive possession and control of the Property except as she may deem in the best
14 interest of the Receivership Estate.” *See id.* at 3:13-15. The Order also vested the Commissioner
15 with exclusive legal and equitable title to NHC’s property including “**causes of action**, defenses,
16 and rights to participate in legal proceedings” (*id.* at 2:21-27) as well as “all of such rights and
17 property of [NHC] described herein now known or which may be discovered hereafter, wherever
18 the same may be located and in whatever name or capacity they may be held.” *Id.* at 3:10-12
19 (emphasis added). The Court granted the Commissioner the power and authority to “collect all
20 debts and monies due **and claims belonging to [NHC], wherever located** and for this purpose:
21 (i) **to institute and maintain actions in other jurisdictions...**(ii) **to do such other acts as are as**
22 **necessary or expedient to marshal, collect, conserve or protects its assets or property...**and the
23 **power to initiate and maintain actions at law or equity or any other type of action or**
24 **proceeding of any nature**, in this and other jurisdictions; (iii) to pursue any creditor’s remedies
25 available to enforce her claims...**institute and to prosecute, in the name of [NHC] or in her own**
26 **name, any and all suits and other legal proceedings...**to pursue further and to compromise suits,
27 legal proceedings or claims on such terms and conditions as she deems appropriate...prosecute any
28

1 action which may exist on behalf of the members, enrollees, insurance or creditors, of [NHC]
2 against any officer or director of [NHC], or any other person....” *Id.* at 7:8-8:25 (emphasis added).

3 **C. The Commissioner’s Actions and Recognition of the Importance of Outstanding**
4 **Receivables Exceeding \$15 million.**

5 According to her status reports, the Commissioner has undertaken efforts to secure NHC’s
6 right to claims against several federal receivables programs that are part of the Patient Protection
7 and Affordable Care Act, Public Law 111-148 (together with the Healthcare and Education
8 Reconciliation Act of 2010, the “ACA”) by compiling and submitting medical service utilization
9 data to the Centers for Medicare and Medicaid Services (“CMS”), an agency of the United States
10 Department of Health and Human Services (“HHS”). *See* Second Status Report, filed with the
11 Court on April 8, 2016, at 5:22-6:12. On March 8, 2016, CMS implemented an “administrative
12 hold” on any funds “properly payable to NHC” which specified that “any payments related to the
13 APTC (including the cost sharing reduction portion), and payments under the Reinsurance, Risk
14 Corridors, and Risk Adjustment Programs established in Sections 1341, 1342, and 1343 of the
15 ACA, any refunds of reinsurance contributions, and any amounts due to NHC as a result of the cost
16 sharing reduction reconciliation process set forth in 45 C.F.R. 156.430 were suspended by CMS at
17 the request of the United States Department of Justice...**this suspension affects every federal**
18 **receivables program in which NHC participates.”** *Id.* at 9:22-10:2 (emphasis added). With
19 “more than \$15 million presently due from CMS (*see* Third Status Report, filed with the Court on
20 July 6, 2016, at 11:9-10), the Commissioner has recognized that the “**federal receivables from**
21 **CMS are essential and critical before the [Commissioner] can make meaningful claims**
22 **distributions in the Receivership.”** *Id.* at 11:10-12 (emphasis added).

23 Despite acknowledging the critical importance of the federal receivables, the
24 Commissioner’s efforts to obtain them appear to include:

- 25 • quantifying the amounts due from federal and private reinsurers (Second Status Report,
26 at 12:1-8; Third Status Report, at 13:13-21);
- 27 • evaluating potential asset recoveries (Second Status Report, at 13:10-11);

- requesting explanation for the legal basis and timetable for the administrative hold (Second Status Report, at 10:10-12);
- providing information and documents to the federal government (*id.* at 10:13-23; 11:11-14; Third Status Report, at 4:19-21; 6:3-7:2), hiring two separate companies to complete these tasks (*Id.* at 7:17-19);
- “working hard to resolve matters with CMS by out of court resolution, which remains a top priority.” (*Id.* at 14:5-6).

Recognizing the potential need for litigation, the Commissioner claims she is “working with CMS in an attempt to resolve this superpriority issue without resorting to Court proceedings.” Third Status Report, at 10:26-11:4. However, the Commissioner has admitted that “Until there is clarity on the superpriority status of CMS loan claims, it has stymied the Receiver’s ability to pay non-hardship claim payments in the Receivership....” *Id.*

D. The Commissioner’s Refusal to Provide Information and Documents.

Counsel for VHS has contacted the Commissioner, through her appointed agents, to determine and evaluate the Commissioner’s efforts to challenge the CMS administrative hold and obtain the in excess of \$15 million in reimbursables from the federal government and other agencies. *See* Exhibit A, Swanis Declaration, at ¶ 5). Although claiming discussions and assessments were ongoing between the Commissioner and third parties, no tangible information was provided to counsel for VHS. *See id.* at ¶ 6. Additionally, the Commissioner refused to provide copies of any demand letters or other correspondence between her and any federal agencies. *See id.* at ¶ 7. As recently as last week, the Commissioner merely pointed VHS to the website provided by the Commissioner, which contains virtually no information about the Commissioner’s efforts to obtain the reimbursables from any public or private source. *See id.* at ¶ 8. VHS believes that the federal agencies/sources from which funds may potentially be recovered include:

- Payments related to the Advanced Premium Tax Credit (26 U.S.C. Section 36B and implemented at, *inter alia*, 45 C.F.R. Part 155), including the Cost Sharing Reduction Reconciliation program, 45 C.F.R. Section 156.430

- The Reinsurance program, 45 C.F.R. Part 153
- The Risk Corridor program, also at 45 C.F.R. Part 153
- The Risk Adjustment program, also at 45 C.F.R. Part 153
- The ACA Consumer Operated and Oriented Plan program (see 45 C.F.R. 156.520)

See *id.* at ¶ 8.

III.

LEGAL ARGUMENT

Before ruling on the Motion, the Court should require the Commissioner to provide full disclosure as to its efforts to collect at least \$15 million in receivables from the federal government and private reinsurers. This Court granted the Petition, vesting the Commissioner to act as a Receiver over NHC pursuant to Chapter 696B of the Nevada Revised Statutes. Under NRS 696B.290, the Commissioner is vested “by operation of law with the title to all of the property, contracts and rights of action, and all of the books and records of the insurer, wherever located, as of the date of entry of the order directing the Commissioner to conserve, rehabilitate or liquidate a domestic insurer...and the Commissioner shall have the right to recover the same and reduce the same to possession....” NRS 696B.290(2). The Commissioner is required to take immediate actions to rehabilitate the insurer: “Upon taking possession of the assets of an insurer, the domiciliary Receiver **shall immediately proceed** to conduct the business of the insurer or to take such steps as are authorized by this Chapter for the purpose of **rehabilitating**, liquidating or conserving the affairs or assets of the insurer.” NRS 696B.290(5) (emphasis added). This necessarily includes pursuing any litigation that has the potential of increasing the assets of the company. See 1 Couch on Insurance § 5:39, Statutory Liquidator, Generally – Actions by and against (citing *Brown v. ANA Insurance Group*, 965 So.2d 902 (La. Ct. App. 2007); *Four Star Insurance Agency, Inc. v. Hawaiian Elec. Industries, Inc.*, 974 P.2d 1017 (1999); *Matter of Rehabilitation of National Heritage Life Insurance Company*, 656 A.2d 252 (Del. Ch. 1994)).

Here, the Commissioner has requested a final order placing NHC into liquidation and implementing a claims filing process. See generally Motion. The Court should hold its decision on the Motion in abeyance unless and until the Commissioner provides more clarity on its efforts to

1 recover the “more than \$15 million presently due from CMS” which are “essential and critical
2 before the [Commissioner] can make meaningful claims distributions in the Receivership.” See
3 Third Status Report, at 11:9-12. Likewise, the Commissioner must identify all funds potentially
4 recoverable from all sources, including private reinsurers and other “potential asset recoveries for
5 the benefit of the Receivership Estate” (see Second Status Report, at 12:1-8; 13:10-11; Third Status
6 Report, at 13:13-21), as well as her efforts to obtain and recover such funds, including from the
7 following federal agencies/sources:

- 8 • Payments related to the Advanced Premium Tax Credit (26 U.S.C. Section 36B and
9 implemented at, *inter alia*, 45 C.F.R. Part 155), including the Cost Sharing Reduction
10 Reconciliation program, 45 C.F.R. Section 156.430
- 11 • The Reinsurance program, 45 C.F.R. Part 153
- 12 • The Risk Corridor program, also at 45 C.F.R. Part 153
- 13 • The Risk Adjustment program, also at 45 C.F.R. Part 153
- 14 • The ACA Consumer Operated and Oriented Plan program (see 45 C.F.R. 156.520)

15 Finally, despite acknowledging that resolution with CMS is a top priority and necessary to
16 pay out claims, and despite acknowledging that it has engaged in communications with CMS and
17 apparently other federal agencies, the Commissioner has refused to provide such information and
18 documents to VHS, which has a substantial claim exceeding \$5 million in this case, and presumably
19 to other providers. The Court should require the production of such information and documents so
20 that the Court and providers like VHS can properly assess whether NHC is not clearly insolvent and
21 to ensure that all potentially-recoverable funds are pursued and included as part of the claims payout
22 process sought by the Commissioner. The Commissioner should have no objection to this request
23 given that Nevada law plainly requires it to conserve and rehabilitate NHC.¹

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25
26
27 ¹ See NRS 696B.290(5) (Receiver “shall immediately proceed to conduct the business of the insurer...for the purpose of
28 rehabilitating, liquidating or conserving the affairs or assets of the insurer.” See also 1 Couch on Insurance § 5:39,
Statutory Liquidator, Generally -- Actions by and against (citing *Brown v. ANA Insurance Group*, 965 So.2d 902 (La.
Ct. App. 2007); *Four Star Insurance Agency, Inc. v. Hawaiian Elec. Industries, Inc.*, 974 P.2d 1017 (1999); *Matter of
Rehabilitation of National Heritage Life Insurance Company*, 656 A.2d 252 (Del. Ch. 1994)).

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IV.

CONCLUSION

Based upon the foregoing, VHS respectfully asks the Court to grant the relief requested herein.

DATED this 8th day of August, 2016.

GREENBERG TRAURIG, LLP

By: /s/Mark E. Ferrario
MARK E. FERRARIO, ESQ. (NV Bar No. 9499)
ERIC W. SWANIS, ESQ. (NV Bar No. 6840)
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CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this 8th day of August, 2016, I caused a true and correct copy of the foregoing **RESPONSE TO MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION, AND GRANTING RELATED RELIEF** to be filed and served via the Court's Wiznet E-Filing system. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

/s/Sandy Jackson

An employee of GREENBERG TRAURIG, LLP

GREENBERG TRAURIG, LLP
3775 Howard Hughes Parkway
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EXHIBIT A

DECL
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Counsel for Defendant
Valley Health System

DISTRICT COURT
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER

Plaintiff,

v.

NEVADA HEALTH CO-OP,

Defendant.

Case No.: A-15-725244-C
Dept. No.: 1

**DECLARATION OF ERIC W. SWANIS,
ESQ. IN SUPPORT OF RESPONSE TO
MOTION FOR FINAL ORDER FINDING
AND DECLARING NEVADA HEALTH CO-
OP TO BE INSOLVENT, PLACING
NEVADA HEALTH CO-OP INTO
LIQUIDATION, AND GRANTING
RELATED RELIEF**

I, ERIC W. SWANIS, ESQ., under penalty of perjury, state that the facts contained herein are of my own personal knowledge, and that if called upon, I would testify to the same.

1. I am an attorney duly licensed to practice law in the state of Nevada.
2. I am a shareholder with the law firm of Greenberg Traurig, LLP, attorneys for the Valley Health System ("VHS"), a party in interest in above-referenced captioned matter.
3. I have personal knowledge of the facts set forth herein.

1 4. I make this declaration in support of VHS' Response to Motion for Final Order Finding and
2 Declaring Nevada Health Co-Op to be Insolvent, Placing Nevada Health Co-Op into Liquidation,
3 and Granting Related Relief.

4 5. On several occasions over the past few months, I have contacted the Commissioner, through
5 her appointed agents, to determine and evaluate the Commissioner's efforts to challenge the CMS
6 administrative hold and obtain the in excess of \$15 million in reimbursables from the federal
7 government and other agencies.

8 6. Although claiming discussions and assessments were ongoing between the Commissioner
9 and third parties, no tangible information was provided to me.

10 7. Additionally, the Commissioner refused to provide copies of any demand letters or other
11 correspondence between her and any federal agencies.


12 8. As recently as last week, the Commissioner merely pointed VHS to the website provided
13 by the Commissioner, which contains virtually no information about the Commissioner's efforts to
14 obtain the reimbursables from any public or private source.

15 VHS believes that the federal agencies/sources from which funds may potentially be
16 recovered include:

- 17 • Payments related to the Advanced Premium Tax Credit (26 U.S.C. Section 36B and
18 implemented at, *inter alia*, 45 C.F.R. Part 155), including the Cost Sharing Reduction
19 Reconciliation program, 45 C.F.R. Section 156.430
- 20 • The Reinsurance program, 45 C.F.R. Part 153
- 21 • The Risk Corridor program, also at 45 C.F.R. Part 153
- 22 • The Risk Adjustment program, also at 45 C.F.R. Part 153
- 23 • The ACA Consumer Operated and Oriented Plan program (see 45 C.F.R. 156.520)

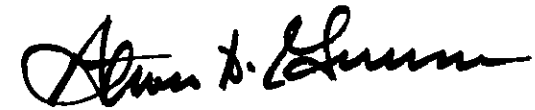
24 I declare under penalty of perjury under the laws of the United States that the foregoing is
25 true and correct.

26 DATED this 8th day of August 2016.

27 
28 Eric W. Swanis, Esq.

TAB 8

TAB 8



CLERK OF THE COURT

ORDR
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Joanna N Grigoriev (Bar. No. 5649)
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*Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP*

DISTRICT COURT
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant

Case No. A-15-725244

Dept. No. I

**FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP TO BE
INSOLVENT AND PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION**

This matter came before the Court on the 20th day of September, 2016 on Motion For Order Finding and Declaring Nevada Health CO-OP to Be Insolvent, Placing Nevada Health CO-OP Into Liquidation, and Granting Related Relief ("Motion") by the Commissioner of Insurance, Barbara D. Richardson, in her official capacity as Permanent Receiver of NEVADA HEALTH CO-OP, a Nevada domiciled health maintenance organization ("NHC").

The Court having reviewed the points and authorities submitted by counsel and exhibits in support thereof, and having heard arguments of counsel,

1 IT IS HEREBY ORDERED, ADJUDGED and DECREED that:

- 2 (1) NHC is adjudged to be insolvent on grounds that it is unable to meet obligations as they
3 mature;
- 4 (2) The Receiver is authorized to liquidate the business of NHC and wind up its ceased
5 operations pursuant to NRS 696B.220.2;
- 6 (3) The rights of parties regarding claims against NHC are fixed as of the date of this Final
7 Order pursuant to NRS 696B.400, except to the extent that the rights of claimants with
8 respect to contingent or unliquidated claims are protected by NRS 696B.400 and
9 696B.450;
- 10 (4) NHC's claims against others are not fixed as of the date of the Final Order;
- 11 (5) April 28, 2017, is established as the deadline (the "Claims Filing Deadline") for filing
12 and rendering absolute, non-contingent, and liquidated in amount, claims against the
13 receivership estate;
- 14 (6) The Special Deputy Receiver is authorized to exempt health care providers (*e.g.*,
15 physicians or hospitals) from being required to submit Proofs of Claim ("POCs") for
16 existing or new claims, and to consider existing claims of health care providers as timely
17 filed (subject to the pre-established procedures and deadlines for processing claims in
18 the ordinary course of business of NHC), but to require health care providers to submit
19 new claims before the claims filing deadline in the same reporting manner that they have
20 previously used with NHC and subject to the pre-established procedures and deadlines
21 for processing claims in the ordinary course of business of NHC;
- 22 (7) No claim received after the Claims Filing Deadline may share in the assets of the estate,
23 and NHC shall have no liabilities as to any such late-filed claims;
- 24 (8) No claim that is not rendered absolute (*i.e.*, both non-contingent and liquidated in
25 amount) on or before the Claims Filing Deadline may share in the assets of the estate,
26 and NHC shall have no liability as to any such claims;
- 27 (9) This order is designated as a Final Order of Liquidation pursuant to NRS 696B.190(5).
28

1 (10) All other related relief requested by the Receiver in her Motion, including the approval
2 of notice procedures and proposed claims process has been continued to the Court's
3 September 26, 2016 *in chambers* calendar.

