

IN THE SUPREME COURT OF NEVADA

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

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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 3 OF 13

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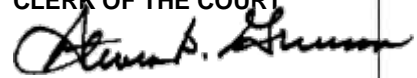
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TAB 18

TAB 18



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

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

22 **EIGHTH STATUS REPORT**

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

I. INTRODUCTION AND HISTORICAL BACKGROUND

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

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

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

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

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

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

10 **II. RECEIVERSHIP ADMINISTRATION**

11 **Receivership Administrative Services and Oversight**

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

18 **Resolution of Outstanding Receivership Matters**

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

20 NHC's staff continues the process of claims adjudications to adjudicate all new and
21 pending healthcare claims. At this point, new claims are only accepted for review if the
22 claimant can show proof of timely filing (*i.e.*, proof that the claim was previously submitted in
23 advance of the Receiver's Claims Filing Deadline). Additionally, NHC's staff also continues
24 to correct what inaccuracies remain in NHC's enrollment databases, this project being
25 ongoing throughout the pendency of the receivership. This enrollment evaluation is
26 necessary to determine dates of coverage for each member's medical care. The final
27 evaluation of enrollment information will also reconcile NHC's obligations to pay for member
28 health care.

1 The Receiver continues to coordinate with those plan members who were reported to
2 collection agencies by healthcare providers and facilities, or who are currently being sought
3 for payment based on the receivership estate's obligations. In cases where collection efforts
4 have taken place in violation of the Permanent Receivership Order, NHC staff members
5 contact those providers and any related collection agencies to inform them of the Permanent
6 Receivership Order and its moratorium on the payment of health claims. When necessary,
7 the SDR has also sent letters to such providers to advise them that their direct collection
8 actions violate the Permanent Receivership Order, and may justify the equitable
9 subordination of claims by providers who openly seek payment in violation of the priority
10 scheme set forth in Chapter 696B of the Nevada Revised Statutes.

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

12 As explained in prior status reports, the Receiver and SDR continue to coordinate with
13 CMS in the submission of essential data for the various regulatory reporting processes
14 required for CO-OPs under the ACA. There are still ongoing requirements that NHC must
15 fulfill, and significant accounts payable are in dispute. Resolution of these matters is critical to
16 NHC's ability to claim and collect the maximum amounts rightfully owed to NHC under the
17 various federal receivables programs.

18 NHC is owed payments relating to several such programs, including: Cost Sharing
19 Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and
20 Risk Corridors. The expected receipt of these federal receivables is a key part of any future
21 claim payments by NHC. The non-receipt of substantially all federal accounts payable for
22 plan year 2015, and a material portion of accounts payable for plan year 2014, has greatly
23 diminished NHC's assets and, therefore, its claims-paying ability.

24 CMS has maintained the position that any monies deemed owed to NHC (*i.e.*, the
25 receivership estate) are to be set off against the amounts CMS asserts it is owed under the
26 start-up loan to NHC. CMS has so far made offsets against accounts payable to NHC for the
27 outstanding balance of the start-up loan. These actions are the subject of the Receiver's
28 complaint against CMS, as described in more detail below. In attempting to determine a total

of all offsets applied by CMS to date, the SDR has determined certain discrepancies in CMS' accounting. The SDR sent a letter to CMS to request a detailed, cumulative accounting of all offsets applied to date so that the SDR can review CMS' accounting of charges and offsets applied to NHC's accounts payable.

Updates as to Current Status of Regulatory Submissions Projects

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

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

The 2015 Risk Corridors data submissions were reported by the deadline of August 1, 2016. CMS originally requested a small restatement to one line item in NHC's submission, which would have had a small impact upon the amount owed to NHC. However, CMS then directed NHC not to make any restatement(s) of the 2015 Risk Corridors or Medical Loss Ratio ("MLR") data in 2016. Instead, CMS advised that a restatement of Risk Corridors and MLR data may be filed in 2017.

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>.

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

1 In regard to the final amount for the 2015 Risk Corridors, CMS confirmed that NHC is
2 owed \$29.9 million for its individual market and \$3.75M for its small group market.³ CMS has
3 previously announced that, based on its preliminary analysis, “. . . all 2015 benefit year
4 collections will be used towards remaining 2014 benefit year risk corridors payments, and no
5 funds will be available at this time for 2015 benefit year risk corridors payments.”⁴ In addition
6 to balances due for year 2015, the CO-OP is still owed over \$9.5 million for 2014 Risk
7 Corridors payments.⁵ CMS stated in its November 18, 2016, Risk Corridors report that the
8 expected payment towards NHC’s 2014 Risk Corridors amounts is only \$355,443.99.

9 NHC has made monthly submissions of Advance Premium Tax Credit (“APTC”) billing
10 data in accordance with CMS reporting requirements. The total of APTC payments received
11 from CMS is substantially less than what NHC billed CMS for 2015 APTC, and the SDR has
12 asserted a claim for the shortfall. CMS and NHC currently do not agree on the APTC
13 balance due for year 2015. The SDR has sent a letter to CMS to request clarification and an
14 accounting of its position on the 2015 APTC balance due to NHC.