4 Dated this 20 day of September, 2016.

5
6 
7 DISTRICT COURT JUDGE

8
9 Respectfully submitted by:

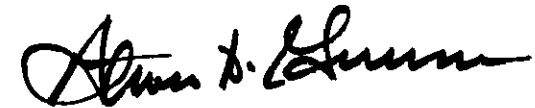
10 ADAM PAUL LAXALT
11 Attorney General

12 By:

13 
14 JOANNA N. GRIGORIEV
15 Senior Deputy Attorney General
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TAB 9

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CLERK OF THE COURT

SR
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Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

DISTRICT COURT
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant

Case No. A-15-725244

Dept. No. I

FOURTH STATUS REPORT

COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as Receiver of Nevada Health CO-OP ("NHC," or the "CO-OP"), and CANTILO & BENNETT, L.L.P., Special Deputy Receiver ("SDR" - SDR and the Commissioner as Receiver are referred to collectively herein as "Receiver"), and file this Fourth Status Report in the above-captioned 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 was formed under a provision of the Patient Protection and Affordable Care Act ("ACA") providing for the formation of Consumer Operated and Oriented Plans.

1 Having received from the Centers for Medicare and Medicaid Services (“CMS”) of the United States
2 Department of Health and Human Services (“HHS”) a start-up loan of \$17,080,047, and a “solvency”
3 loan of \$48,820,349, NHC was required to operate as a non-profit, consumer-driven health insurance
4 issuer for the benefit of the public. The CO-OP’s primary business was to provide ACA-compliant
5 health coverage to residents of Nevada, and it operated its business for the benefit of Nevadans within
6 the state, save for certain arrangements to provide nationwide health coverage to Nevadans traveling
7 outside the state in certain circumstances. NHC began selling products on and off the Silver State
8 Health Insurance Exchange (the “Exchange”) on January 1, 2014. Its products include individual,
9 small group, and large group managed care coverages.

10 NHC is an Internal Revenue Code 501(c)(29) Qualified Non-Profit Health Insurance Issuer,
11 entitled to tax exemption by the Internal Revenue Service. It is thus required that no part of NHC’s net
12 earnings should inure to the benefit of any private shareholder or individual, except that the
13 organization is permitted by the ACA to use any profits to lower premiums, improve benefits, or
14 improve the quality of health care delivered to its members. NHC is likewise disallowed, as a
15 condition of its tax exemption, from dedicating a substantial part of its activities towards attempts to
16 influence legislation, or participate or intervene in political campaigns. NHC does not have a corporate
17 parent.

18 A July 2015 report from the HHS Office of Inspector General (“OIG”) revealed that twenty-one
19 of the twenty-three CO-OPs in operation nationwide, including NHC, had incurred net losses as of
20 December 31, 2014. The OIG expressed belief in this report that the conspicuously low rates of
21 enrollment for the CO-OPs, in many cases far lower than initial projections, would limit the ability of
22 these plans to repay the applicable start-up and solvency loans given by CMS. By a letter to members
23 and interested parties dated August 25, 2015, NHC’s executive leadership indicated that it had been
24 decided, via a vote of the Board of Directors (which was held on August 15, 2015), that health
25 insurance policies would no longer be offered after December 31, 2015, and that the CO-OP would
26 voluntarily cease operations after that date. Two of the members of the Board of Directors resigned on
27 September 29, 2015, and the remaining board members consented to NHC being placed in receivership
28 via unanimous vote shortly thereafter.

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

8 Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev informed
9 interested parties of the receivership estate of the substitution of Commissioner Barbara D. Richardson
10 in place and stead of former Acting Commissioner Amy L. Parks as the Receiver of Nevada Health
11 CO-OP subsequent to Commissioner Richardson's appointment as Commissioner of Insurance for the
12 State of Nevada.

13 The Receiver and the SDR continue to file quarterly status reports, as ordered by this Court.

14 **II. RECEIVERSHIP ADMINISTRATION**

15 **Continuation of Work on Outstanding Projects and Regulatory Reporting**

16 The last status report was filed on July 6, 2016, and since that date, receivership staff has
17 continued to address NHC's outstanding regulatory and operational responsibilities relating to health
18 plan years 2014 and 2015. Steady progress continues to be made in the accurate and expedient
19 adjudication of claims, and in the addressing of the estate's standing issues related to the integrity of
20 necessary enrollment and medical claims records, which also includes progress on the proper division
21 of medical payment responsibility between the health plans and members in the case that coinsurance
22 or cost-sharing is applicable. As before, and throughout this process, the NHC Provider Care Team has
23 kept interested parties informed, by telephone and by written correspondence, of relevant updates
24 concerning the status of their claims.

25 Receivership staff has addressed those circumstances in which certain members have been
26 threatened with collection actions by health providers or facilities that are unwilling to adhere to the
27 suspension of claim payments described in the Permanent Receivership Order. The Receiver continues
28 to maintain the position that, until such time as NHC's outstanding claims have been recorded,

1 adjudicated, and evaluated for payment against available assets, and the appropriate judicial
2 authorization of payments obtained, such collection actions are in effect in an effort to coerce payment
3 from parties which would not have been responsible for such payments in the first instance.

4 Thus, in the case that the estate discovers efforts by a party to collect from NHC's former
5 members outside of the due course of the receivership, such parties are contacted, typically by
6 telephone and by the mailing of a special notice, informing them of the moratorium on such practices,
7 and the potential for enforcement action by the SDR (with the attending potential remedial actions).
8 However, the SDR is careful not to obstruct providers' rights to collect those amounts which are not
9 covered by an NHC insurance policy.

10 NHC is required to participate in several regulatory reporting processes as part of the statutory
11 framework established by the ACA, in order to secure the estate's right to claim against the several
12 federal receivables programs in place to enhance ACA CO-OP revenues. The CMS reporting programs
13 in which NHC is a participant include, *inter alia*, Cost Sharing Reduction ("CSR") Reconciliation,
14 Federal Transitional Reinsurance, Risk Adjustment, and the Risk Corridors. As discussed in the First
15 Status Report, and alluded to as necessary in subsequent Status Reports, the promised federal
16 receivables attached to these mandatory report submissions form a substantial part of NHC's complete
17 financial picture. The non-receipt of these federal receivables has presented a significant shortfall in
18 assets for the CO-OP, and contributed to the discontinuation of its plan operations.

19 Nevada Health CO-OP submitted risk adjustment and transitional reinsurance data to CMS in
20 advance of the May 2, 2016, final data submission deadline for the 2015 benefit year. The SDR
21 supplemented the required attestation forms with a general disclosure informing CMS of data issues
22 involving the submission. The SDR has researched any discrepancies and made the necessary
23 corrections when requested by CMS. Finally, at the request of CMS, the SDR provided detailed claim
24 data for each reinsurance-eligible claim impacted by potential discrepancies. The SDR believes these
25 issues are now resolved. On June 30, 2016, CMS released its Summary Report on Transactional
26 Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.¹ Per the report, for

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

1 coverage year 2015, the CO-OP is owed a Federal Transitional Reinsurance payment of \$8,842,009.69,
2 and a net Risk Adjustment transfer of \$4,532,560.29.

3 Data submissions relating to the Risk Corridors were reported by the deadline of August 1,
4 2016, and showed a significant receivable for the CO-OP.² CMS has made an initial review of the
5 submission and has requested that the CO-OP make an adjustment to one line item in the report
6 template. This adjustment will have a minor impact on the resulting amount owed to the CO-OP, likely
7 affecting less than one-half of one percent of NHC's Risk Corridors claim, and the SDR will work with
8 CMS to complete this refinement to the submission. In November, CMS is due to release its report on
9 Risk Corridors payment and charge amounts for benefit year 2015. CMS has already announced that,
10 based on its preliminary analysis, "... all 2015 benefit year collections will be used towards remaining
11 2014 benefit year risk corridors payments, and no funds will be available at this time for 2015 benefit
12 year risk corridors payments."³ The CO-OP is still owed approximately over \$9.5 million for 2014
13 Risk Corridors payments.⁴

14 The CSR Reconciliation reporting deadline was met on June 3, 2016. This reporting resulted in
15 a net amount owed by NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. At the time of the
16 submission, NHC made a general disclosure informing CMS of data issues involving the submission.
17 NHC is working to resolve any related data discrepancies, which the Receiver expects to result in an
18 updated CSR filing with CMS later this year or early next year.

19 Since the outset of its operations, NHC has timely submitted monthly Advance Premium Tax
20 Credit ("APTC") billing data, pursuant to CMS reporting requirements. To date, NHC has billed CMS

21 ² The estimate that NHC is to expect a significant receivable from CMS is based on NHC's own calculation of the
22 Risk Corridors payments owed. As of the date of filing, NHC has registered a claim with CMS for approximately \$28.8
23 million of Risk Corridors payments for NHC's 2015 individual member business, and approximately \$3.7 million of Risk
Corridors payments for NHC's 2015 small group business. Confirmation of the amount that NHC can expect to receive
under the Risk Corridors program will be received by the publication of the November CMS report concerning these
programs.

24 ³ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
25 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>).

26 ⁴ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
27 CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR BENEFIT YEAR 2014 (1,
28 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 for a total of \$40,241,096.61 in 2015 APTC; however, the cumulative total of payments received from
2 CMS for 2015 APTC is substantially less and the SDR has asserted a claim for the shortfall. CMS has
3 completed a comparison of NHC's 2015 data submitted through the CMS manual payment process to
4 2015 enrollment data in the HHS Federally Facilitated Marketplace ("FFM") database. According to
5 the FFM database, NHC has determined that CMS calculations should result in approximately \$2.1
6 million of APTC being due NHC. The Receiver is now reconciling the CMS APTC data and is likely to
7 make further adjustments to NHC's internal data based upon the updated CMS information. Upon
8 completion of this APTC reconciliation process, NHC may restate internal 2015 data for the APTC. At
9 this time, however, it appears that NHC is owed at least \$2.1 million for 2015 APTC.

10 The Receiver continues to maintain the services of several third-party contractors deemed
11 necessary to resolving the ongoing projects of the receivership estate. The contractors were retained or
12 engaged because their expertise and skillsets are beneficial for the receivership estate.

13 III. THIRD-PARTY CONTRACTORS

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

- 15 1. Change Healthcare Solutions, LLC, to perform paper claims scanning services.
- 16 2. Eldorado, a division of Mphasis Corporation, to provide a hosting service for claims
17 data and information.
- 18 3. Truven Health Analytics, Inc., to assist with CSR reporting to CMS.
- 19 4. Indegene Healthcare, to serve as the third-party submitter, as required by CMS, of risk
20 adjustment and reinsurance data to the CMS EDGE server.
- 21 5. The Jacobson Group, to provide claims adjustment staffing support to the NHC claims
22 department.
- 23 6. Redcard, to perform check processing and delivery to health care providers, and delivery
24 of Explanation of Benefit disclosures to plan members.

25 As reported in the prior status report, the SDR has already completed the process of
26 internalizing customer service and telephone call answering functions, as well as dedicated enrollment
27 and eligibility staff, to further the administration of claims for members and providers. As the
28 receivership estate has now transitioned from rehabilitation to a liquidation proceeding, and the

1 Receiver conducts the subsequent mail-out of necessary proof of claim forms and notices, the SDR
2 believes that NHC has retained sufficient call handling capacity to address new questions or concerns
3 arising from claimants' receipt of the legally-mandated disclosures.

4 In cases where NHC members are found to be entitled to refunds of premiums they should not
5 have been required to pay (*i.e.*, overpayments of premiums not owed), such as in the case where they
6 have successfully appealed an earlier enrollment determination and have their account status adjusted
7 retroactively, these refunds are being processed and paid to members in due course. The Receiver
8 continues to adjudicate and pay premium overpayments to members as appropriate circumstances arise.
9 As of the date of filing for this Fourth Status Report, the receivership estate has paid approximately
10 \$116,254.08 in premium refunds to members for overpayments since January 1, 2016.

11 As NHC's management had, prior to receivership, elected to discontinue health plan offerings
12 from 2016 onward, the SDR has continued the process of preparing the CO-OP itself for termination at
13 the resolution of receivership business. To this end, the Receiver and SDR have already discontinued
14 those CO-OP operations and associations not strictly essential to furthering receivership goals. As
15 well, the SDR has begun the process of terminating NHC's continued participation in the CO-OP's
16 401(k) retirement plan, and is currently addressing the technical and regulatory processes attendant to
17 an orderly wind down of such plan. The Receiver and SDR have also taken steps to transition the
18 remaining NHC employees (which number sixteen full-time and two part-time as of the date of filing of
19 this Fourth Status Report) to an office space more appropriately sized for NHC's current operations, in
20 order to save administrative expenses for the benefit of the estate's creditors. The Receiver and SDR
21 do not expect that NHC will be able to resume its pre-receivership business operations in any capacity.

22 **Ongoing Receivership Considerations**

23 The Receiver continues, pursuant to the prior authorization entered by the Receivership Court,
24 to evaluate certain medical providers' claims for circumstances of exigency so that *ad hoc* hardship
25 payments can be made, if necessary, on a limited basis. The decision to make these payments in the
26 interest of certain of NHC's providers and members under hardship necessarily takes into account prior
27 correspondence received from CMS which provided notice to the Receiver that CMS was terminating,
28 effective December 21, 2015, the loan agreement held between NHC and CMS. CMS also

1 communicated their intention to accelerate the loan payments, declaring that the remaining unpaid loan
2 balance, together with all interest thereon, fees, costs, and expenses were immediately due and payable
3 by NHC to CMS, without further notice or right to cure.

4 On July 21, 2016, the Receiver filed the Motion for Final Order Finding and Declaring Nevada
5 Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related
6 Relief (the "Liquidation Motion"). The Receiver had determined the need to file the Liquidation
7 Motion on the basis of NHC's continuing hazardous financial condition, the estate's inability to meet
8 obligations to creditors and claimants as they mature, and her good faith belief, supported by evidence,
9 that to continue operating the receivership under the policy of rehabilitation would ultimately be
10 fruitless. As part of the Liquidation Motion, the Receiver sought from the Receivership Court the entry
11 of an Order adjudicating NHC to be insolvent, authorizing the Receiver to liquidate and wind up the
12 business of NHC, establishing a deadline for the submission of proofs of claim by claimants against
13 receivership assets, and authorizing the proposed proof of claim ("POC") notices, forms, and
14 disclosures included as exhibits to the Liquidation Motion.

15 Following a hearing that took place on September 20, 2016, the Receivership Court entered its
16 Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent and Placing Nevada Health
17 CO-OP into Liquidation, which provided most of the relief requested in the Liquidation Motion,
18 specifically the relief requested in the Liquidation Motion relating to transitioning to liquidation,
19 making a finding of insolvency, and fixing claims against the estate. The Receivership Court elected to
20 continue the proceedings relating to the authorization of the proposed POC notices, forms, and
21 disclosures until an in-chambers hearing on September 26, 2016, for a further consideration of those
22 matters.

23 For the September 26, 2016, in-chambers hearing, the Receiver presented the Receivership
24 Court with a draft Order, which, if entered by the Court, would provide the following: (1) approval of
25 the Receiver's proposed POC process, subject to certain additional requirements and conditions
26 designed to ensure, as much as is practicable, that all interested parties are provided certain notices and
27 afforded the opportunity to make their claims against the receivership; (2) a three (3) day extension of
28 the claims filing deadline for receipt of claim forms and documentation sent by U.S. Mail; (3) POCs to

1 be submitted by e-mail with an executed and sworn POC and all supporting documentation; and (4)
2 additional publication notice⁵ to be provided throughout the state of Nevada. The Receiver shall
3 expediently implement the POC process, incorporating the instructions of the Receivership Court when,
4 and if, the aforementioned Order is entered by the Court.

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

6 After the institution of these receivership proceedings, the Receiver has thus far paid over
7 \$8,420,065.35 in hardship claim payments to different providers and medical services for necessary
8 pharmacological and psychological care, or in the case of providers evidencing a particularly
9 substantial risk of being placed in a hazardous financial condition if such claims payments could not be
10 made presently. These hardship claim payments to providers and/or members concerned primarily
11 emergency services and vital prescription medicines, as well as protected members from either balance
12 billing or addressed the dire financial circumstances that necessitated these hardship payments.

13 The SDR has developed a procedure to determine under what circumstances such hardship
14 payments may be made, as well as certain disclosures providing necessary information as part of this
15 process. The Receiver is enclosing, as Exhibit 2 attached hereto, disclosures providing a description of
16 the hardship payments evaluation process, as well as examples of the request forms to be submitted by
17 claimants. It is the Receiver's belief that these hardship payments should be permitted to continue, as
18 necessary, during the liquidation phase of the receivership estate. Through this Fourth Status Report,
19 the Receiver respectfully requests that this Court approve and affirm the above-described hardship
20 payments process, and the Receiver's authority to continue making such hardship payments during
21 liquidation.

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

23 Certain members and other providers have called or written receivership staff to inquire as to
24 when non-hardship claim payments will be made, and when the suspension on claims and other general
25 creditor payments will be lifted. There are two reasons why non-hardship claim payments are now
26 suspended and delayed from being paid by NHC in receivership. Both of these reasons are because of
27

28 ⁵ Radio broadcast notice of the claims procedures and deadline will be provided for those Nevada Counties where publication notice in newspapers cannot be provided in a daily or weekly newspaper for each county or city in Nevada.

1 CMS actions and delays that have had a substantial and harmful impact on NHC's ability to pay
2 claims—and the Receiver of NHC would be paying non-hardship claim payments (as currently
3 authorized—or as may be further authorized by this Court) if it were not for these CMS actions.

4 **Reason Number 1 for Suspension and Claims Payment Delay:**

5 NHC received approximately \$65.9 million of loans from CMS before receivership as funds for
6 the start-up and solvency of this health insurer. After receivership began, CMS demanded loan
7 repayment and asserted a superpriority to be repaid on its loans before all other claims of NHC. The
8 Receiver is working with CMS in an attempt to resolve this superpriority issue without resorting to
9 court proceedings. If court proceedings are necessary to resolve the superpriority issues with CMS, it
10 would likely result in very prolonged delays before resolving this priority issue. As a consequence,
11 settlement discussions are still ongoing with CMS in the hopes of resolving the superpriority issues
12 outside of court litigation. Until there is clarity on the superpriority status of CMS loan claims, it has
13 stymied the Receiver's ability to pay non-hardship claim payments in the receivership; thus, this is the
14 first reason for claim suspension and claim payment delays.

15 **Reason Number 2 for Suspension and Claims Payment Delay:**

16 CMS placed a hold on all reimbursements due NHC under the federal receivables program. The
17 CMS reimbursements due NHC are in the tens of millions after the 2015 Risk Corridors claim is
18 evaluated and reported on by CMS in November, and there is more than \$51.8 million presently due
19 from CMS and the federal government.⁶ NHC's claim liabilities are also in the tens of millions, so
20 federal receivables from CMS remain an essential and necessary receipt before the Receiver can make
21 meaningful claims distributions in the receivership. As noted by Reason Number 1 above; however, no
22 payments (not even small ones) may be paid on non-hardship claims without resolution of CMS'
23 assertion of federal superpriority for payment of its loans before all other claims. According to CMS,
24

25 ⁶ The \$51.8 million includes the Risk Corridors claim for 2015 that NHC filed with CMS on August 1, 2016. The
26 \$51.8 million does not include unpaid 2015 APTC, as the amount owed NHC is unsettled. However, it appears that NHC is
27 owed at least \$2.1 million for 2015 APTC. The 2015 Risk Corridors amount was for a combined amount of approximately
28 \$32.5 million. In November 2016, CMS will determine the extent to which it agrees with NHC's Risk Corridors claim for
2015. As previously noted, CMS has deferred payment on a substantial portion of the 2014 Risk Corridors payment due
NHC, and government publications have made clear that it will not pay the 2015 Risk Corridors payments until the 2014
Risk Corridors payments are made. Also, as previously noted, CMS has placed an administrative hold on any payments due
NHC.

1 the placement of the hold on federal receivable reimbursements due NHC is because of the above-
2 mentioned loans that are now claimed due by CMS.

3 **Other Receivership Administrative Matters**

4 Assuming that the draft Order now before the Court is entered, the Receiver will provide notice
5 of the Orders and the approved claims filing deadline, POC process, POC forms, and Receivership
6 Appeal Procedure ("RAP") in the following manners:

- 7 1. by mail notice, to all interested parties of NHC;
- 8 2. by newspaper publication for two consecutive weeks in the Las Vegas Review Journal
9 and the Reno Gazette;
- 10 3. by newspaper publication in a daily or weekly newspaper for each county or city in
11 Nevada;
- 12 4. through the CO-OP's web site;
- 13 5. through a press release to be produced by the Receiver and delivered to those
14 newspapers in which notices will be published; and
- 15 6. in the case that a county does not publish a daily or weekly newspaper, a radio notice to
16 be placed and broadcast in that county for at least once a week between the hours of 8:00 a.m. to 5:00
17 p.m., PST, for two consecutive weeks.

18 The Receiver anticipates an increase in telephone calls to the NHC customer service center once
19 notices have been sent and published. The SDR has conducted multiple detailed training sessions with
20 NHC customer service representatives and other employees to ensure that they are fully capable to
21 assist callers with questions about the Orders, POC process, and RAP.

22 The SDR maintains and regularly updates NHC's internet web site, located at
23 <http://www.nevadahealthcoop.org>, with electronic copies of all major notices, forms, documents, and
24 general disclosures.

25 **Receivership Assets**

26 The Receiver's evaluation of the assets and liabilities of the CO-OP is ongoing, and adjusted
27 periodically to accommodate new authorized payments, receipts, and transfers. Below is an overview
28

1 of some key asset matters thus far identified by the Receiver (other than those already mentioned
2 herein):

3 1. The potential amount due from reinsurers and reinsurance programs is necessarily
4 dependent on the receivership estate's continuing adjudication of outstanding claims. As reported in
5 prior status reports, the Receiver believes that substantial amounts may be due the CO-OP from
6 PartnerRe America Insurance Company ("PartnerRe"), its private reinsurer, with a portion of these
7 claims now becoming ripe in light of the recently entered liquidation order. NHC may also receive a
8 refund of as much as 35% of net profits under the PartnerRe reinsurance arrangement, contingent upon
9 a number of conditions.

10 2. The unrestricted cash assets of the CO-OP have fluctuated with post-receivership
11 expenses and claim payments, as well as with the Receiver's receipt of member-related premiums. The
12 unrestricted cash assets of the CO-OP as of August 31, 2016, were approximately \$11,600,903.00. The
13 vast majority of NHC's currently available and liquid assets have been confirmed to consist primarily
14 of bank deposits. The restricted cash assets of NHC (*i.e.*, a special deposit with the Nevada Division of
15 Insurance) are approximately \$764,569.00 as of August 31, 2016. The combined restricted and
16 unrestricted cash assets of NHC total approximately \$12,365,472.00 as of August 31, 2016.

17 3. The financial information of NHC in this Status Report provides estimates. NHC's
18 financials may materially vary depending upon the estate's receipt of the promised federal receivables
19 payments under the various ACA programs described in this Fourth Status Report. These figures will
20 remain estimates until the estate receives clearer indications from CMS and the federal government as
21 to the amount and date of any federal payments. As mentioned, the Receiver is working hard to resolve
22 matters with CMS by out-of-court resolution, which remains a top priority.

23 4. The Receiver is enclosing, as Exhibit 1 attached hereto, a cash flow report for NHC for
24 the time period covering the inception of the receivership through August 31, 2016. This report reflects
25 a summary of disbursements and collections made by NHC during this period.

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CONCLUSION

In compliance with the Receivership Court's instructions for a status report regarding the affairs of the CO-OP, the Receiver has submitted the aforementioned report and remains available to present further on any matters in this report as the Receivership Court may deem necessary. The Receiver requests that the Court approve this Fourth Status Report and the actions taken by the Receiver, as well as approve the interim fees and expenses of professionals and deputies employed by the Receiver throughout the receivership, hereby submitted alongside this Status Report as Exhibit 3.

DATED: October 6, 2016.

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:

ADAM PAUL LAXALT
Attorney General

By: /s/ Joanna N. Grigoriev
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
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P: (702) 486-3101
E-mail: jgrigoriev@ag.nv.gov
Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

CERTIFICATE OF SERVICE

I certify that I am an employee of the Office of the Attorney General, State of Nevada, and that on October 6, 2016, I filed the foregoing Fourth Status Report via this Court's electronic filing system. Parties are registered with this Court's EFS and will be served electronically:

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

Contact

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US Department of Justice

Contact	Email
Serena Orloff	Serena.M.Orloff@usdoj.gov
Terrance A. Mebane	Terrance.A.Mebane@usdoj.gov

/s/Marilyn Millam

An employee of the office of the
Nevada Attorney General

EXHIBIT “1”

NEVADA HEALTH CO-OP
Cash Flow Analysis
Oct 2015 - Aug 2016

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,847,076
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	351,696
PartnerRe 2014 Premium Refund	267,629
Traditional Reins Recoveries	-
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Other	290,496
TOTAL SOURCES:	\$23,003,637

USES:

Medical Claims Q4 2015	(205,069)
Rx Claims Q4 2015	(7,599,195)
Risk Adjustment 2015	-
Medical PMPMs Q4	(\$43,967)
FTR Reinsurance Premium	(703,027)
Traditional Reins Premium Q4 2015	(547,319)
Premium Tax	(294,665)
Other Admin	(4,715,212)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Other	(1,340,399)
Professional Services	(1,145,056)

TOTAL USES:

(16,755,151)

Net cash increase for period

\$6,248,486

Ending Cash at end of August 31, 2016

\$ 11,600,903

*** Excl \$764,569 restricted US Bank bal August 31, 2016

EXHIBIT “2”

BARBARA D. RICHARDSON
Receiver

CANTILO & BENNETT, L.L.P.
Special Deputy Receiver

Dear NHC Member:

Thank you for your recent request for a hardship payment. The Special Deputy Receiver ("SDR") of Nevada Health CO-OP ("NHC") has been granted authority by NHC's receivership court to consider hardship payment requests. We will work with you to process this hardship request, but we will need additional information as mentioned by the **HARDSHIP PROCESS** below. Please note that your hardship request information will be held by NHC as a confidential claim file.

HARDSHIP PROCESS

You must complete and return the enclosed "Member Hardship Payment Request Form" (the "Form") so that we may process your request. Please be sure to complete all applicable blanks within the Form and where an item is not applicable, you should indicate "not applicable" in the blanks provided. You must indicate the reasons for your request—and you must also include supporting documentation as required by the Form. **The Form must be complete and notarized**, and the original signed document(s) submitted to the SDR at the address listed below. It is recommended you use a form of U.S. mail or private carrier service that allows for tracking and proof of delivery.

Submission of a request does not necessarily qualify you for a hardship payment. Each request must be reviewed on its merits. No hardship payment will be made without written approval by the SDR's authorized representative. At this time, the SDR can only approve hardship payments up to 50% of the allowed claim amount for healthcare services provided to NHC's members, and must limit payments to any one claimant to an aggregate total of \$50,000. Hardship payments will be made as soon as practical after a hardship request is approved by the SDR.

Upon receipt of the completed Form and supporting documentation, the SDR will review the information and may request additional information. Hardship requests will be reviewed in the order received by the SDR. You must cooperate with the SDR by providing all documentation and information for further consideration of your hardship request. If your request is approved, the SDR will provide you or your provider(s) with the conditions of payment (*i.e.*, the Payment Agreement), which must be agreed to before payment can be released.

RECEIVERSHIP INFORMATION

Please contact NHC, in receivership, by writing or calling NHC at the address or telephone number listed below if you have further questions. Information and updates about the NHC receivership are available on the NHC web site: www.nevadahealthcoop.org. Thank you in advance for following the hardship payment procedures, and for your patience as we evaluate the hardship requests.

Sincerely yours,

Kristen W. Johnson
Authorized Representative of the Special Deputy Receiver

Enclosure: Member Hardship Payment Request Form

MEMBER HARDSHIP PAYMENT REQUEST FORM

CAUTION: THIS FORM WILL NOT BE ACCEPTED UNLESS IT IS NOTARIZED.

Claimant Information:		
Name	Date of Birth	
Member ID Number(s)		
Home Phone	Alternate Phone	E-Mail
Street Address		
City/State/Zip		
Please check the applicable box or boxes: <input type="checkbox"/> I paid my provider for amounts that were NHC's responsibility to pay and am seeking a reimbursement. <input type="checkbox"/> I am being billed for amounts that are NHC's responsibility to pay, and I would like the Receiver to pay my provider. <input type="checkbox"/> Other (please explain below)		
Brief Explanation of Claim: Attach additional pages if necessary.		

Please check all applicable boxes below as to the reason you are requesting this hardship exemption. A cover letter detailing the circumstances for this request may also be attached.

- ☐ I am currently facing financial difficulties entailing an immediate and heavy financial burden which have resulted or will soon result in (check all that apply):
- ☐ an imminent threat to my livelihood;
 - ☐ inability to afford essential life support needs such as food, shelter, or medical care; and/or
 - ☐ imminent and substantial tax liability owed to the Internal Revenue Service.
- ☐ Other (please explain): _____
- ☐ I cannot reasonably cure the above concerns unless this hardship request is granted.

You must attach documentation to prove your claimed hardship, such as documentation of the following: (1) your means of employment, owned business, or other principal source of income are significantly endangered; (2) copies of overdue bills and/or statements of indebtedness to show that expenses cannot be met; (3) copies of tax information to reflect a substantial and burdensome tax liability that cannot be paid; and/or (4) a statement from your financial, legal or tax advisor that provides information concerning your financial hardship.

State of _____ §
County of _____ §

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

Signature of Claimant

Printed Name

Sworn to and subscribed before me this _____ day of _____, 20____.

Notary Public Signature

NOTE: YOU MUST ATTACH DOCUMENTATION TO SUPPORT YOUR CLAIM.

BARBARA D. RICHARDSON
Receiver

CANTILO & BENNETT, L.L.P.
Special Deputy Receiver

Dear Provider:

Thank you for your recent request for a hardship payment. The Special Deputy Receiver (“SDR”) of Nevada Health CO-OP (“NHC”) has been granted authority by NHC’s receivership court to consider hardship payment requests. We will work with you to process this hardship request, but we will need additional information as mentioned by the **HARDSHIP PROCESS** below. Please note that your hardship request information will be held by NHC as a confidential claim file.

HARDSHIP PROCESS

You must complete and return the enclosed “Provider Hardship Payment Request Form” (the “Form”) so that we may process your request. Please be sure to complete all applicable blanks within the Form and where an item is not applicable, you should indicate “not applicable” in the blanks provided. You must indicate the reasons for your request—and you must also include supporting documentation as required by the Form. **The Form must be complete and notarized**, and the original signed document(s) submitted to the SDR at the address listed below. It is recommended you use a form of U.S. mail or private carrier service that allows for tracking and proof of delivery.

Submission of a request does not necessarily qualify you for a hardship payment. Each request must be reviewed on its merits. No hardship payment will be made without written approval by the SDR’s authorized representative. At this time, the SDR can only approve hardship payments up to 50% of the allowed claim amount for healthcare services provided to NHC’s members, and must limit payments to any one claimant to an aggregate total of \$50,000. Hardship payments will be made as soon as practical after a hardship request is approved by the SDR.

Upon receipt of the completed Form and supporting documentation, the SDR will review the information and may request additional information. Hardship requests will be reviewed in the order received by the SDR. You must cooperate with the SDR by providing all documentation and information for further consideration of your hardship request. If your request is approved, the SDR will provide you with the conditions of payment (*i.e.*, the Provider Payment Agreement), which you must agree to before payment can be released.

RECEIVERSHIP INFORMATION

Please contact NHC, in receivership, by writing or calling NHC at the address or telephone number listed below if you have further questions. Information and updates about the NHC receivership are available on the NHC web site: www.nevadahealthcoop.org. Thank you in advance for following the hardship payment procedures, and for your patience as we evaluate the hardship requests.

Sincerely yours,

Kristen W. Johnson
Authorized Representative of the Special Deputy Receiver

Enclosure: Provider Hardship Payment Request Form

CAUTION: THIS FORM WILL NOT BE ACCEPTED UNLESS IT IS NOTARIZED.

Claimant (Provider) Information:		
Name	Date of Birth	SSN
NPI	Phone	E-Mail
Company or Practice Name & Tax ID		
Street Address		
City/State/Zip		
Brief Explanation of Claim: Attach additional pages if necessary. <i>Do not resubmit claim forms unless requested to do so by NHC.</i>		

Please check all applicable boxes below as to the reason you are requesting this hardship exemption. A cover letter detailing the circumstances for this request may also be attached.

- ☐ I am currently facing financial difficulties entailing an immediate and heavy financial burden which have resulted or will soon result in (check all that apply):
- ☐ an imminent threat to my livelihood and/or the financial solvency of my practice;
 - ☐ inability to afford essential life support needs such as food, shelter, or medical care; and/or
 - ☐ imminent and substantial tax liability owed to the Internal Revenue Service.
- ☐ Other (please explain): _____
- ☐ I cannot reasonably cure the above concerns without the use of funds which would have been available but for the moratorium on the payment of NHC claims due to the receivership.

You must attach documentation to prove your claimed hardship, such as documentation of the following: (1) your means of employment, owned business, or other principal source of income are significantly endangered; (2) copies of overdue bills and/or statements of indebtedness to show that expenses cannot be met; (3) copies of tax information to reflect a substantial and burdensome tax liability that cannot be paid; and/or (4) a statement from your financial, legal or tax advisor that provides information concerning your financial hardship.

State of _____ §
County of _____ §

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

Signature of Claimant

Printed Name _____

Sworn to and subscribed before me this _____ day of _____ 20_____.

Notary Public Signature

NOTE: YOU MUST ATTACH DOCUMENTATION TO SUPPORT YOUR CLAIM.