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

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

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

20 1. Eldorado, a division of Mphasis Corporation, to provide a hosting service for
21 claims data and information.

22 ³ DEPT OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
23 CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT
24 YEAR (November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>).

25 ⁴ DEPT OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
26 CCIIO MEMORANDUM, Risk Corridors Payments for 2015 (September 9, 2016) (available at:
27 [https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-](https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-for-2015-FINAL.PDF)
28 [Corridors-for-2015-FINAL.PDF](https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-for-2015-FINAL.PDF)).

⁵ DEPT OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES,
CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR BENEFIT YEAR 2014
(1, Table 29) (November 19, 2015) (stating CMS’ need to decrease, or “prorate,” amounts owed to issuers due
to budget shortfall, providing amounts owed to each issuer) (available at: [https://www.cms.gov/CCIIO/Programs-](https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf)
and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf).

2. The Jacobson Group, to provide claims adjustment and customer service staffing support.

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

4. ADP, to provide payroll support and processing for employee compensation and benefits.

Internal Administrative Matters Related to Wind Down

NHC maintains staff to address calls from interested parties regarding the proof of claim ("POC") process, other claim matters, and the collection of assets for the receivership. The Receiver also continues to determine and refund premium overpayments to members since such overpayments were not funds to which NHC was entitled and are therefore outside the normal claim process. The estate expects to receive essentially no new requests for premium refunds as of the beginning of the fourth quarter of 2017, the SDR having returned premium overpayments upon request to members since January 1, 2016.

The wind down of NHC's 401(k) retirement plan continues, with the SDR having submitted to the Internal Revenue Service the Form 5310 for the retirement plan wind down. The Form 5310 filing sought a tax determination letter that would permit the distribution of 401(k) assets to employees without the need for an expensive and time-consuming audit. On September 21, 2017, the SDR received notice from the IRS via a letter dated September 14, 2017, that the termination of the 401(k) "doesn't affect its qualification for federal tax purposes." This favorable determination having been obtained, the SDR has instructed its 401(k) third-party administrator to begin the final processing of plan documents necessary for wind down, making sure that all employee terminations which occurred within and subsequent to 2015 be treated as events which vest 401(k) participants fully in the amounts held on their accounts.

The Receiver also maintains an office for NHC's essential office staff.⁶

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

Authorization from this Court to Hire Consultants for Various Purposes

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

Motion for Electronically-Stored Information ("ESI") Filed with the Court

On June 20, 2017, Counsel for the Receiver filed with this Court a "Motion for Instructions for ESI Protocol and Protective Order," regarding management of electronically stored information and protection from disclosure of private healthcare information. The ESI Protocol governs how records are stored, provided, and protected in any current or future receivership litigation. Prior a hearing concerning that motion, this Court in a minute order requested clarification of certain legal authorities, as well as those documents described in Exhibit 2 of that motion. Such clarification was provided to the Court via a supplemental memorandum filed on August 28, 2017. Following a hearing which took place on September 5, 2017, this Court entered its Order Granting Receiver's Motion for Instructions for ESI Protocol and Protective Order, dated September 13, 2017, which approved the motion in all respects.

Commencement of Action Against Various Professionals and Other Firms Who Performed Services for and on Behalf of NHC

On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-party vendors, and professional service firms which are alleged to have contributed to NHC's current hazardous financial condition by, among other things, failing to adhere to applicable standards of professional care and requirements imposed by law, misrepresentation

1 concerning quality and standard of care for services performed, and breaches of contract,
2 duty, and implied covenants of good faith and fair dealing.

3 The complaint names, among others, NHC's former actuaries, accountants, auditors,
4 and providers of certain business operations and utilization review services, as well as those
5 individuals who specifically performed, or who were in the role of supervising the
6 performance of, those services. The Complaint also names several of NHC's former
7 directors and executive management. Formal answers have not yet been filed in that case.

8 On September 14, 2017, Counsel for the Receiver filed with this Court a Motion to
9 Coordinate Cases, seeking a coordination of that case and the overarching receivership
10 action being supervised by this Court on grounds that the case constitutes an asset recovery
11 action, an integral part of the resolution of the receivership that merits continued supervision
12 by this Court. This motion is set for in chambers hearing on October 19, 2017.