EXHIBIT “3”

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

Facsimile: (512) 404-6550

www.cb-firm.com

January 26, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

September 1, 2015 - October 31, 2015

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2015	20912- 20932	\$45,383.75	\$2,942.04	\$48,325.79
October 2015	20934- 20979	\$223,698.75	\$37,494.07	\$261,192.82
Totals (I)		\$269,082.50	\$40,436.11	\$309,518.61

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

March 16, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

November 1, 2015 - November 30, 2015

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
November 2015	21068- 21087	\$154,040.00	\$11,852.29	\$165,892.29
<u>Totals (1)</u>		<u>\$154,040.00</u>	<u>\$11,852.29</u>	<u>\$165,892.29</u>

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
11/1/2015-11/30/2015**

		Billable Hours	Billable Rate	September 2015 Billing
1	Timekeeper - Patrick H. Cantilo	31.30	\$450.00	\$14,085.00
2	Timekeeper - Mark F. Bennett	72.05	\$375.00	\$27,018.75
3	Timekeeper - Kristen W. Johnson	161.10	\$175.00	\$28,192.50
4	Timekeeper - Josh O. Lively	143.00	\$175.00	\$25,025.00
5	Timekeeper - Nelson J. Dunlap	142.25	\$135.00	\$19,203.75
6	Timekeeper - Arati Bhattacharya	113.20	\$200.00	\$22,640.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	160.75	\$100.00	\$16,075.00
9	TimeKeeper -- Pierre Riou	8.00	\$225.00	\$1,800.00
	GRAND TOTAL	831.65		\$154,040.00

March 16, 2016
12:06 pm

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

Page 1
[pr 3b]

Client ID 70750
Work Date 11/1/15:11/30/2015

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB	MARK F. BENNETT				
70750003	Claims	10.05	3,768.75	0.00	0.00
70750004	Financial Matters	25.50	9,562.50	0.00	0.00
70750006	Provider Issues	1.00	375.00	0.00	0.00
70750007	Member Issues	3.70	1,387.50	0.00	0.00
70750008	Company Administration	22.25	8,343.75	0.00	0.00
70750010	CMS	5.50	2,062.50	0.00	0.00
70750012	Agents & Brokers	0.20	75.00	0.00	0.00
70750100	Asset Recovery	2.35	881.25	0.00	0.00
70750200	Reinsurance General	1.50	562.50	0.00	0.00
	Sub Total (MFB)	72.05	27,018.75	0.00	0.00*
ABS	ARATI BHATTACHARYA				
70750001	Takeover Administration	44.90	8,980.00	0.00	0.00
70750002	Legal	29.20	5,840.00	0.00	0.00
70750010	CMS	39.10	7,820.00	0.00	0.00
	Sub Total (ABS)	113.20	22,640.00	0.00	0.00*
PHC	PATRICK H. CANTILO				
70750002	Legal	4.00	1,800.00	0.00	0.00
70750003	Claims	1.10	495.00	0.00	0.00
70750004	Financial Matters	1.40	630.00	0.00	0.00
70750006	Provider Issues	9.60	4,320.00	0.00	0.00
70750007	Member Issues	1.80	810.00	0.00	0.00
70750008	Company Administration	5.40	2,430.00	0.00	0.00
70750010	CMS	6.10	2,745.00	0.00	0.00
70750012	Agents & Brokers	0.60	270.00	0.00	0.00
70750014	SUBCONTRACTORS	0.20	90.00	0.00	0.00
70750100	Asset Recovery	0.60	270.00	0.00	0.00
70750201	Partner Re	0.50	225.00	0.00	0.00
	Sub Total (PHC)	31.30	14,085.00	0.00	0.00*
NJD	NELSON J. DUNLAP				
70750000	General	2.00	270.00	0.00	0.00
70750001	Takeover Administration	9.50	1,282.50	0.00	0.00
70750002	Legal	12.50	1,687.50	0.00	0.00
70750003	Claims	1.00	135.00	0.00	0.00
70750007	Member Issues	16.25	2,193.75	0.00	0.00
70750008	Company Administration	55.75	7,526.25	0.00	0.00
70750009	Lease Issues	1.00	135.00	0.00	0.00
70750010	CMS	30.50	4,117.50	0.00	0.00
70750013	Insure Monkey	3.00	405.00	0.00	0.00
70750203	United Health Care	10.75	1,451.25	0.00	0.00
	Sub Total (NJD)	142.25	19,203.75	0.00	0.00*
KWJ	KRISTEN W. JOHNSON				
70750001	Takeover Administration	160.60	28,105.00	0.00	0.00
70750003	Claims	0.50	87.50	0.00	0.00
	Sub Total (KWJ)	161.10	28,192.50	0.00	0.00*
JOL	JOSHUA O. LIVELY				
70750001	Takeover Administration	48.25	8,443.75	0.00	0.00
70750002	Legal	62.00	10,850.00	0.00	0.00
70750004	Financial Matters	6.50	1,137.50	0.00	0.00
70750005	Asset Marshaling	2.00	350.00	0.00	0.00
70750008	Company Administration	24.25	4,243.75	0.00	0.00
	Sub Total (JOL)	143.00	25,025.00	0.00	0.00*
PJR	PIERRE J. RIOU				
70750001	Takeover Administration	8.00	1,800.00	0.00	0.00
	Sub Total (PJR)	8.00	1,800.00	0.00	0.00*
IXS	ISAAH SAMANIEGO	160.75	16,075.00	0.00	0.00
	Sub Total (IXS)	160.75	16,075.00	0.00	0.00*
Grand Total		831.65	154,040.00	0.00	0.00

March 17, 2016
11:11 am

Cantilo & Bennett, L.L.P.
Costs by Type

Page 1
[cs1]

Date 11/01/2015:11/30/2015
Client ID 70750

TCD	Client and Matter	Total
BM1A	BUSINESS MEALS	
70750	Nevada Health CO-OP	
70750001	Takeover Administration	2,094.50
	Sub Total (BM1A)	2,094.50*
FD1A	FEDERAL EXPRESS	
70750000	General	24.78
	Sub Total (FD1A)	24.78*
PK1A	PARKING	
70750001	Takeover Administration	460.00
	Sub Total (PK1A)	460.00*
PO1E	POSTAGE	
70750001	Takeover Administration	45.31
	Sub Total (PO1E)	45.31*
SU1A	SUPPLIES	
70750001	Takeover Administration	107.12
	Sub Total (SU1A)	107.12*
TA1A	TRAVEL-AIRFARE	
70750001	Takeover Administration	2,606.71
	Sub Total (TA1A)	2,606.71*
TE1A	TRANSPORTATION EXPENSE	
70750001	Takeover Administration	1,433.04
	Sub Total (TE1A)	1,433.04*
TH1A	TRAVEL-HOTEL	
70750001	Takeover Administration	2,681.28
	Sub Total (TH1A)	2,681.28*
TL2E	TELEPHONE	
70750001	Takeover Administration	1,848.48
	Sub Total (TL2E)	1,848.48*
TS1A	TELEPHONE CHARGES	
70750000	General	12.32
70750001	Takeover Administration	45.30
	Sub Total (TS1A)	57.62*
WL1A	WESTLAW	
70750001	Takeover Administration	493.45
	Sub Total (WL1A)	493.45*
	Grand Total	11,852.29

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April 27, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

December 1, 2015 - December 31, 2015

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2015	21168- 21083	\$135,981.25	\$11,107.80	\$147,089.05
<u>Totals (1)</u>		\$135,981.25	\$11,107.80	\$147,089.05

Cantilo & Bennett, L.L.P.

NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
12/1/2015-12/31/2015

		Billable Hours	Billable Rate	September 2015 Billing
1	Timekeeper - Patrick H. Cantilo	7.20	\$450.00	\$3,240.00
2	Timekeeper - Mark F. Bennett	60.25	\$375.00	\$22,593.75
3	Timekeeper - Kristen W. Johnson	166.70	\$175.00	\$29,172.50
4	Timekeeper - Josh O. Lively	166.75	\$175.00	\$29,181.25
5	Timekeeper - Nelson J. Dunlap	186.25	\$135.00	\$25,143.75
6	Timekeeper - Arati Bhattacharya	56.50	\$200.00	\$11,300.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	153.50	\$100.00	\$15,350.00
9	TimeKeeper -- Pierre Riou	0.00	\$225.00	\$0.00
	GRAND TOTAL	797.15		\$135,981.25

April 27, 2016
10:40 am

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

Page 1
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Client ID 70750
Work Date 12/1/2015:12/31/2015

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	5.65	2,118.75	0.00	0.00
70750003	Claims	1.60	562.50	0.00	0.00
70750004	Financial Matters	12.85	4,818.75	0.00	0.00
70750006	Provider Issues	6.05	2,268.75	0.00	0.00
70750008	Company Administration	19.20	7,200.00	0.00	0.00
70750010	CMS	13.50	5,062.50	0.00	0.00
70750100	Asset Recovery	1.50	562.50	0.00	0.00
	Sub Total (MFB)	60.25	22,593.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	2.20	440.00	0.00	0.00
70750002	Legal	20.30	4,060.00	0.00	0.00
70750010	CMS	34.00	6,800.00	0.00	0.00
	Sub Total (ABS)	56.50	11,300.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750002	Legal	1.30	585.00	0.00	0.00
70750003	Claims	0.60	270.00	0.00	0.00
70750006	Provider Issues	0.30	135.00	0.00	0.00
70750008	Company Administration	1.80	810.00	0.00	0.00
70750010	CMS	2.40	1,080.00	0.00	0.00
70750012	Agents & Brokers	0.30	135.00	0.00	0.00
70750018	Other Regulators	0.50	225.00	0.00	0.00
	Sub Total (PHC)	7.20	3,240.00	0.00	0.00*
NJD NELSON J. DUNLAP					
70750000	General	7.00	945.00	0.00	0.00
70750002	Legal	63.25	8,538.75	0.00	0.00
70750006	Provider Issues	21.50	2,902.50	0.00	0.00
70750008	Company Administration	4.25	573.75	0.00	0.00
70750009	Lease Issues	1.00	135.00	0.00	0.00
70750010	CMS	36.75	4,961.25	0.00	0.00
70750200	Reinsurance General	46.50	6,277.50	0.00	0.00
70750203	United Health Care	6.00	810.00	0.00	0.00
	Sub Total (NJD)	186.25	25,143.75	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	166.70	29,172.50	0.00	0.00
	Sub Total (KWJ)	166.70	29,172.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750002	Legal	40.50	7,087.50	0.00	0.00
70750003	Claims	65.00	11,375.00	0.00	0.00
70750004	Financial Matters	14.50	2,537.50	0.00	0.00
70750007	Member Issues	8.00	1,400.00	0.00	0.00
70750008	Company Administration	3.75	656.25	0.00	0.00
	Sub Total (JOL)	35.00	6,125.00	0.00	0.00
	Sub Total (JOL)	166.75	29,181.25	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750001	Takeover Administration	153.50	15,350.00	0.00	0.00
	Sub Total (IXS)	153.50	15,350.00	0.00	0.00*
Grand Total		797.15	135,981.25	0.00	0.00

April 27, 2016
1:54 pm

Cantilo & Bennett, L.L.P.
Costs by Type

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Date 12/01/2015:12/31/2015
Client ID 70750

TCD	Client and Matter	Total
BM1A	BUSINESS MEALS	
70750	Nevada Health CO-OP	
70750001	Takeover Administration	2,272.00
	Sub Total (BM1A)	2,272.00*
MT1A	MISCELLANEOUS	
70750001	Takeover Administration	12.00
	Sub Total (MT1A)	12.00*
PK1A	PARKING	
70750001	Takeover Administration	276.00
	Sub Total (PK1A)	276.00*
PO1E	POSTAGE	
70750001	Takeover Administration	8.19
	Sub Total (PO1E)	8.19*
SU1A	SUPPLIES	
70750001	Takeover Administration	25.49
	Sub Total (SU1A)	25.49*
TA1A	TRAVEL-AIRFARE	
70750001	Takeover Administration	3,058.71
	Sub Total (TA1A)	3,058.71*
TE1A	TRANSPORTATION EXPENSE	
70750001	Takeover Administration	984.87
	Sub Total (TE1A)	984.87*
TH1A	TRAVEL-HOTEL	
70750001	Takeover Administration	2,835.84
	Sub Total (TH1A)	2,835.84*
TL2E	TELEPHONE	
70750001	Takeover Administration	1,631.78
	Sub Total (TL2E)	1,631.78*
WL1A	WESTLAW	
70750001	Takeover Administration	2.92
	Sub Total (WL1A)	2.92*
	Grand Total	11,107.80

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May 27, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

January 1, 2016 - January 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
January 2016	21205- 21219	\$134,062.580	\$12,526.69	\$146,589.19
Totals (1)		\$134,062.50	\$12,526.69	\$146,589.19

Cantilo & Bennett, L.L.P.

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

		Billable Hours	Billable Rate	January 2016 Billing
1	Timekeeper - Patrick H. Cantilo	16.70	\$450.00	\$7,515.00
2	Timekeeper - Mark F. Bennett	61.75	\$375.00	\$23,156.25
3	Timekeeper - Kristen W. Johnson	159.90	\$175.00	\$27,982.50
4	Timekeeper - Josh O. Lively	159.00	\$175.00	\$27,825.00
5	Timekeeper - Nelson J. Dunlap	163.50	\$135.00	\$22,072.50
6	Timekeeper - Arati Bhattacharya	11.70	\$200.00	\$2,340.00
7	Timekeeper - Law Clerks	28.00	\$85.00	\$2,380.00
8	Timekeeper - Isaiah Samaniego	154.75	\$100.00	\$15,475.00
9	TimeKeeper -- Pierre Riou	22.10	\$225.00	\$4,972.50
9	TimeKeeper -- Jeffrey L. Collins	2.75	\$125.00	\$343.75
	GRAND TOTAL	780.15		\$134,062.50

May 27, 2016
9:52 am

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

Page 1
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Client ID 70750
Work Date 1/1/2016:01/31/2016

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	0.25	93.75	0.00	0.00
70750003	Claims	1.50	562.50	0.00	0.00
70750004	Financial Matters	9.95	3,731.25	0.00	0.00
70750005	Asset Marshaling	5.00	1,875.00	0.00	0.00
70750006	Provider Issues	3.50	1,312.50	0.00	0.00
70750007	Member Issues	3.25	1,218.75	0.00	0.00
70750008	Company Administration	17.00	6,375.00	0.00	0.00
70750010	CMS	4.30	1,612.50	0.00	0.00
70750100	Asset Recovery	17.00	6,375.00	0.00	0.00
	Sub Total (MFB)	61.75	23,156.25	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750010	CMS	11.70	2,340.00	0.00	0.00
	Sub Total (ABS)	11.70	2,340.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750002	Legal	1.80	810.00	0.00	0.00
70750005	Asset Marshaling	1.00	450.00	0.00	0.00
70750006	Provider Issues	0.60	270.00	0.00	0.00
70750008	Company Administration	0.30	135.00	0.00	0.00
70750010	CMS	11.50	5,175.00	0.00	0.00
70750014	SUBCONTRACTORS	1.00	450.00	0.00	0.00
70750018	Other Regulators	0.50	225.00	0.00	0.00
	Sub Total (PHC)	16.70	7,515.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750001	Takeover Administration	2.75	343.75	0.00	0.00
	Sub Total (JLC)	2.75	343.75	0.00	0.00*
NJD NELSON J. DUNLAP					
70750002	Legal	11.50	1,552.50	0.00	0.00
70750002	Legal	4.75	841.25	0.00	0.00
70750004	Financial Matters	9.00	1,215.00	0.00	0.00
70750007	Member Issues	7.50	1,012.50	0.00	0.00
70750010	CMS	65.50	8,842.50	0.00	0.00
70750013	Insure Monkey	5.25	708.75	0.00	0.00
70750100	Asset Recovery	3.00	405.00	0.00	0.00
70750200	Reinsurance General	57.00	7,695.00	0.00	0.00
	Sub Total (NJD)	163.50	22,072.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	159.90	27,982.50	0.00	0.00
	Sub Total (KWJ)	159.90	27,982.50	0.00	0.00*
BLK BYUNG L. KOO					
	Sub Total (BLK)	28.00	2,380.00	0.00	0.00
		28.00	2,380.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750002	Legal	17.50	3,062.50	0.00	0.00
70750002	Legal	66.75	11,681.25	0.00	0.00
70750003	Claims	20.00	3,500.00	0.00	0.00
70750004	Financial Matters	7.75	1,356.25	0.00	0.00
70750006	Provider Issues	11.50	2,012.50	0.00	0.00
70750007	Member Issues	8.00	1,400.00	0.00	0.00
70750008	Company Administration	27.50	4,812.50	0.00	0.00
	Sub Total (JOL)	159.00	27,825.00	0.00	0.00*
PJR PIERRE J. RIOU					
70750002	Legal	22.10	4,972.50	0.00	0.00
	Sub Total (PJR)	22.10	4,972.50	0.00	0.00*

May 27, 2016
9:52 am

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

Page 2
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Client ID 70750
Work Date 1/1/2016:01/31/2016

TimeKeeper	Hours	Fees	NC Hours	NC Fees
IXS ISAAH SAMANIEGO				
70750001 Takeover Administration	154.75	15,475.00	0.00	0.00
Sub Total (IXS)	154.75	15,475.00	0.00	0.00*
Grand Total	780.15	134,062.50	0.00	0.00

May 27, 2016
12:38 pm

Cantilo & Bennett, L.L.P.
Costs by Type

Page 1
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Date 01/01/2016:01/31/2016
Client ID 70750

	Total
TCD Client and Matter	
BM1A BUSINESS MEALS	
70750 Nevada Health CO-OP	
70750001 Takeover Administration	2,556.00
Sub Total (BM1A)	2,556.00*
FD1A FEDERAL EXPRESS	
70750001 Takeover Administration	30.09
Sub Total (FD1A)	30.09*
MT1A MISCELLANEOUS	
70750001 Takeover Administration	6.48
Sub Total (MT1A)	6.48*
PK1A PARKING	
70750001 Takeover Administration	630.00
Sub Total (PK1A)	630.00*
PO1A POSTAGE	
70750001 Takeover Administration	189.00
Sub Total (PO1A)	189.00*
PO1E 70750001 Takeover Administration	2.43
Sub Total (PO1E)	2.43*
TA1A TRAVEL-AIRFARE	
70750001 Takeover Administration	2,625.70
Sub Total (TA1A)	2,625.70*
TE1A TRANSPORTATION EXPENSE	
70750001 Takeover Administration	1,599.24
Sub Total (TE1A)	1,599.24*
TH1A TRAVEL-HOTEL	
70750001 Takeover Administration	3,189.76
Sub Total (TH1A)	3,189.76*
TL2E TELEPHONE	
70750001 Takeover Administration	1,608.75
Sub Total (TL2E)	1,608.75*
TS1A TELEPHONE CHARGES	
70750001 Takeover Administration	8.62
Sub Total (TS1A)	8.62*
WL1A WESTLAW	
70750001 Takeover Administration	80.62
Sub Total (WL1A)	80.62*
Grand Total	12,526.69

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June 27, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

February 1, 2016 - February 29, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
February 2016	21251-63 21276-77	\$124,792.50	\$8,926.15	\$133,718.65
<u>Totals (1)</u>		\$124,792.50	\$8,926.15	\$133,718.65

Cantilo & Bennett, L.L.P.

NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
2/1/16 - 2/29/16

		Billable Hours	Billable Rate	January 2016 Billing
1	Timekeeper - Patrick H. Cantilo	19.00	\$450.00	\$8,550.00
2	Timekeeper - Mark F. Bennett	84.20	\$375.00	\$31,575.00
3	Timekeeper - Kristen W. Johnson	154.60	\$175.00	\$27,055.00
4	Timekeeper - Josh O. Lively	144.25	\$175.00	\$25,243.75
5	Timekeeper - Nelson J. Dunlap	34.50	\$135.00	\$4,657.50
6	Timekeeper - Arati Bhattacharya	4.00	\$200.00	\$800.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	169.75	\$100.00	\$16,975.00
9	TimeKeeper -- Pierre Riou	41.80	\$225.00	\$9,405.00
9	TimeKeeper -- Jeffrey L. Collins	4.25	\$125.00	\$531.25
	GRAND TOTAL	656.35		\$124,792.50

July 01, 2016
10:53 am

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

Page 1
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Work Date 02/01/2016:02/29/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750	Nevada Health CO-OP				
70750002	Legal	50.00	18,750.00	0.00	0.00
70750003	Claims	9.25	3,468.75	0.00	0.00
70750004	Financial Matters	5.10	1,912.50	0.00	0.00
70750006	Provider Issues	1.75	656.25	0.00	0.00
70750007	Member Issues	0.30	112.50	0.00	0.00
70750008	Company Administration	7.35	2,756.25	0.00	0.00
70750010	CMS	4.70	1,762.50	0.00	0.00
70750100	Asset Recovery	5.50	2,062.50	0.00	0.00
70750201	Partner Re	0.25	93.75	0.00	0.00
	Sub Total (MFB)	84.20	31,575.00	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750	Nevada Health CO-OP				
70750010	CMS	4.00	800.00	0.00	0.00
	Sub Total (ABS)	4.00	800.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750	Nevada Health CO-OP				
70750002	Legal	7.10	3,195.00	0.00	0.00
70750005	Asset Marshaling	0.50	225.00	0.00	0.00
70750006	Provider Issues	4.30	1,935.00	0.00	0.00
70750008	Company Administration	1.80	810.00	0.00	0.00
70750010	CMS	5.30	2,385.00	0.00	0.00
	Sub Total (PHC)	19.00	8,550.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	4.00	500.00	0.00	0.00
70750003	Claims	0.25	31.25	0.00	0.00
	Sub Total (JLC)	4.25	531.25	0.00	0.00*
NJD NELSON J. DUNLAP					
70750	Nevada Health CO-OP				
70750000	General	3.00	405.00	0.00	0.00
70750007	Member Issues	9.75	1,316.25	0.00	0.00
70750010	CMS	9.75	1,316.25	0.00	0.00
70750013	Insure Monkey	4.25	573.75	0.00	0.00
70750100	Asset Recovery	7.75	1,046.25	0.00	0.00
	Sub Total (NJD)	34.50	4,657.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	154.60	27,055.00	0.00	0.00
	Sub Total (KWJ)	154.60	27,055.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	37.75	6,606.25	0.00	0.00
70750002	Legal	56.00	9,800.00	0.00	0.00
70750003	Claims	7.25	1,268.75	0.00	0.00
70750006	Provider Issues	14.00	2,450.00	0.00	0.00
70750007	Member Issues	6.25	1,093.75	0.00	0.00
70750008	Company Administration	23.00	4,025.00	0.00	0.00
	Sub Total (JOL)	144.25	25,243.75	0.00	0.00*
PJR PIERRE J. RIOU					
70750	Nevada Health CO-OP				
70750002	Legal	41.80	9,405.00	0.00	0.00
	Sub Total (PJR)	41.80	9,405.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	169.75	16,975.00	0.00	0.00
	Sub Total (IXS)	169.75	16,975.00	0.00	0.00*
Grand Total		656.35	124,792.50	0.00	0.00

July 13, 2016
11:31 am

Cantilo & Bennett, L.L.P.
Costs by Type

Page 1
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Date 02/01/2016:02/29/2016
Client ID 70750

TCD	Client and Matter	Total
BM1A	BUSINESS MEALS	
70750	Nevada Health CO-OP	
70750001	Takeover Administration	1,600.00
	Sub Total (BM1A)	1,600.00*
FD1A	FEDERAL EXPRESS	
70750000	General	99.22
	Sub Total (FD1A)	99.22*
MT1A	MISCELLANEOUS	
70750001	Takeover Administration	20.00
	Sub Total (MT1A)	20.00*
PK1A	PARKING	
70750001	Takeover Administration	422.00
	Sub Total (PK1A)	422.00*
PO1E	POSTAGE	
70750001	Takeover Administration	9.82
	Sub Total (PO1E)	9.82*
TA1A	TRAVEL-AIRFARE	
70750001	Takeover Administration	2,109.78
	Sub Total (TA1A)	2,109.78*
TE1A	TRANSPORTATION EXPENSE	
70750001	Takeover Administration	947.98
	Sub Total (TE1A)	947.98*
TH1A	TRAVEL-HOTEL	
70750001	Takeover Administration	2,219.84
	Sub Total (TH1A)	2,219.84*
TL2E	TELEPHONE	
70750001	Takeover Administration	1,497.51
	Sub Total (TL2E)	1,497.51*
	Grand Total	8,926.15

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July 18, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

March 1, 2016 - March 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
March 2016	21292-305 21291	\$123,426.25	\$1,481.11	\$124,907.36
<u>Totals (1)</u>		<u>\$123,426.25</u>	<u>\$1,481.11</u>	<u>\$124,907.36</u>

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
3/1/16 - 3/31/16**

		Billable Hours	Billable Rate	March 2016 Billing
1	Timekeeper - Patrick H. Cantilo	18.20	\$450.00	\$8,190.00
2	Timekeeper - Mark F. Bennett	62.85	\$375.00	\$23,568.75
3	Timekeeper - Kristen W. Johnson	170.40	\$175.00	\$29,820.00
4	Timekeeper - Josh O. Lively	176.50	\$175.00	\$30,887.50
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	2.20	\$200.00	\$440.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	172.00	\$100.00	\$17,200.00
9	TimeKeeper -- Pierre Riou	59.20	\$225.00	\$13,320.00
9	TimeKeeper -- Jeffrey L. Collins	0.00	\$125.00	\$0.00
	GRAND TOTAL	661.35		\$123,426.25

July 18, 2016
3:00 pm

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

Page 1
[pr 3]

Work Date 03/01/2016:03/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750	Nevada Health CO-OP				
70750000	General	2.50	937.50	0.00	0.00
70750002	Legal	2.05	768.75	0.00	0.00
70750003	Claims	1.55	581.25	0.00	0.00
70750004	Financial Matters	9.45	3,543.75	0.00	0.00
70750006	Provider Issues	0.75	281.25	0.00	0.00
70750007	Member Issues	0.20	75.00	0.00	0.00
70750008	Company Administration	21.95	8,231.25	0.00	0.00
70750010	CMS	18.85	7,068.75	0.00	0.00
70750100	Asset Recovery	4.75	1,781.25	0.00	0.00
70750200	Reinsurance General	0.80	300.00	0.00	0.00
	Sub Total (MFB)	62.85	23,568.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750	Nevada Health CO-OP				
70750010	CMS	2.20	440.00	0.00	0.00
	Sub Total (ABS)	2.20	440.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750	Nevada Health CO-OP				
70750003	Claims	1.00	450.00	0.00	0.00
70750006	Provider Issues	1.30	585.00	0.00	0.00
70750008	Company Administration	6.10	2,745.00	0.00	0.00
70750010	CMS	7.60	3,420.00	0.00	0.00
70750014	SUBCONTRACTORS	0.80	360.00	0.00	0.00
70750018	Other Regulators	1.40	630.00	0.00	0.00
	Sub Total (PHC)	18.20	8,190.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	170.40	29,820.00	0.00	0.00
	Sub Total (KWJ)	170.40	29,820.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	55.75	9,756.25	0.00	0.00
70750002	Legal	83.75	14,656.25	0.00	0.00
70750003	Claims	5.00	875.00	0.00	0.00
70750006	Provider Issues	6.50	1,137.50	0.00	0.00
70750008	Company Administration	25.50	4,462.50	0.00	0.00
	Sub Total (JOL)	176.50	30,887.50	0.00	0.00*
PJR PIERRE J. RIOU					
70750	Nevada Health CO-OP				
70750102	NHC vs. CMS Litigation	59.20	13,320.00	0.00	0.00
	Sub Total (PJR)	59.20	13,320.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750	Nevada Health CO-OP				
70750001	Takeover Administration	172.00	17,200.00	0.00	0.00
	Sub Total (IXS)	172.00	17,200.00	0.00	0.00*
Grand Total		661.35	123,426.25	0.00	0.00

July 18, 2016
3:01 pm

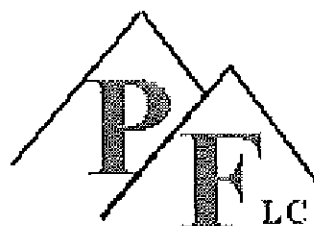
Cantilo & Bennett, L.L.P.
Costs by Type

Page 1
[cs1]

Date 03/01/2016:03/31/2016
Client ID 70750

TCD	Client and Matter	Total
TL2E	TELEPHONE	
	70750	
	70750001	1,481.11
	Sub Total (TL2E)	1,481.11*
	Grand Total	1,481.11

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January 8, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

September 1, 2015 - October 31, 2015

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2015	\$3,600.00	\$0.00	\$3,600.00
October 2015	\$22,590.00	\$7,365.89	\$29,955.89
<u>Totals (1)</u>	<u>\$26,190.00</u>	<u>\$7,365.89</u>	<u>\$33,555.89</u>

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD SEPTEMBER 2015

		Billable Hours	Billable Rate	September 2015 Billing
1	TIME KEEPER - Nicole Wilkins	0.00	\$250.00	\$0.00
2	TIME KEEPER - Mike Loya	0.00	\$160.00	\$0.00
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 - Susan Roehm	24.00	\$150.00	\$3,600.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	24.00		\$3,600.00

Palomar Financial, LC
09/01/15-09/30/15
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan E. Roehm	Takeover Administration	24.00	\$ 3,600.00
		Sub Total (SER)	24.00	\$ 3,600.00
	Grand Total		24.00	\$ 3,600.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD OCTOBER 2015

		Billable Hours	Billable Rate	October 2015 Billing
1	TIME KEEPER - Nicole Wilkins	0.00	\$250.00	\$0.00
2	TIME KEEPER - Mike Loya	1.50	\$160.00	\$240.00
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 - Susan Roehm	149.00	\$150.00	\$22,350.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	150.50		\$22,590.00

Palomar Financial, LC
10/01/15-10/31/15
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Accounting Reports/Receivership Team Support	1.50	\$ 225.00
		CMS Reporting	16.75	\$ 2,512.50
		Claims Matter	34.25	\$ 5,137.50
		InsureMonkey	25.75	\$ 3,862.50
		UHH/Javelina	21.75	\$ 3,262.50
		IT Support & Administration	16.25	\$ 2,437.50
		Provider Issues	8.25	\$ 1,237.50
		Member Issues	7.00	\$ 1,050.00
		Takeover Administration	17.50	\$ 2,625.00
		Sub Total (SER)	149.00	\$ 22,350.00
MJL	Mike Loya	Payroll & Employee Benefits	1.50	\$ 240.00
		Sub Total (MJL)	1.50	\$ 240.00
	Grand Total		150.50	\$ 22,590.00

Palomar Financial, LC
Costs by Type
10/01/15-10/31/15
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 1,207.00
		Sub Total Business Meals	\$ 1,207.00
PK1A	Parking	Takeover Administration	\$ 437.00
		Sub Total Parking	\$ 437.00
TA1A	Travel-Airfare	Takeover Administration	\$ 3,322.46
		Sub Total Travel-Airfare	\$ 3,322.46
TE1A	Transportation Expense	Takeover Administration	\$ 749.67
		Sub Total Transportation Expense	\$ 749.67
TH1A	Travel-Hotel	Takeover Administration	\$ 1,649.76
		Sub Total Travel-Hotel	\$ 1,649.76
	Grand Total		\$ 7,365.89

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March 17, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

November 1, 2015 – November 30, 2015

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
November 2015	\$17,055.50	\$2,409.16	\$19,464.66
Totals (1)	\$17,055.50	\$2,409.16	\$19,464.66

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD NOVEMBER 2015

		Billable Hours	Billable Rate	November 2015 Billing
1	TIME KEEPER - Nicole Wilkins	1.10	\$250.00	\$275.00
2	TIME KEEPER - Mike Loya	2.25	\$160.00	\$360.00
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 - Susan Roehm	109.25	\$150.00	\$16,387.50
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	112.60		\$17,022.50

Palomar Financial, LC
11/01/2015-11/30/2015
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Payroll & Employee Benefits	0.75	\$ 112.50
		Accounts Payable and Receivable	1.00	\$ 150.00
		Regulatory Responses/Compliance	5.75	\$ 862.50
		Reports/Replies to Policyholders, Creditors, Other Parties	16.25	\$ 2,437.50
		CMS Reporting	10.00	\$ 1,500.00
		DOI Complaints	2.75	\$ 412.50
		Claims Matter	15.00	\$ 2,250.00
		InsureMonkey	25.25	\$ 3,787.50
		UHH/Javelina	14.25	\$ 2,137.50
		Maintenance & Retrieval of Records Information	2.75	\$ 412.50
		IT Support & Administration	8.50	\$ 1,275.00
		Provider Issues	4.75	\$ 712.50
		Member Issues	2.25	\$ 337.50
		Sub Total (SER)	109.25	\$ 16,387.50
MJL	Mike Loya	Payroll & Employee Benefits	2.25	\$ 360.00
		Sub Total (MJL)	2.25	\$ 360.00
NMW	Nicole Wilkins	Payroll & Employee Benefits	1.10	\$ 275.00
		Sub Total (NMW)	\$1.10	\$ 275.00
	Grand Total		112.60	\$ 17,022.50

Palomar Financial, LC
Costs by Type
11/01/2015-11/30/2015
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 639.00
PK1A	Parking	Takeover Administration	\$ 230.00
TA1A	Travel-Airfare	Takeover Administration	\$ 697.92
TH1A	Travel-Hotel	Takeover Administration	<u>\$ 842.24</u>
	Grand Total		<u>\$ 2,409.16</u>

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April 28, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

December 1, 2015 – December 31, 2015

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2015	\$16,380.00	\$1,109.18	\$17,489.18
Totals (1)	\$16,380.00	\$1,109.18	\$17,489.18

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD DECEMBER 2015

		Billable Hours	Billable Rate	December 2015 Billing
1	TIME KEEPER - Nicole Wilkins	1.10	\$250.00	\$275.00
2	TIME KEEPER - Mike Loya	24.25	\$160.00	\$3,880.00
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 - Susan Roehm	81.50	\$150.00	\$12,225.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	106.85		\$16,380.00