13 **Commencement of Action Against CMS to Settle Questions of Setoff as to Mutual**
14 **Obligations**

15 On March 16, 2017, Counsel for the Receiver filed in the United States District Court
16 for the District of Nevada a Complaint and Demand for Jury Trial (the "Complaint") against
17 the United States Department of Health and Human Services, the Centers for Medicare and
18 Medicaid Services, Thomas E. Price, M.D. in his capacity as the U.S. Secretary of Health and
19 Human Services, and the United States (the "Defendants"). Through this Complaint, the
20 Receiver seeks both judicial review of a final agency action made by Defendants and a
21 declaratory judgment as to Defendants' right to set off any monies claimed against NHC
22 through funds that HHS/CMS is statutorily obligated to pay to NHC. As has been reported to
23 this Court on several occasions, Defendants (via CMS) have provided notice to the Receiver
24 of their termination of the underlying Loan Agreement through which the CO-OP received
25 funds under the ACA, declaring those loans immediately due and payable. Further, on March
26 6, 2016, HHS/CMS stated that an "administrative hold" on payables due to NHC had been
27 implemented at the request of the U.S. Department of Justice. As part of this chain of events,
28 on September 29, 2016, HHS/CMS claimed that approximately \$7 million had been offset

1 against funds payable to NHC from the outstanding amount of the start-up loan, and
2 prospectively asserted its "right" to offset future payables. As noted above, CMS has since
3 notified the SDR on several occasions of additional offsets, and the SDR has determined
4 certain discrepancies in CMS' accounting. Consequently, the SDR has requested, in writing,
5 that CMS provide a cumulative accounting of all offsets and charges applied to NHC's
6 accounts payable to date.

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

14 Defendants' Motion to Dismiss was filed in that case on June 29, 2017, asserting that
15 the Receiver's claim for declaratory relief fails both for lack of jurisdiction and on the merits.

16 A Stipulation and Order to Extend Briefing Schedule regarding that Motion to Dismiss
17 was filed with the United States District Court for the State of Nevada, with the consent of
18 counsel for both plaintiff and defendants, on August 8, 2017. This stipulation provides that
19 the Receiver shall have up to and including August 28, 2017, to respond to HHS/CMS'
20 motion to dismiss, and HHS/CMS shall have up to and including October 4, 2017, to submit a
21 reply brief. This Stipulation was approved via an order entered August 10, 2017.

22 Following a motion seeking (and order approving) permission to file a pleading which
23 extends beyond the page limits provided for in the applicable court rules, the Receiver filed
24 her Opposition to Motion to Dismiss on August 28, 2017.

25 On October 4, 2017, the Defendants submitted their reply in support of the Motion to
26 Dismiss. Oral argument on that motion is anticipated, but a hearing has not yet been
27 scheduled.

28 ///

Notice of Claim Determination to CMS

In response to a POC filed by CMS against the NHC receivership estate before expiration of the April 28, 2017, claims filing deadline, a notice of claim determination ("NCD") was issued by the SDR to CMS on June 14, 2017, making the following claim determinations:

- a. CMS claims have priority no higher than NRS § 696B.420(1)(d) ("Class D").
- b. Federal law, including 31 U.S.C. § 3713, does not give CMS a claim priority higher than Class D with respect to NHC's assets or in the NHC liquidation proceeding.
- c. Under federal and state law, including NRS 696B.440, CMS claims may not be properly set off "against debts owed to NHC by the United States."
- d. Any setoff of amounts claimed by the U.S., if set off against amounts owed to NHC, would impermissibly elevate the U.S. claims above their statutory priority level.
- e. Any setoff of amounts claimed by the U.S., if set off against amounts owed to NHC, would violate the NHC permanent receivership order.
- f. The CMS claims are not entitled to secured creditor claim priority to the extent they are subject to a set off by a claim of NHC against the United States.
- g. It appears that the receivership estate has insufficient assets to pay NHC claims with priority lower than Class B. Thus, the Receiver makes no determination right now as to the following: (1) the merit of the CMS claim, (2) the amount claimed, or (3) whether the CMS claim would have a Class D or lower priority.
- h. No claim received after the NHC claims deadline, if not rendered absolute, is allowed to participate in a share of NHC's assets. Thus, any later or additional claim by CMS will be deemed a late-filed claim for which NHC is not liable. The purported claim reservation of the United States to assert later determined claims is therefore ineffective.

CMS was notified in the June 14, 2017, NCD that its appeal, if any, was due to be filed within sixty (60) days of the notice (*i.e.*, by August 13, 2017). To date, CMS has not provided

1 any responsive appeal. Therefore, pursuant to the Receivership Appeal Procedure ("RAP"),
2 the SDR's June 14, 2017, determination is final and non-appealable.

3 **Filing in Small Claims Court by Former Member**

4 NHC was made party to an action in the Justice Court for Las Vegas Township via an
5 April 17, 2017, small claims complaint filed by a former member, Mr. Yiming Wu, regarding
6 \$4,727.74 that he claims he is owed by NHC for the CO-OP's allegedly reporting to the IRS
7 incorrect information concerning his coverage, resulting in the assessment of a penalty. The
8 complainant was advised via a letter from the receivership dated April 24, 2017, of the
9 necessity of filing a POC against the CO-OP to protect his rights against estate assets, but to
10 date such a POC has not been received. Counsel for the Receiver had filed a Motion to
11 Dismiss on jurisdictional grounds, among others, asserting that this action must be before the
12 Receivership Court to the exclusion of any other forum. Via an Order to Transfer Case filed
13 September 13, 2017, the Las Vegas Justice Court transferred the case to the Receivership
14 Court for further proceedings.