Palomar Financial, LC
12/01/2015-12/31/2015
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Accounts Payable and Receivable	1.50	\$ 225.00
		CMS Reporting	11.50	\$ 1,725.00
		Claims Matter	6.50	\$ 975.00
		InsureMonkey	11.25	\$ 1,687.50
		UHH/Javelina	11.00	\$ 1,650.00
		Maintenance & Retrieval of Records Information	1.50	\$ 225.00
		IT Support & Administration	32.75	\$ 4,912.50
		Provider Issues	0.50	\$ 75.00
		Member Issues	5.00	\$ 750.00
		Sub Total (SER)	81.50	\$ 12,225.00
MJL	Mike Loya	Payroll & Employee Benefits	18.50	\$ 2,960.00
		Maintenance & Retrieval of Records Information	5.75	\$ 920.00
		Sub Total (MJL)	24.25	\$ 3,880.00
NMW	Nicole Wilkins	Payroll & Employee Benefits	1.10	\$ 275.00
		Sub Total (NMW)	\$1.10	\$ 275.00
	Grand Total		106.85	\$ 16,380.00

Palomar Financial, LC
Costs by Type
12/01/2015-12/31/2015
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 319.50
PK1A	Parking	Takeover Administration	\$ 115.00
TA1A	Travel-Airfare	Takeover Administration	\$ 275.96
TH1A	Travel-Hotel	Takeover Administration	<u>\$ 398.72</u>
	Grand Total		<u>\$ 1,109.18</u>

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May 27, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

January 1, 2016 – January 31, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
January 2016	\$17,245.00	\$2,226.70	\$19,471.70
Totals (1)	\$17,245.00	\$2,226.70	\$19,471.70

Palomar Financial, LC

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

		Billable Hours	Billable Rate	January 2016 Billing
1	TIME KEEPER - Nicole Wilkins	0.40	\$250.00	\$100.00
2	TIME KEEPER - Mike Loya	34.50	\$160.00	\$5,520.00
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 - Susan Roehm	77.50	\$150.00	\$11,625.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	112.40		\$17,245.00

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

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Accounts Payable and Receivable	0.50	\$ 75.00
		Claims Matter	17.50	\$ 2,625.00
		InsureMonkey	5.75	\$ 862.50
		IT Support & Administration	31.50	\$ 4,725.00
		Provider Issues	12.50	\$ 1,875.00
		Member Issues	2.25	\$ 337.50
		Takeover Administration	4.00	\$ 600.00
		Other	3.50	\$ 525.00
		Sub Total (SER)	77.50	\$ 11,625.00
MJL	Mike Loya	Payroll & Employee Benefits	19.75	\$ 3,160.00
		Maintenance & Retrieval of Records Information	14.75	\$ 2,360.00
		Sub Total (MJL)	34.50	\$ 5,520.00
NMW	Nicole Wilkins	Payroll & Employee Benefits	0.40	\$ 100.00
		Sub Total (NMW)	\$0.40	\$ 100.00
	Grand Total		112.40	\$ 17,245.00

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

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 497.00
PK1A	Parking	Takeover Administration	\$ 115.00
TE1A	Transportation Expense	Takeover Administration	\$ 41.28
TA1A	Travel-Airfare	Takeover Administration	\$ 952.94
TH1A	Travel-Hotel	Takeover Administration	<u>\$ 620.48</u>
	Grand Total		<u>\$ 2,226.70</u>

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June 28, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

February 1, 2016 – February 29, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
February 2016	\$12,867.50	\$0.00	\$12,867.50
Totals (1)	\$12,867.50	\$0.00	\$12,867.50

Palomar Financial, LC

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

		Billable Hours	Billable Rate	February 2016 Billing
1	TIME KEEPER - Nicole Wilkins	0.00	\$250.00	\$0.00
2	TIME KEEPER - Mike Loya	34.25	\$160.00	\$5,480.00
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 - Susan Roehm	49.25	\$150.00	\$7,387.50
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	83.50		\$12,867.50

Palomar Financial, LC
02/01/2016-02/29/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Accounts Payable and Receivable	0.25	\$ 37.50
		CMS Reporting	4.50	\$ 675.00
		DOI Complaints	4.50	\$ 675.00
		Claims Matter	8.25	\$ 1,237.50
		InsureMonkey	7.75	\$ 1,162.50
		IT Support & Administration	24.00	\$ 3,600.00
		Sub Total (SER)	49.25	\$ 7,387.50
MJL	Mike Loya	Payroll & Employee Benefits	21.50	\$ 3,440.00
		Maintenance & Retrieval of Records Information	12.75	\$ 2,040.00
		Sub Total (MJL)	34.25	\$ 5,480.00
	Grand Total		83.50	\$ 12,867.50

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July 18, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

March 1, 2016 – March 31, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
March 2016	\$13,855.00	\$906.61	\$14,761.61
Totals (1)	\$13,855.00	\$906.61	\$14,761.61

Palomar Financial, LC

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

		Billable Hours	Billable Rate	March 2016 Billing
1	TIME KEEPER - Nicole Wilkins	0.00	\$250.00	\$0.00
2	TIME KEEPER - Mike Loya	31.75	\$160.00	\$5,080.00
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 - Susan Roehm	58.50	\$150.00	\$8,775.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	90.25		\$13,855.00

Palomar Financial, LC
Costs by Type
03/01/2016-03/31/2016
Client: Nevada Health Co-Op ("NHC")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ 177.50
PK1A	Parking	Takeover Administration	\$ 69.00
TA1A	Travel-Airfare	Takeover Administration	\$ 411.46
TH1A	Transportation-Taxi	Takeover Administration	\$ 40.33
TH1A	Travel-Hotel	Takeover Administration	\$ 208.32
	Grand Total		\$ 906.61

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September 16, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

April 1, 2016 – April 30, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
April 30, 2016	\$12,060.00	\$0.00	\$12,060.00
Totals (I)	\$12,060.00	\$0.00	\$12,060.00

Palomar Financial, LC

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

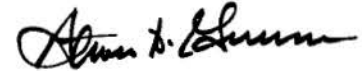
		Billable Hours	Billable Rate	April 2016 Billing
1	TIME KEEPER - Nicole Wilkins	0.00	\$250.00	\$0.00
2	TIME KEEPER - Mike Loya	32.25	\$160.00	\$5,160.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Brenda Stewart	0.00	\$160.00	\$0.00
5	TIME KEEPER - Susan Roehm	46.00	\$150.00	\$6,900.00
6	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	78.25		\$12,060.00

Palomar Financial, LC
04/01/2016-04/30/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	PartnerRe reporting	1.25	\$ 187.50
		Accounts Payable and Receivable	1.50	\$ 225.00
		CMS Reporting	1.50	\$ 225.00
		Claims Matter	13.50	\$ 2,025.00
		InsureMonkey	2.25	\$ 337.50
		IT Support & Administration	26.00	\$ 3,900.00
		Sub Total (SER)	46.00	\$ 6,900.00
MJL	Mike Loya	Payroll & Employee Benefits	24.25	\$ 3,880.00
		Maintenance & Retrieval of Records Information	8.00	\$ 1,280.00
		Sub Total (MJL)	32.25	\$ 5,160.00
	Grand Total		78.25	\$ 12,060.00

TAB 10

TAB 10



CLERK OF THE COURT

0001
Adam Paul Laxalt
Attorney General
Joanna N Grigoriev (Bar. No. 5649)
Senior Deputy Attorney General
Nevada Bar No. 5649
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Email: jgrigoriev@ag.nv.gov
Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

DISTRICT COURT
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant

Case No. A-15-725244

Dept. No. I

MOTION TO APPROVE PROFESSIONAL FEE RATES ON AN
ORDER SHORTENING TIME

Barbara D. Richardson, Commissioner of Insurance in the State of Nevada, in her capacity as Receiver ("Receiver") for Nevada Health CO-OP ("NHC," or "the CO-OP"), by and through the undersigned counsel of record, hereby submits NHC's Motion to Approve Professional Fee Rates (the "Motion"). This Motion is based upon the papers and pleadings on file and the Memorandum of Points and Authorities contained herein, and any argument adduced at the time of the hearing on this matter.

///

///

1 **APPLICATION FOR ORDER SHORTENING TIME**

2 Pursuant to EDCR 2.26, and as set forth in the Declaration of Joanna N. Grigoriev, Esq. below,
3 good cause exists to grant this application for an order shortening time, because the authority requested
4 from the Court concerns the urgent need to evaluate and prosecute litigation and/or defend the Receiver
5 in claims matters, which requires immediate assistance of legal counsel and consulting firms with
6 specialized expertise to allow the Receiver to act quickly.

7 DATED this 15th day of December, 2016.

8
9 ADAM PAUL LAXALT
 Attorney General

10 By: 

11 JOANNA N. GRIGORIEV
12 Senior Deputy Attorney General
13 Nevada Bar No. 5649
14 555 E. Washington Avenue, Suite 3900
15 Las Vegas, NV 89101
16 P: (702) 486-3101
17 Email: jgrigoriev@ag.nv.gov
18 *Attorneys for the Commissioner of*
19 *Insurance, in her capacity as Statutory*
20 *Receiver for Nevada Health CO-OP*
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1. I am a licensed attorney currently in good standing to practice law in the state of Nevada and before this Court.
2. I am a Senior Deputy Attorney General for the State of Nevada, counsel for Plaintiff Barbara D. Richardson, Commissioner of Insurance, in her official capacity as Receiver for the Company.
3. Good cause exists to hear this Motion on shortened time of urgent matters concerning the need to evaluate and prosecute litigation and/or defend the Receiver in claims matters, which requires the immediate need for legal counsel and consulting firms. Without this authorization, the Receiver does not have access to the legal resources necessary to evaluate the prosecution and defense of litigation. Claims continue to be filed with the Receiver during the previously approved claims filing deadline, and the Receiver needs the immediate assistance of legal counsel and consulting firms with specialized expertise for the evaluation and resolution of such claims, which may also include the pursuit of related counterclaims.
4. On behalf of the Receiver, I respectfully request that this Motion be set for hearing on shortened time.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of December 2016.

By:

Joanna N. Grigoriev
Senior Deputy Attorney General

ORDER SHORTENING TIME

Upon the application for an Order Shortening Time to hear the Motion,

IT IS HEREBY ORDERED that the request for an Order Shortening Time to hear the Motion is granted, and said Motion shall be heard on the 10th day of JANUARY 2017 at the hour of 9:00 a.m. p.m.

DATED this 16 day of Dec 2016.

Kenney
DISTRICT COURT JUDGE
Receiver must be present

Respectfully submitted,

ADAM PAUL LAXALT
Attorney General

By: Joanna N. Grigoriev

JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
*Attorney for the Commissioner of
Insurance, in her capacity as Statutory
Receiver for Nevada Health CO-OP*

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. BACKGROUND**

3 NEVADA HEALTH CO-OP ("NHC" or the "Company") is a state-licensed health insurer,
4 formed in 2012 as a Health Maintenance Organization, to which the State of Nevada Division of
5 Insurance issued a Certificate of Authority effective January 2, 2013. NHC was formed under a
6 provision of the Patient Protection and Affordable Care Act ("ACA") providing for the formation of
7 Consumer Operated and Oriented Plans ("CO-OPs").

8 On October 1, 2015, this Court issued its Order Appointing the Acting Insurance
9 Commissioner, Amy L. Parks as Temporary Receiver of NHC Pending Further Orders of the Court and
10 Granting Temporary Injunctive Relief Pursuant to NRS 696B.270.

11 On October 14, 2015, the receivership court entered its Permanent Injunction and Order
12 Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP, appointing Cantilo &
13 Bennett, L.L.P. as the SDR in accordance with chapter 696B of the NRS. Palomar Financial, LC was
14 later engaged to provide administrative and wind-down services.

15 A Notice of Substitution of Receiver was filed with this Court on April 6, 2016, changing the
16 Receiver from Amy L. Parks to Barbara D. Richardson — the newly appointed Commissioner of
17 Insurance for the State of Nevada.

18 The SDR files quarterly status reports with this Court regarding pertinent receivership updates,
19 including cash flow reports that inform the Court on administrative expenses and professional fees
20 incurred and paid to date. Actions of the Receiver are reported in these quarterly status reports and
21 subject to this Court's approval. NRS 696B.290(7).

22 **II. ARGUMENT**

23 The Receiver has concluded that additional consulting personnel must be engaged to assist with
24 receivership affairs. Particularly, the Receiver has sought out and vetted as Service Providers the law
25 firms of Greenberg Traurig, L.L.P. and Santoro Whitmire, Ltd., the consulting firm of FTI Consulting,
26 Inc., and the consulting firm of DeVito Consulting, Inc. The Service Providers will assist the Receiver,
27 according to their specialized expertise, in connection with general receivership, claims, and asset
28 recovery matters.

1 The Receiver hereby seeks the Court's approval to: (1) formally engage the Service Providers
2 at the rates set forth in Exhibit A; and (2) permit the Receiver, after such professional fee rates are
3 approved by this Court, to approve and pay invoices of the Service Providers without subsequent
4 application to the Court.

5 NRS 696B.290 provides in pertinent part:

6

7 6. In connection with delinquency proceedings, the Commissioner
8 may appoint one or more special deputy commissioners to act for the
9 Commissioner and the Commissioner may employ such counsel, clerks
10 and assistants as the Commissioner deems necessary. The compensation
11 of the special deputies, counsel, clerks or assistants and all expenses of
12 taking possession of the insurer and of conducting the proceedings shall be
13 fixed by the receiver and shall be paid out of the funds or assets of the
14 insurer

15 7. During such receivership the Commissioner shall file in the court,
16 at regular intervals not less frequently than quarterly, the Commissioner's
17 true reports in summary form of the insurer's affairs under the
18 receivership, and of progress being made in accomplishing the objectives
19 of the receivership. All such reports, together with such additional or
20 special reports as the court may reasonably require, shall be subject to
21 review by the court; and all actions of the receiver therein reported shall
22 be subject to the court's approval, but the court shall not withhold
23 approval or disapprove any such action unless found by the court after a
24 hearing thereon in open court to be unlawful, arbitrary or capricious.

25 NRS 696B.290(6)-(7).

26 Pursuant to NRS 696B.290(6)-(7), the Receiver files this Motion to Approve Professional Fee
27 Rates with supporting documentation attached hereto as Exhibit A. As part of each quarterly report, the
28 Receiver will continue to provide the Court a report of fees and costs approved and paid by the
Receiver.

21 The Service Providers are expected to assist the Receiver, according to their specialized
22 expertise, with receivership, claims, and asset recovery matters, much of which will include the review
23 and handling of confidential, strategic data. The Receiver has determined that further legal and
24 consultant assistance is necessary to address the potential claims and asset recovery matters in the
25 receivership estate. Moving forward, if the Court approves rates of Service Providers, the Receiver
26 proposes to pay invoices of the Service Providers and to attach their bill information to the quarterly
27 status reports filed with this Court.

1 **III. CONCLUSION**

2 WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests this Court enter
3 an order that:

- 4 (1) Approves, ratifies, and confirms the professional fee rates for Greenberg Traurig, L.L.P.,
5 Santoro Whitmire, Ltd., FTI Consulting, Inc., and DeVito Consulting, Inc., attached
6 hereto as Exhibit A;
- 7 (2) Permits the Receiver, after such professional fee rates are approved by this Court, to
8 approve and pay invoices of the Service Providers as deemed necessary without
9 subsequent application to the Court; and

10 any further relief as this Court deems proper under the circumstances.

11 DATED this ____ day of December, 2016.

12
13 ADAM PAUL LAXALT
14 Attorney General

15 By: /s/ Joanna N. Grigoriev
16 JOANNA N. GRIGORIEV
17 Senior Deputy Attorney General
18 *Attorney for Attorney for Barbara D. Richardson,*
19 *Commissioner of Insurance, as the Permanent*
20 *Receiver for Nevada Health CO-OP*
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CERTIFICATE OF SERVICE

I certify that I am an employee of the Office of the Attorney General, State of Nevada, and that on this ____ day of December, 2016, I filed the foregoing Motion to Approve Professional Fee Rates on an Order Shortening time via this Court's electronic filing system. Parties are registered with this Court's EFS and will be served electronically:

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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Cantilo and Bennett LLP

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Mark F. Bennett	mfbennett@cb-firm.com
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Service	Service@cb-firm.com

Greenberg Traurig, LLP

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US Department of Justice

Contact	Email
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Terrance A. Mebane	Terrance.A.Mebane@usdoj.gov

An employee of the office of the
Nevada Attorney General

EXHIBIT A

EXHIBIT A

EXHIBIT A

GREENBERG TRAURIG, L.L.P.

<u>ATTORNEYS</u>	<u>HOURLY RATES</u>
MARK E. FERRARIO	\$575
OTHER PARTNERS	\$475
OF COUNSEL	\$450
ASSOCIATES	\$320
LEGAL ASSISTANTS	\$190

SANTORO WHITMIRE, LTD.

<u>PERSONNEL</u>	<u>HOURLY RATES</u>
PARTNERS	\$350
ASSOCIATES	\$250
LEGAL ASSISTANTS	\$100

FTI CONSULTING, INC.

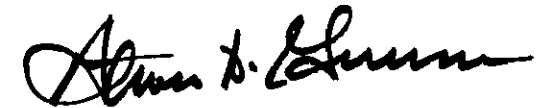
<u>PERSONNEL</u>	<u>HOURLY RATES</u>
CONSULTANTS & SENIOR CONSULTANTS	\$300
DIRECTORS & SENIOR DIRECTORS	\$375
MANAGING & SENIOR MANAGING DIRECTORS	\$450

DEVITO CONSULTING, INC.