15 **IRS Penalties Assessed for Data Inaccuracies in Information Filings**

16 Via a notice dated October 2, 2017, the IRS made clear to the CO-OP its intention to
17 seize and levy NHC's property in order to compel the payment of certain penalties assessed
18 against NHC in connection with the CO-OP's submission of Form 1099 and Tax Information
19 Number data deemed erroneous. That notice of intention to seize and levy concerns
20 approximately \$12,000 in penalties assessed for tax year 2014, but the IRS has also given
21 notice to the receivership, via a notice dated August 21, 2017, of their proposed penalty of
22 approximately \$36,000 for similar data inaccuracies related to tax year 2015.

23 The Receiver is currently evaluating the nature of the IRS' proposed penalties and
24 intent to seize and levy, with particular attention to any priority issues concerning the IRS
25 claim. The Receiver has responded to this most recent penalty for tax year 2015, as she had
26 responded to the IRS for the tax year 2014 penalty last year. The Receiver has explained to
27 the IRS that reasonable cause to withhold the penalty exists in the case of NHC's
28 receivership, both due to the ongoing hazardous financial condition of the company, and due

1 to the existence of Treasury regulations which insulate assets administered by a receivership
2 court from seizure and levy by the IRS.

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

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

12 **Post-Receivership Non-Hardship Claim Payments to be Made by the Receiver of NHC**

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

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

22 NHC received approximately \$65.9 million of loans from CMS before receivership as
23 funds for the start-up and solvency as a health insurer. After receivership began, CMS
24 demanded loan repayment and asserted that such repayment was legally entitled to a super-
25 priority so that it had to be made before payment of any other claims against NHC other than
26

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

costs of administration. The Receiver tried without success to resolve this super-priority issue with CMS and the United States Department of Justice. As a further development to address the super-priority issue, an NCD was issued by the SDR to CMS on June 14, 2017, which denied the government's claim for super-priority. The government did not appeal the SDR's NCD, and the deadline for any appeal by the government has now expired.

Reason Number 2 for Suspension and Claims Payment Delay

CMS placed "an administrative hold" on all reimbursements due NHC under the federal receivables programs. The CMS reimbursements due NHC are in the tens of millions. Approximately \$56 million is due from CMS and the federal government for federal receivables, not including APTC amounts that are currently in dispute between CMS and NHC. NHC's unpaid claim liabilities are also in the tens of millions, so federal receivables from CMS are essential to the ability of the Receiver to make meaningful claim payments. According to CMS, it placed the hold on federal receivable reimbursements due NHC due to nonpayment of the above-mentioned loans that are now claimed due by CMS. As a further development to address the administrative hold of the federal government, an NCD was issued by the SDR to CMS on June 14, 2017, which denied the government's claim for setoff. The government did not appeal the SDR's NCD, and the deadline for any appeal by the government has now expired. In addition, as described herein, the Receiver has filed the Complaint against HHS/CMS in which the Receiver seeks both judicial review of a final agency action made by HHS/CMS and a declaratory judgment as to HHS/CMS' right to set off any monies claimed against NHC through funds that HHS/CMS is statutorily obligated to pay to NHC.

Resolution of POCs, Provision of NCDs, Appeals

The Receiver has implemented the POC process approved by this Court in its Final Order, and has already conducted general mailings and publication of necessary notices to claimants and other interested parties.

The Claims Filing Deadline was April 28, 2017, and the SDR received 141 POCs. Many of these are incomplete or unable to be adjudicated for various other reasons, and the

SDR has notified various claimants of claim deficiencies. The SDR will continue adjudicating POCs and developing NCDs in expectation of mailing such determinations after obtaining the necessary approval from this Court.

Claims for Which There Are Currently Insufficient Assets to Pay

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

Claims Asserted Against the Estate by Providers

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

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

Xerox Notification of Short-Payments and Overpayments

Counsel for Xerox, in the matter of Basich v. Xerox, et al. (Case No. A-14-698567-C, filed with Department No. 4 in the Clark County District Court - litigation related to the operation and development of the Nevada Silver State Health Insurance Exchange (the "Exchange")) wrote to the Special Deputy Receiver on June 14, 2017, regarding "short-pay funds" that it claims "represents payment NHC consumers submitted to Xerox for the 2014 coverage year that were less than that consumer's [sic] full premium payment required to initiate transfer of the payment to NHC." Xerox went on to state that "Initially the Exchange was to receive these funds and apply the same to the corresponding consumer's account. However, the Exchange has declined to apply these funds to accounts currently held with the Exchange and instructed Xerox to remit those funds to the corresponding carrier." Included with the letter was a check for \$25,616.44 to NHC for amounts that presumably should be refunded to certain consumers for the "short-pay funds." NHC has asked for further clarification and documentation from Xerox.