<u>PERSONNEL</u>	<u>HOURLY RATES</u>
CONSULTANTS	\$350

TAB 11

TAB 11



CLERK OF THE COURT

SR
Adam Paul Laxalt
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Joanna N Grigoriev (Bar. No. 5649)
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Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

DISTRICT COURT
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant

Case No. A-15-725244.

Dept. No. I

FIFTH STATUS REPORT

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

1 formed under a provision of the Patient Protection and Affordable Care Act (“ACA”) providing for the
2 formation of Consumer Operated and Oriented Plans. Having received from the Centers for Medicare
3 and Medicaid Services (“CMS”) of the United States Department of Health and Human Services
4 (“HHS”) a start-up loan of \$17,080,047, and a “solvency” loan of \$48,820,349, NHC was required to
5 operate as a non-profit, consumer-driven health insurance issuer for the benefit of the public. The CO-
6 OP’s primary business was to provide ACA-compliant health coverage to residents of Nevada, and it
7 operated its business for the benefit of Nevadans within the state, save for certain arrangements to
8 provide nationwide health coverage to Nevadans traveling outside the state in certain circumstances.
9 NHC began selling products on and off the Silver State Health Insurance Exchange (the “Exchange”)
10 on January 1, 2014. Its products include individual, small group, and large group managed care
11 coverages.

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

19 Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev informed
20 interested parties of the substitution of Commissioner Barbara D. Richardson, in place and stead of
21 former Acting Commissioner Amy L. Parks, as the Receiver of NHC. This substitution of Receiver was
22 subsequent to Commissioner Richardson’s appointment as Commissioner of Insurance for the State of
23 Nevada.

24 This Court, through its Final Order Finding and Declaring Nevada Health CO-OP to be
25 Insolvent and Placing Nevada Health CO-OP into Liquidation (the “Final Order”) dated September 20,
26 2016, adjudged NHC to be insolvent on the grounds that it is unable to meet obligations as they mature.
27 The Final Order also authorized the Receiver to liquidate the business of NHC and wind up its ceased
28

1 operations pursuant to applicable Nevada law. The Receiver has since transitioned the receivership
2 estate from rehabilitation to liquidation.

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

4 **II. RECEIVERSHIP ADMINISTRATION**

5 **Resolution of Outstanding Receivership Matters**

6 ***Claims Adjudications and Determination of Receivership Liabilities***

7 NHC's staff continues to adjudicate all new and pending claims. Additionally, NHC's staff has
8 been correcting inaccuracies that remain in NHC's enrollment databases. This enrollment evaluation is
9 necessary to determine dates of coverage for each member's medical care. The final evaluation of
10 enrollment information will also reconcile NHC's obligations to pay for member health care. During
11 this process, NHC staff members are keeping interested parties informed of relevant updates
12 concerning the status of their claims and applicable deadlines in the receivership.

13 During the receivership, the Receiver has received fewer reports that plan members were
14 reported to collection agencies by health providers. In cases where collection efforts have taken place,
15 however, NHC staff members contact those providers and any related collection agencies to inform
16 them of the Permanent Receivership Order and its moratorium on the payment of health claims.

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

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

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

1 *Updates as to Current Federal Receivables Amounts*

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

11 The reporting related to the CSR Reconciliation program resulted in a net amount owed by
12 NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. NHC is working on an updated CSR filing
13 with CMS for early 2017.

14 The second installment payment of the 2015 Federal Transitional Reinsurance ("FTR")
15 premium in the amount of \$195,660.30 was withdrawn by CMS from NHC's operating account on
16 November 15, 2016. NHC did not contest this transaction in order to preserve its claims for
17 reinsurance. However, NHC has requested a recalculation of the FTR premium and partial refund
18 based upon enrollment corrections.

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

26 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>.

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

1 CMS recently confirmed the amount owed NHC under the 2015 Risk Corridors program in its
2 issuer-level Risk Corridors report: NHC is owed \$29.9 million for its individual market and \$3.7M for
3 its small group market.³ CMS has previously announced that, based on its preliminary analysis, “. . . all
4 2015 benefit year collections will be used towards remaining 2014 benefit year risk corridors payments,
5 and no funds will be available at this time for 2015 benefit year risk corridors payments.”⁴ The CO-OP
6 is still owed over \$9.5 million for 2014 Risk Corridors payments.⁵ CMS stated in its November 18,
7 2016, Risk Corridors report that the expected payment towards NHC’s 2014 Risk Corridors amounts is
8 only \$355,443.99.

9 NHC has made monthly submissions of Advance Premium Tax Credit (“APTC”) billing data in
10 accordance with CMS reporting requirements. The total of APTC payments received from CMS is
11 substantially less than what NHC billed CMS for 2015 APTC, and the SDR has asserted a claim for the
12 shortfall. NHC’s data provides that CMS still owes NHC at least \$4.7 million for APTC. NHC is
13 evaluating APTC data recently provided by CMS, but NHC’s current data reflects that at least \$4.7
14 million is still owed by CMS.

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

16 The Receiver continues to maintain the services of several third-party contractors deemed
17 necessary to resolving the outstanding business of the receivership estate. The contractors were
18 engaged because their expertise and skill sets have been determined to be beneficial for the estate and
19 its claimants.

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

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

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

26 ⁵ DEP’T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES, CCHIO
27 MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR BENEFIT YEAR 2014 (1, Table
28 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/CCHIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf>).

1 1. Change Healthcare Solutions, LLC, to perform paper claims scanning services.

2 2. Eldorado, a division of Mphasis Corporation, to provide a hosting service for claims
3 data and information.

4 3. The Jacobson Group, to provide claims adjustment and customer service staffing
5 support.

6 4. Redcard, to perform check processing and delivery to health care providers, and delivery
7 of Explanation of Benefit disclosures to plan members.

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

9 NHC maintains staff to address calls from interested parties regarding the recently approved
10 proof of claim ("POC") process. The Receiver also continues to adjudicate and pay premium
11 overpayments to members. Currently, the receivership estate has paid approximately \$115,000 in
12 premium refunds to members for overpayments since January 1, 2016.

13 The wind down of NHC's 401(k) retirement plan continues, with the SDR having submitted to
14 the Internal Revenue Service the Form 5310 for the plan wind down. The Form 5310 filing seeks a tax
15 determination letter that would permit the distribution of 401(k) assets to employees without the need
16 for an expensive and time-consuming audit. The Receiver has also transitioned the remaining NHC
17 employees⁶ to a smaller and less expensive office space. At this time, the remaining employees are
18 essential for NHC's operations.

19 **Implementation of Orders Received from the Receivership Court**

20 On July 21, 2016, the Receiver filed the Motion for Final Order Finding and Declaring Nevada
21 Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related
22 Relief (the "Liquidation Motion"). The Receiver had determined the need to file the Liquidation
23 Motion on the basis of NHC's continuing hazardous financial condition, the estate's inability to meet
24 obligations as they mature, and a rehabilitation of NHC being fruitless.

25 Following a September 20, 2016, hearing, the Receivership Court entered its Final Order
26 Finding and Declaring Nevada Health CO-OP to be Insolvent and Placing Nevada Health CO-OP into
27 Liquidation, and this final order allowed the transition to liquidation, made a finding of insolvency, and

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

1 fixed claims against the estate. The Receivership Court continued the proceedings until an in-chambers
2 hearing on September 26, 2016, relating to the authorization of the proposed POC notices, forms, and
3 disclosures.

4 On October 7, 2016, the Receivership Court entered its Final Order Granting Other Relief
5 Related to Receiver's Motion for Final Order Finding and Declaring Nevada Health CO-OP to be
6 Insolvent and Placing Nevada Health CO-OP into Liquidation (the "Proof of Claim Order"). The Proof
7 of Claim Order approved of the Receiver's proposed POC process, subject to additional requirements
8 to assure that interested parties receive the required notices and methods for submitting POCs. The
9 Proof of Claim Order also mandated that the Receiver provide alternate notice of NHC's receivership
10 and the POC process by publication in daily or weekly newspapers in counties throughout Nevada, and
11 by radio broadcast if a daily or weekly newspaper is not published in a particular county. Notice by
12 radio publication was not necessary because notice of the Proof of Claim Order was published in daily
13 or weekly newspapers throughout Nevada.

14 The Receiver has implemented the POC process, and has already conducted general mailings
15 and publication of necessary notices to claimants and other interested parties. The SDR will send these
16 notices to any other party that requests them.

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

18 Following the receivership, the Receiver has thus far paid approximately \$8.4 million in
19 hardship claim payments to different providers and medical servicers for necessary pharmacological,
20 psychological, and health care services. These hardship claim payments to providers and/or members
21 concerned emergency services, vital prescription medicines, protection against instances of balance
22 billing, and medical or financial hardships. The SDR continues to utilize the procedure developed and
23 provided alongside the Fourth Status Report to adjudicate and process these payments. The Receiver
24 will allow hardship claim payments to continue pursuant to this Court's prior order.⁷

25
26
27 ⁷ On February 24, 2016, this Court entered its Order Granting Special Deputy Receiver, Cantilo & Bennett, L.L.P.'s
28 First Motion, on Order Shortening Time, for Order Authorizing Payments, and this Court Order authorized hardship claim
payments by the Special Deputy Receiver.

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

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

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

10 NHC received approximately \$65.9 million of loans from CMS before receivership as funds for
11 the start-up and solvency of this health insurer. After receivership began, CMS demanded loan
12 repayment and asserted a superpriority to be repaid on its loans before all other claims of NHC. The
13 Receiver is trying to resolve this superpriority issue with CMS and the United States Department of
14 Justice without resorting to court proceedings. If court proceedings are necessary to resolve the
15 superpriority issues with CMS, it may result in prolonged delays before resolving this priority issue.
16 Until there is clarity on the superpriority status of CMS loan claims, it has stymied the Receiver's
17 ability to pay non-hardship claim payments in the receivership; thus, this is the first reason for claim
18 suspension and claim payment delays.

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

20 CMS placed a hold on all reimbursements due NHC under the federal receivables program. The
21 CMS reimbursements due NHC are in the tens of millions after the 2015 Risk Corridors claim was
22 evaluated and reported on by CMS in November. There is more than \$52.9 million due from CMS and
23 the federal government for federal receivables, not including APTC amounts, or \$57.7 million is due
24 from CMS when APTC is included. NHC's claim liabilities are also in the tens of millions, so federal
25 receivables from CMS remain an essential receipt before the Receiver can make meaningful claims
26 distributions in the receivership. As noted by Reason Number 1 above; however, no payments (not
27 even small ones) may be paid on non-hardship claims without resolution of CMS' assertion of federal
28 superpriority for payment of its loans before all other claims. According to CMS, the placement of the

1 hold on federal receivable reimbursements due NHC is because of the above-mentioned loans that are
2 now claimed due by CMS.

3 **Provision of Required Proof of Claim Notices**

4 The Receivership Court, through its Proof of Claim Order, has mandated (and the Receiver has
5 undertaken) the provision of notice of the Orders and the approved claims filing deadline, POC process,
6 POC forms, and Receivership Appeal Procedure ("RAP") in the following manners:

- 7 1. by mail notice, to all interested parties of NHC;
- 8 2. by newspaper publication for two consecutive weeks in the Las Vegas Review Journal
9 and the Reno Gazette;⁸
- 10 3. by newspaper publication in a daily or weekly newspaper for each county or city in
11 Nevada;
- 12 4. through the CO-OP's web site; and
- 13 5. through a press release produced by the Receiver and delivered to those newspapers that
14 published notice.

15 The Receiver has satisfied these notice provision requirements, and additional notice is
16 provided, as necessary, to provide interested parties the appropriate information concerning the
17 receivership and its developments. NHC customer service representatives are also assisting callers with
18 questions about the Orders, POC process, and RAP. The SDR maintains and updates NHC's internet
19 web site, located at <http://www.nevadahealthcoop.org>, with electronic copies of all major notices,
20 forms, documents, and general disclosures.

21 **Current Receivership Assets**

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

26
27
28 ⁸ Ad space was available in a daily or weekly newspaper in every Nevada county; thus, there was no need to run radio
advertisements in counties that do not publish a daily or weekly publication.

1 1. The potential amount due from NHC's reinsurer will depend on claim approvals by the
2 Receiver that meet reinsurance coverage. The Receiver believes that substantial amounts are due the
3 CO-OP from PartnerRe America Insurance Company ("PartnerRe"), its private reinsurer, with a portion
4 of these claims now becoming due in light of the recently entered Order placing NHC into liquidation.
5 NHC may also receive a refund of certain premiums previously paid under the PartnerRe reinsurance
6 arrangement. The SDR has coordinated with PartnerRe claims staff to make filings of reinsurance
7 reimbursement claims incurred in plan years 2014 and 2015 that are below or exceed the applicable
8 triggering point for reinsurance coverage. The submission of current reinsurance reports and claim data
9 has been made to PartnerRe, with new claims submitted as they emerge.

10 2. The unrestricted cash assets of the CO-OP have fluctuated with post-receivership
11 expenses and claim payments, as well as with the Receiver's receipt of member premiums. The
12 unrestricted cash assets of the CO-OP as of November 30, 2016, were approximately \$10,144,852. The
13 majority of NHC's currently available and liquid assets have been invested in a short-term bond mutual
14 fund, with the remainder of such assets invested in bank deposits. This amount does not take into
15 account the \$765,608 (as of October 31, 2016) in restricted cash assets held in a statutory special
16 deposit account for the benefit of NHC's creditors.

17 3. The financial information of NHC in this Fifth Status Report provides estimates. NHC's
18 financials may materially vary depending upon the estate's receipt of the promised federal receivables
19 payments under the various ACA programs described in this report. These figures will remain
20 estimates until the estate receives clearer indications from CMS and the federal government as to the
21 amount and timing of any federal payments. As mentioned, the Receiver continues work to resolve
22 matters with CMS.

23 4. The Receiver is enclosing, as Exhibit 1 attached hereto, a cash flow report for NHC for
24 the time period covering the inception of the receivership through November 30, 2016. This report
25 reflects a summary of disbursements and collections made by NHC during this 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 Fifth Status Report and the actions taken by the Receiver. The Receiver has included an informational copy, as Exhibit 2 to this Fifth Status Report, of fees and expenses of professionals and deputies that were paid by the Receiver since the last status report filing.

DATED: January 5, 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:

ADAM PAUL LAXALT
Attorney General

By: /s/ Joanna N. Grigoriev
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
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*Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP*

CERTIFICATE OF SERVICE

I certify that I am an employee of the Office of the Attorney General, State of Nevada, and that on this 5th day of January, 2017, I filed the foregoing Motion to Approve Professional Fee Rates on an Order Shortening time via this Court's electronic filing system. Parties are registered with this Court's EFS and will be served electronically:

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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US Department of Health and Human Services

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Leslie Stafford	Leslie.Stafford@HHS.GOV

US Department of Justice

Contact	Email
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Terrance A. Mebane	Terrance.A.Mebane@usdoj.gov

/s/ Marilyn Millam
An employee of the office of the
Nevada Attorney General

EXHIBIT “1”

NEVADA HEALTH CO-OP
Cash Flow Analysis
Oct 2015 - Nov 2016

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,807,076
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	380,534
PartnerRe 2014 Premium Refund	267,629
Traditional Reins Recoveries	-
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Other	290,566
TOTAL SOURCES:	\$22,992,544

USES:

Medical Claims Q4 2015	(160,992)
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	(5,162,966)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Other	(1,728,540)
Professional Services	(1,602,536)

TOTAL USES:

(18,200,109)

Net cash increase for period

\$4,792,435

Ending Cash at end of November 30, 2016

\$ 10,144,852

*** Excl \$765,608 restricted US Bank bal October 31, 2016

EXHIBIT “2”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS

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Comprised of Professional Corporations

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September 6, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

April 1, 2016 - April 30, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
April 2016	21379- 21392 21403	\$122,001.25	\$26,407.09	\$148,408.34
<u>Totals (1)</u>		<u>\$122,001.25</u>	<u>\$26,407.09</u>	<u>\$148,408.34</u>

September 09, 2016
2:25 pm

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

Page 1
[cs1c]

Work Date 04/01/2016:04/30/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	4,608.00	0.00	4,608.00
	PK1A PARKING	0.00	1,199.84	0.00	1,199.84
	PO1E POSTAGE	0.00	63.23	0.00	63.23
	TA1A TRAVEL-AIRFARE	0.00	9,148.80	0.00	9,148.80
	TE1A TRANSPORTATION EXPENSE	0.00	3,047.42	0.00	3,047.42
	TH1A TRAVEL-HOTEL	0.00	6,871.28	0.00	6,871.28
	TL2E TELEPHONE	0.00	1,464.02	0.00	1,464.02
	TS1A TELEPHONE CHARGES	0.00	4.50	0.00	4.50
	Sub Total ()	0.00	26,407.09	0.00	26,407.09
	Grand Total	0.00	26,407.09	0.00	26,407.09

September 01, 2016
11:24 am

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

Page 1
[pr 3]