Also within the June 14, 2017, letter, Xerox states that NHC must refund certain other members for overpaid premiums that NHC received from Xerox during the 2014 coverage year. NHC is also evaluating the information necessary to refund overpayment amounts that may be due NHC's members.

Current Receivership Assets

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

1. Before year-end 2016, the Receiver submitted a reinsurance claim to Partner Re based on 2015 claims information. In April and May 2017, Partner Re paid the Receiver a total of \$787,352.41 in satisfaction of NHC's reinsurance claims. The Receiver has submitted updated information to Partner Re, and it appears that a small return balance of \$2,196.11 may be due Partner Re after a reconciliation of this updated information. The Receiver will

1 submit further claims to Partner Re if the attachment point of reinsurance coverage is
2 reached in the future.

3 2. The unrestricted cash assets of the CO-OP have fluctuated with post-
4 receivership expenses and claim payments, as well as with the Receiver's receipt of member
5 premiums. The currently-available, unrestricted cash assets of the CO-OP as of September
6 30, 2017, were approximately \$7,552,983. The majority of NHC's currently available and
7 liquid assets have been invested in a short-term bond mutual fund, with the remainder of
8 such assets held in bank deposits. This amount considers the entire amount in once-
9 restricted cash assets formerly held in a statutory special deposit account for the benefit of
10 NHC's creditors, but which were released by this Court's order.

11 3. The financial information of NHC in this Eighth Status Report provides
12 estimates. NHC's financials may materially vary depending upon the estate's receipt of the
13 promised federal receivables payments under the various ACA programs described in this
14 report and future litigation recoverables. These figures will remain estimates until the estate
15 receives clearer indications from CMS and the federal government as to the amount and
16 timing of any federal payments, as well as the outcome of the recent lawsuit filed by the
17 Receiver against CMS regarding the administrative hold and asserted rights to setoff. As
18 mentioned, the Receiver continues work to resolve matters with CMS.

19 4. The Receiver is enclosing, as Exhibit 2 attached hereto, a cash flow report for
20 NHC for the period covering the inception of the receivership through September 30, 2017.
21 This report reflects a summary of disbursements and collections made by NHC during this
22 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 Eighth Status Report and the actions taken by the Receiver.

DATED this 6th day of October 2017.

Respectfully submitted:

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

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

Respectfully submitted by:

/s/ Eric W. Swanis
MARK E. FERRARIO, ESQ.
Nevada Bar No. 1625
ERIC W. SWANIS, ESQ.
Nevada Bar No. 6840
GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 400 North
Las Vegas, Nevada 89169

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

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of October, 2017, a true and correct copy of the foregoing EIGHTH STATUS REPORT was filed with the Clerk of the Court using the Odyssey eFileNV Electronic Service system and served on all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

The date and time of the electronic proof of service is in place of the date and place of deposit in the U.S. Mail.

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

EXHIBIT “1”

CANTILO & BENNETT, L.L.P.

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July 6, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

March 1, 2017 - March 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
March 2017	22000- 22013	\$147,116.25	\$10,277.73	\$157,343.98
Totals (1)		\$147,116.25	\$10,277.73	\$157,343.98

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
3/1/17 - 3/31/17**

		Billable Hours	Billable Rate	March 2017 Billing
1	Timekeeper - Patrick H. Cantilo	25.10	\$450.00	\$11,295.00
2	Timekeeper - Mark F. Bennett	88.00	\$375.00	\$33,000.00
3	Timekeeper - Kristen W. Johnson	197.70	\$175.00	\$34,597.50
4	Timekeeper - Josh O. Lively	180.75	\$175.00	\$31,631.25
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	100.30	\$200.00	\$20,060.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	103.50	\$100.00	\$10,350.00
9	TimeKeeper -- Pierre Riou	24.70	\$225.00	\$5,557.50
9	TimeKeeper -- Jeffrey L. Collins	5.00	\$125.00	\$625.00
	GRAND TOTAL	725.05		\$147,116.25