Work Date 04/01/2016:04/30/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750002 Legal	1.25	488.75	0.00	0.00	
70750003 Claims	0.55	206.25	0.00	0.00	
70750004 Financial Matters	4.30	1,612.50	0.00	0.00	
70750005 Asset Marshaling	0.20	75.00	0.00	0.00	
70750006 Provider Issues	1.60	600.00	0.00	0.00	
70750007 Member Issues	0.20	75.00	0.00	0.00	
70750008 Company Administration	10.15	3,806.25	0.00	0.00	
70750009 Lease Issues	4.60	1,687.50	0.00	0.00	
70750010 CMS	17.05	6,393.75	0.00	0.00	
70750100 Asset Recovery	4.25	1,593.75	0.00	0.00	
Sub Total (MFB)	44.05	16,518.75	0.00	0.00*	
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750002 Legal	2.50	1,125.00	0.00	0.00	
70750003 Claims	2.20	990.00	0.00	0.00	
70750006 Provider Issues	0.50	225.00	0.00	0.00	
70750008 Company Administration	2.70	1,215.00	0.00	0.00	
70750010 CMS	9.50	4,275.00	0.00	0.00	
70750013 Insure Monkey	2.00	900.00	0.00	0.00	
70750100 Asset Recovery	0.30	135.00	0.00	0.00	
70750101 Basich vs Xerox, et al	1.00	450.00	0.00	0.00	
Sub Total (PHC)	20.70	9,315.00	0.00	0.00*	
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750002 Legal	1.25	156.25	0.00	0.00	
Sub Total (JLC)	1.25	156.25	0.00	0.00*	
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	165.90	29,032.50	0.00	0.00	
Sub Total (KWJ)	165.90	29,032.50	0.00	0.00*	
BLK BYUNG L. KOO					
70750 Nevada Health CO-OP					
70750003 Claims	62.00	5,270.00	0.00	0.00	
Sub Total (BLK)	62.00	5,270.00	0.00	0.00*	
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	48.50	8,487.50	0.00	0.00	
70750002 Legal	72.75	12,731.25	0.00	0.00	
70750003 Claims	3.00	525.00	0.00	0.00	
70750006 Provider Issues	8.50	1,487.50	0.00	0.00	
70750007 Member Issues	7.75	1,356.25	0.00	0.00	
70750008 Company Administration	21.75	3,806.25	0.00	0.00	
Sub Total (JOL)	162.25	28,393.75	0.00	0.00*	
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750102 NHC vs. CMS Litigation	81.40	18,315.00	0.00	0.00	
Sub Total (PJR)	81.40	18,315.00	0.00	0.00*	
IXS ISAIAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	150.00	15,000.00	0.00	0.00	
Sub Total (IXS)	150.00	15,000.00	0.00	0.00*	
Grand Total	687.55	122,001.25	0.00	0.00	

Cantilo & Bennett, L.L.P.

NEVADA HEALTH CO-OP TIMEKEEPER SUMMARY REPORT

4/1/16 - 4/30/16

		Billable Hours	Billable Rate	April 2016 Billing
1	Timekeeper - Patrick H. Cantilo	20.70	\$450.00	\$9,315.00
2	Timekeeper - Mark F. Bennett	44.05	\$375.00	\$16,518.75
3	Timekeeper - Kristen W. Johnson	165.90	\$175.00	\$29,032.50
4	Timekeeper - Josh O. Lively	162.25	\$175.00	\$28,393.75
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya		\$200.00	\$0.00
7	Timekeeper - Law Clerks	62.00	\$85.00	\$5,270.00
8	Timekeeper - Isalah Samaniego	150.00	\$100.00	\$15,000.00
9	TimeKeeper -- Pierre Riou	81.40	\$225.00	\$18,315.00
9	TimeKeeper -- Jeffrey L. Collins	1.25	\$125.00	\$156.25
	GRAND TOTAL	687.55		\$122,001.25

CANTILO & BENNETT, L.L.P.

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Comprised of Professional Corporations*

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Facsimile: (512) 404-6550

October 5, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

May 1, 2016 - May 31, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
May 2016	21440- 21451 21439	\$109,177.50	\$ 8,541.37	\$117,718.87
<u>Totals (1)</u>		<u>\$109,177.50</u>	<u>\$ 8,541.37</u>	<u>\$117,718.87</u>

October 05, 2016
3:28 pm

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

Page 1
[cs]e]

Work Date 05/01/2016:05/31/2016
Client ID 70750

Staff ID Cost Code	Units	Amount	Write Down	Total
BM1A BUSINESS MEALS	0.00	1,456.00	0.00	1,456.00
PK1A PARKING	0.00	340.00	0.00	340.00
PO1E POSTAGE	0.00	9.42	0.00	9.42
TA1A TRAVEL-AIRFARE	0.00	2,297.29	0.00	2,297.29
TE1A TRANSPORTATION EXPENSE	0.00	1,308.15	0.00	1,308.15
TH1A TRAVEL-HOTEL	0.00	2,031.12	0.00	2,031.12
TH1E TRAVEL-HOTEL	0.00	-210.74	0.00	-210.74
TL2E TELEPHONE	0.00	1,310.13	0.00	1,310.13
Sub Total ()	0.00	8,541.37	0.00	8,541.37
Grand Total	0.00	8,541.37	0.00	8,541.37

October 05, 2016
3:27 pm

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

Page 1
[pr 3]

Work Date 05/01/2016:05/31/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750002 Legal	6.00	2,250.00	0.00	0.00	
70750003 Claims	6.75	2,631.25	0.00	0.00	
70750004 Financial Matters	4.60	1,726.00	0.00	0.00	
70750005 Asset Marshaling	0.30	112.50	0.00	0.00	
70750006 Provider Issues	11.20	4,200.00	0.00	0.00	
70750007 Member Issues	0.75	281.25	0.00	0.00	
70750008 Company Administration	8.75	3,281.25	0.00	0.00	
70750010 CMS	4.75	1,781.25	0.00	0.00	
70750100 Asset Recovery	2.50	937.50	0.00	0.00	
Sub Total (MFB)	45.60	17,100.00	0.00	0.00*	
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	8.10	1,620.00	0.00	0.00	
Sub Total (ABS)	8.10	1,620.00	0.00	0.00*	
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750002 Legal	8.00	3,600.00	0.00	0.00	
70750003 Claims	0.50	225.00	0.00	0.00	
70750007 Member Issues	0.50	225.00	0.00	0.00	
70750008 Company Administration	4.90	2,205.00	0.00	0.00	
70750010 CMS	2.60	1,170.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	0.60	225.00	0.00	0.00	
Sub Total (PHC)	17.00	7,650.00	0.00	0.00*	
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750008 Company Administration	0.50	62.50	0.00	0.00	
Sub Total (JLC)	0.50	62.50	0.00	0.00*	
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	168.90	29,557.50	0.00	0.00	
Sub Total (KWJ)	168.90	29,557.50	0.00	0.00*	
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	28.25	4,943.75	0.00	0.00	
70750002 Legal	62.75	9,231.25	0.00	0.00	
70750003 Claims	13.75	2,406.25	0.00	0.00	
70750004 Financial Matters	16.00	2,800.00	0.00	0.00	
70750006 Provider Issues	2.75	481.25	0.00	0.00	
70750007 Member Issues	3.25	568.75	0.00	0.00	
70750008 Company Administration	19.50	3,412.50	0.00	0.00	
70750100 Asset Recovery	9.75	1,706.25	0.00	0.00	
70750200 Reinsurance General	4.50	787.50	0.00	0.00	
Sub Total (JOL)	150.50	26,337.50	0.00	0.00*	
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750002 Legal	9.90	2,227.50	0.00	0.00	
70750010 CMS	1.20	270.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	35.90	8,077.50	0.00	0.00	
Sub Total (PJR)	47.00	10,575.00	0.00	0.00*	
IXS ISAAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	162.75	16,275.00	0.00	0.00	
Sub Total (IXS)	162.75	16,275.00	0.00	0.00*	
Grand Total	600.35	109,177.50	0.00	0.00	

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
5/1/16 - 5/31/16**

		Billable Hours	Billable Rate	May 2016 Billing
1	Timekeeper - Patrick H. Cantilo	17.00	\$450.00	\$7,650.00
2	Timekeeper - Mark F. Bennett	45.60	\$375.00	\$17,100.00
3	Timekeeper - Kristen W. Johnson	168.90	\$175.00	\$29,557.50
4	Timekeeper - Josh O. Lively	150.50	\$175.00	\$26,337.50
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	8.10	\$200.00	\$1,620.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	162.75	\$100.00	\$16,275.00
9	TimeKeeper -- Pierre Riou	47.00	\$225.00	\$10,575.00
9	TimeKeeper -- Jeffrey L. Collins	0.50	\$125.00	\$62.50
	GRAND TOTAL	600.35		\$109,177.50

CANTILO & BENNETT, L.L.P.

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Comprised of Professional Corporations*

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Facsimile: (512) 404-6550

October 21, 2016

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

June 1, 2016 - June 30, 2016

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
June 2016	21492- 21503 21468	\$136,506.25	\$ 9,124.15	\$145,630.40
<u>Totals (1)</u>		\$136,506.25	\$ 9,124.15	\$145,630.40

October 21, 2016
11:03 am

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

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[cs1c]

Work Date 06/01/2016:06/30/2016
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,424.00	0.00	1,424.00
	FD1A FEDERAL EXPRESS	0.00	50.85	0.00	50.85
	PK1A PARKING	0.00	299.00	0.00	299.00
	PO1E POSTAGE	0.00	8.37	0.00	8.37
	SU1A SUPPLIES	0.00	15.03	0.00	15.03
	TA1A TRAVEL-AIRFARE	0.00	2,455.78	0.00	2,455.78
	TE1A TRANSPORTATION EXPENSE	0.00	1,194.76	0.00	1,194.76
	TH1A TRAVEL-HOTEL	0.00	2,031.12	0.00	2,031.12
	TL2E TELEPHONE	0.00	1,638.08	0.00	1,638.08
	TS1A TELEPHONE CHARGES	0.00	7.16	0.00	7.16
	Sub Total ()	0.00	9,124.15	0.00	9,124.15
	Grand Total	0.00	9,124.15	0.00	9,124.15

October 21, 2016
10:53 am

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

Page 1
[pr 3]

Work Date 08/01/2016:08/30/2016
Client ID 70750

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750 Nevada Health CO-OP					
70750002 Legal	46.55	17,456.25	0.00	0.00	
70750003 Claims	3.80	1,425.00	0.00	0.00	
70750004 Financial Matters	4.45	1,668.75	0.00	0.00	
70750006 Provider Issues	5.80	2,175.00	0.00	0.00	
70750007 Member Issues	5.75	2,156.25	0.00	0.00	
70750008 Company Administration	8.85	3,318.75	0.00	0.00	
70750010 CMS	14.75	5,531.25	0.00	0.00	
70750100 Asset Recovery	0.50	187.50	0.00	0.00	
Sub Total (MFB)	90.45	33,918.75	0.00	0.00*	
ABS ARATI BHATTACHARYA					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	59.70	11,940.00	0.00	0.00	
Sub Total (ABS)	59.70	11,940.00	0.00	0.00*	
PHC PATRICK H. CANTILO					
70750 Nevada Health CO-OP					
70750002 Legal	2.00	900.00	0.00	0.00	
70750003 Claims	0.50	225.00	0.00	0.00	
70750010 CMS	1.30	585.00	0.00	0.00	
70750102 NHC vs. CMS Litigation	1.00	450.00	0.00	0.00	
Sub Total (PHC)	4.80	2,160.00	0.00	0.00*	
JLC JEFFREY L. COLLINS					
70750 Nevada Health CO-OP					
70750102 NHC vs. CMS Litigation	2.00	250.00	0.00	0.00	
Sub Total (JLC)	2.00	250.00	0.00	0.00*	
KWJ KRISTEN W. JOHNSON					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	189.00	33,075.00	0.00	0.00	
Sub Total (KWJ)	189.00	33,075.00	0.00	0.00*	
JOL JOSHUA O. LIVELY					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	42.50	7,437.50	0.00	0.00	
70750002 Legal	65.25	11,418.75	0.00	0.00	
70750003 Claims	3.50	612.50	0.00	0.00	
70750004 Financial Matters	22.75	3,981.25	0.00	0.00	
70750005 Asset Marshaling	10.75	1,881.25	0.00	0.00	
70750008 Company Administration	21.00	3,675.00	0.00	0.00	
70750100 Asset Recovery	9.00	1,575.00	0.00	0.00	
70750200 Reinsurance General	4.75	831.25	0.00	0.00	
Sub Total (JOL)	179.50	31,412.50	0.00	0.00*	
PJR PIERRE J. RIOU					
70750 Nevada Health CO-OP					
70750002 Legal	7.10	1,597.50	0.00	0.00	
70750102 NHC vs. CMS Litigation	53.90	12,127.50	0.00	0.00	
Sub Total (PJR)	61.00	13,725.00	0.00	0.00*	
IXS ISAIAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750001 Takeover Administration	100.25	10,025.00	0.00	0.00	
Sub Total (IXS)	100.25	10,025.00	0.00	0.00*	
Grand Total	686.70	136,506.25	0.00	0.00	

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
6/1/16 - 6/30/16**

		Billable Hours	Billable Rate	June 2016 Billing
1	Timekeeper - Patrick H. Cantilo	4.80	\$450.00	\$2,160.00
2	Timekeeper - Mark F. Bennett	90.45	\$375.00	\$33,918.75
3	Timekeeper - Kristen W. Johnson	189.00	\$175.00	\$33,075.00
4	Timekeeper - Josh O. Lively	179.50	\$175.00	\$31,412.50
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	59.70	\$200.00	\$11,940.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	100.25	\$100.00	\$10,025.00
9	TimeKeeper -- Pierre Riou	61.00	\$225.00	\$13,725.00
9	TimeKeeper -- Jeffrey L. Collins	2.00	\$125.00	\$250.00
	GRAND TOTAL	686.70		\$136,506.25

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October 4, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

May 1, 2016 – May 31, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
May 2016	\$12,855.00	\$0.00	\$12,855.00
Totals (1)	\$12,855.00	\$0.00	\$12,855.00

Palomar Financial, LC

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

		Billable Hours	Billable Rate	May 2016 Billing
1	TIME KEEPER - Nicole Wilkins	1.00	\$250.00	\$250.00
2	TIME KEEPER - Mike Loya	26.75	\$160.00	\$4,280.00
3	TIME KEEPER - Johanna Eades	0.00	\$150.00	\$0.00
4	TIME KEEPER - Susan Roehm	55.50	\$150.00	\$8,325.00
5	TIME KEEPER - Gayathri Sivadasan	0.00	\$150.00	\$0.00
6	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	83.25		\$12,855.00

Palomar Financial, LC
05/01/2016-05/31/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
SER	Susan Roehm	Accounts Payable and Receivable	2.00	\$ 300.00
		Claims Matter	26.50	\$ 3,975.00
		IT Support & Administration	27.00	\$ 4,050.00
		Sub Total (SER)	55.50	\$ 8,325.00
MJL	Mike Loya	Payroll & Employee Benefits	21.25	\$ 3,400.00
		Maintenance & Retrieval of Records Information	5.50	\$ 880.00
		Sub Total (MJL)	26.75	\$ 4,280.00
NMW	Nicole Wilkins	Accounts Payable and Receivable	1.00	\$ 250.00
		Sub Total (NMW)	\$1.00	\$ 250.00
	Grand Total		83.25	\$ 12,855.00

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October 24, 2016

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

June 1, 2016 – June 30, 2016

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
June 2016	\$20,807.50	\$0.00	\$20,807.50
Totals (1)	\$20,807.50	\$0.00	\$20,807.50

Palomar Financial, LC

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

		Billable Hours	Billable Rate	June 2016 Billing
1	TIME KEEPER - Nicole Wilkins	15.50	\$250.00	\$3,875.00
2	TIME KEEPER - Mike Loya	28.00	\$160.00	\$4,480.00
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	4.00	\$160.00	\$640.00
5	TIME KEEPER - Susan Roehm	69.50	\$150.00	\$10,425.00
6	TIME KEEPER - Gayathri Sivadasan	9.25	\$150.00	\$1,387.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	126.25		\$20,807.50

Palomar Financial, LC
06/01/2016-06/30/2016
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	0.20	\$ 50.00
		Accounts Payable and Receivable	14.90	\$ 3,725.00
		IT Support & Administration	0.40	\$ 100.00
		Sub Total (NMW)	15.50	\$ 3,875.00
MJL	Mike Loya	Payroll & Employee Benefits	23.25	\$ 3,720.00
		Maintenance & Retrieval of Records Information	4.75	\$ 760.00
		Sub Total (MJL)	28.00	\$ 4,480.00
NK	Neda Khalaf	Accounts Payable and Receivable	4.00	\$ 640.00
		Sub Total (NK)	4.00	\$ 640.00
SER	Susan Roehm	Accounts Payable and Receivable	1.25	\$ 187.50
		Guaranty Associations Reports/Administration	35.00	\$ 5,250.00
		IT Support & Administration	33.25	\$ 4,987.50
		Sub Total (SER)	69.50	\$ 10,425.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	9.25	\$ 1,387.50
		Sub Total (GS)	9.25	\$ 1,387.50
	Grand Total		126.25	\$ 20,807.50