Client ID 70750
Work Date 3/1/17:03/31/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	10.95	4,106.25	0.00	0.00
70750003	Claims	2.65	993.75	0.00	0.00
70750004	Financial Matters	8.25	3,093.75	0.00	0.00
70750006	Provider Issues	0.20	75.00	0.00	0.00
70750008	Company Administration	8.40	3,150.00	0.00	0.00
70750010	CMS	8.80	3,300.00	0.00	0.00
70750015	Tax Issues	0.20	75.00	0.00	0.00
70750100	Asset Recovery	34.50	12,937.50	0.00	0.00
70750102	NHC vs. CMS Litigation	13.75	5,156.25	0.00	0.00
70750201	Partner Re	0.30	112.50	0.00	0.00
	Sub Total (MFB)	88.00	33,000.00	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	100.30	20,060.00	0.00	0.00
	Sub Total (ABS)	100.30	20,060.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750010	CMS	0.50	225.00	0.00	0.00
70750100	Asset Recovery	21.10	9,495.00	0.00	0.00
70750102	NHC vs. CMS Litigation	3.50	1,575.00	0.00	0.00
	Sub Total (PHC)	25.10	11,295.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750100	Asset Recovery	0.75	93.75	0.00	0.00
70750102	NHC vs. CMS Litigation	4.25	531.25	0.00	0.00
	Sub Total (JLC)	5.00	625.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	197.70	34,597.50	0.00	0.00
	Sub Total (KWJ)	197.70	34,597.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750002	Legal	31.00	5,425.00	0.00	0.00
70750004	Financial Matters	76.25	13,343.75	0.00	0.00
70750008	Company Administration	4.00	700.00	0.00	0.00
70750008	Company Administration	43.50	7,612.50	0.00	0.00
70750100	Asset Recovery	26.00	4,550.00	0.00	0.00
	Sub Total (JOL)	180.75	31,631.25	0.00	0.00*
PJR PIERRE J. RIOU					
70750002	Legal	0.30	67.50	0.00	0.00
70750010	CMS	24.40	5,490.00	0.00	0.00
	Sub Total (PJR)	24.70	5,557.50	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750008	Company Administration	103.50	10,350.00	0.00	0.00
	Sub Total (IXS)	103.50	10,350.00	0.00	0.00*
Grand Total		725.05	147,116.25	0.00	0.00

Work Date 03/01/2017:03/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,264.00	0.00	1,264.00
	FD1A FEDERAL EXPRESS	0.00	30.85	0.00	30.85
	LX1A LEXIS	0.00	1,480.04	0.00	1,480.04
	PK1A PARKING	0.00	391.00	0.00	391.00
	PO1E POSTAGE	0.00	89.41	0.00	89.41
	TA1A TRAVEL-AIRFARE	0.00	1,943.48	0.00	1,943.48
	TE1A TRANSPORTATION EXPENSE	0.00	1,297.05	0.00	1,297.05
	TH1A TRAVEL-HOTEL	0.00	2,016.50	0.00	2,016.50
	TL2E TELEPHONE	0.00	1,765.40	0.00	1,765.40
	Sub Total ()	0.00	10,277.73	0.00	10,277.73
	Grand Total	0.00	10,277.73	0.00	10,277.73

CANTILO & BENNETT, L.L.P.

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August 14, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

April 1, 2017 - April 30, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
April 2017	22051- 22052 22081- 22090	\$124,716.25	\$ 7,624.98	\$132,659.69
Totals (1)		\$124,716.25	\$ 7,624.98	\$132,659.69

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
4/1/17 - 4/30/17**

		Billable Hours	Billable Rate	February 2017 Billing
1	Timekeeper - Patrick H. Cantilo	28.40	\$450.00	\$12,780.00
2	Timekeeper - Mark F. Bennett	79.65	\$375.00	\$29,868.75
3	Timekeeper - Kristen W. Johnson	148.90	\$175.00	\$26,057.50
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	70.00	\$200.00	\$14,000.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	125.50	\$100.00	\$12,550.00
9	TimeKeeper -- Pierre Riou	11.10	\$225.00	\$2,497.50
9	TimeKeeper -- Jeffrey L. Collins	5.00	\$125.00	\$625.00
	GRAND TOTAL	619.05		\$124,716.25

Work Date 04/01/2017:04/30/2017
Client ID 70750

TimeKeeper		Hours	Fees	Rate	NC Hours	NC Fees
MFB MARK F. BENNETT						
70750	Nevada Health CO-OP					
70750002	Legal	11.50	4,312.50	375.00	0.00	0.00
70750003	Claims	3.30	1,237.50	375.00	0.00	0.00
70750004	Financial Matters	5.25	1,968.75	375.00	0.00	0.00
70750008	Company Administration	6.55	2,456.25	375.00	0.00	0.00
70750010	CMS	1.25	468.75	375.00	0.00	0.00
70750100	Asset Recovery	38.00	14,250.00	375.00	0.00	0.00
70750102	NHC vs. CMS Litigation	11.25	4,218.75	375.00	0.00	0.00
70750201	Partner Re	2.55	956.25	375.00	0.00	0.00
	Sub Total (MFB)	79.65	29,868.75	375.00	0.00	0.00*
ABS ARATI BHATTACHARYA						
70750	Nevada Health CO-OP					
70750001	Takeover Administration	70.00	14,000.00	200.00	0.00	0.00
	Sub Total (ABS)	70.00	14,000.00	200.00	0.00	0.00*
PHC PATRICK H. CANTILO						
70750	Nevada Health CO-OP					
70750002	Legal	4.50	2,025.00	450.00	0.00	0.00
70750003	Claims	0.30	135.00	450.00	0.00	0.00
70750004	Financial Matters	0.30	135.00	450.00	0.00	0.00
70750008	Company Administration	1.00	450.00	450.00	0.00	0.00
70750100	Asset Recovery	20.00	9,000.00	450.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.00	900.00	450.00	0.00	0.00
70750103	Potential claims against Milliman	0.30	135.00	450.00	0.00	0.00
	Sub Total (PHC)	28.40	12,780.00	450.00	0.00	0.00*
JLC JEFFREY L. COLLINS						
70750	Nevada Health CO-OP					
70750100	Asset Recovery	1.75	218.75	125.00	0.00	0.00
70750102	NHC vs. CMS Litigation	3.25	406.25	125.00	0.00	0.00
	Sub Total (JLC)	5.00	625.00	125.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON						
70750	Nevada Health CO-OP					
70750001	Takeover Administration	148.90	26,057.50	175.00	0.00	0.00
	Sub Total (KWJ)	148.90	26,057.50	175.00	0.00	0.00*
JOL JOSHUA O. LIVELY						
70750	Nevada Health CO-OP					
70750001	Takeover Administration	16.00	2,800.00	175.00	0.00	0.00
70750002	Legal	31.00	5,425.00	175.00	0.00	0.00
70750008	Company Administration	40.75	7,131.25	175.00	0.00	0.00
70750100	Asset Recovery	50.50	8,837.50	175.00	0.00	0.00
70750201	Partner Re	12.25	2,143.75	175.00	0.00	0.00
	Sub Total (JOL)	150.50	26,337.50	175.00	0.00	0.00*
PJR PIERRE J. RIOU						
70750	Nevada Health CO-OP					
70750002	Legal	0.40	90.00	225.00	0.00	0.00
70750010	CMS	7.70	1,732.50	225.00	0.00	0.00
70750100	Asset Recovery	3.00	675.00	225.00	0.00	0.00
	Sub Total (PJR)	11.10	2,497.50	225.00	0.00	0.00*
IXS ISAIAH SAMANIEGO						
70750	Nevada Health CO-OP					
70750008	Company Administration	125.50	12,550.00	100.00	0.00	0.00
	Sub Total (IXS)	125.50	12,550.00	100.00	0.00	0.00*
Grand Total		619.05	124,716.25	201.46	0.00	0.00

August 15, 2017
1:47 pm

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

Page 1
[cs1c]

Work Date 04/01/2017:04/30/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,232.00	0.00	1,232.00
	FD1A FEDERAL EXPRESS	0.00	545.56	0.00	545.56
	PK1A PARKING	0.00	247.00	0.00	247.00
	PO1E POSTAGE	0.00	41.29	0.00	41.29
	SU1A SUPPLIES	0.00	43.26	0.00	43.26
	TA1A TRAVEL-AIRFARE	0.00	1,522.46	0.00	1,522.46
	TE1A TRANSPORTATION EXPENSE	0.00	941.59	0.00	941.59
	TH1A TRAVEL-HOTEL	0.00	1,888.59	0.00	1,888.59
	TL2E TELEPHONE	0.00	1,479.80	0.00	1,479.80
	TS1A TELEPHONE CHARGES	0.00	1.89	0.00	1.89
	Sub Total ()	0.00	7,943.44	0.00	7,943.44
	Grand Total	0.00	7,943.44	0.00	7,943.44

0473

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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www.palomarfin.com

June 19, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

February 1, 2017 – February 28, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
February 2017	\$16,945.00	\$0.00	\$16,945.00
<u>Totals (1)</u>	<u>\$16,945.00</u>	<u>\$0.00</u>	<u>\$16,945.00</u>

Palomar Financial, LC

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

		Billable Hours	Billable Rate	February 2017 Billing
1	TIME KEEPER - Nicole Wilkins	10.65	\$250.00	\$2,662.50
2	TIME KEEPER - Johanna Eades	25.25	\$150.00	\$3,787.50
3	TIME KEEPER - Neda Khalaf	44.50	\$160.00	\$7,120.00
4	TIME KEEPER - Susan Roehm	5.75	\$150.00	\$862.50
5	TIME KEEPER - Gayathri Sivadasan	16.75	\$150.00	\$2,512.50
6	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	102.90		\$16,945.00

Palomar Financial, LC
02/01/2017-02/28/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	1.50	\$ 375.00
		Accounts Payable and Receivable	8.10	\$ 2,025.00
		Bank Account Admionistration/Reconciliation	1.05	\$ 262.50
		Sub Total (NMW)	10.65	\$ 2,662.50
JJE	Johanna Eades	Payroll & Employee Benefits	25.25	\$ 3,787.50
		Sub Total (JJE)	25.25	\$ 3,787.50
NK	Neda Khalaf	Accounts Payable and Receivable	44.50	\$ 7,120.00
		Sub Total (NK)	44.50	\$ 7,120.00
SER	Susan Roehm	Accounts Payable and Receivable	1.50	\$ 225.00
		Claims Matter	2.25	\$ 337.50
		InsureMonkey	0.25	\$ 37.50
		IT Support & Administration	1.75	\$ 262.50
		Sub Total (SER)	5.75	\$ 862.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	16.75	\$ 2,512.50
		Sub Total (GS)	16.75	\$ 2,512.50
Grand Total			102.90	\$ 16,945.00

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PALOMAR FINANCIAL, LC

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July 7, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

March 1, 2017 – March 31, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
March 2017	\$17,487.50	\$0.00	\$17,487.50
<u>Totals (1)</u>	<u>\$17,487.50</u>	<u>\$0.00</u>	<u>\$17,487.50</u>

Palomar Financial, LC

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

		Billable Hours	Billable Rate	March 2017 Billing
1	TIME KEEPER - Nicole Wilkins	18.50	\$250.00	\$4,625.00
2	TIME KEEPER - Johanna Eades	6.50	\$150.00	\$975.00
3	TIME KEEPER - Neda Khalaf	52.50	\$160.00	\$8,400.00
4	TIME KEEPER - Susan Roehm	17.25	\$150.00	\$2,587.50
5	TIME KEEPER - Gayathri Sivadasan	6.00	\$150.00	\$900.00
6	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	100.75		\$17,487.50

Palomar Financial, LC
03/01/2017-03/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.15	\$ 537.50
		Payroll & Employee Benefits	8.90	\$ 2,225.00
		Accounts Payable and Receivable	7.00	\$ 1,750.00
		Taxes & Tax Planning	0.45	\$ 112.50
		Sub Total (NMW)	18.50	\$ 4,625.00
JJE	Johanna Eades	Payroll & Employee Benefits	6.50	\$ 975.00
		Sub Total (JJE)	6.50	\$ 975.00
NK	Neda Khalaf	Accounts Payable and Receivable	52.00	\$ 8,320.00
		Taxes & Tax Planning	0.50	\$ 80.00
		Sub Total (NK)	52.50	\$ 8,400.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	0.75	\$ 112.50
		Claims Matter	1.00	\$ 150.00
		UHH/Javelina	1.75	\$ 262.50
		IT Support & Administration	13.75	\$ 2,062.50
		Sub Total (SER)	17.25	\$ 2,587.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	6.00	\$ 900.00
		Sub Total (GS)	6.00	\$ 900.00
Grand Total			100.75	\$ 17,487.50

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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August 14, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

April 1, 2017 – April 30, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
April 2017	\$15,542.50	\$0.00	\$15,542.50
<u>Totals (1)</u>	<u>\$15,542.50</u>	<u>\$0.00</u>	<u>\$15,542.50</u>

Palomar Financial, LC

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

		Billable Hours	Billable Rate	April 2017 Billing
1	TIME KEEPER - Nicole Wilkins	18.50	\$250.00	\$4,625.00
2	TIME KEEPER - Robert Stebel	8.00	\$160.00	\$1,280.00
3	TIME KEEPER - Denise Gonzalez	4.75	\$150.00	\$712.50
4	TIME KEEPER - Neda Khalaf	26.25	\$160.00	\$4,200.00
5	TIME KEEPER - Susan Roehm	13.75	\$150.00	\$2,062.50
6	TIME KEEPER - Gayathri Sivadasan	17.75	\$150.00	\$2,662.50
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	89.00		\$15,542.50

Palomar Financial, LC
04/01/2017-04/30/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.75	\$ 437.50
		Payroll & Employee Benefits	10.45	\$ 2,612.50
		Accounts Payable and Receivable	5.10	\$ 1,275.00
		Bank Account Administration/Reconciliation	0.80	\$ 200.00
		Taxes and Tax Planning	0.40	\$ 100.00
		Sub Total (NMW)	18.50	\$ 4,625.00
RNS	Robert Stebel	Regulatory Responses/Compliance	8.00	\$ 1,280.00
		Sub Total (RNS)	8.00	\$ 1,280.00
DG	Denise Gonzalez	Payroll & Employee Benefits	4.75	\$ 712.50
		Sub Total (DG)	4.75	\$ 712.50
NK	Neda Khalaf	Accounts Payable and Receivable	26.25	\$ 4,200.00
		Sub Total (NK)	26.25	\$ 4,200.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	0.75	\$ 112.50
		Claims Matter	2.25	\$ 337.50
		IT Support & Administration	10.75	\$ 1,612.50
		Sub Total (SER)	13.75	\$ 2,062.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	17.75	\$ 2,662.50
		Sub Total (GS)	17.75	\$ 2,662.50
	Grand Total		89.00	\$ 15,542.50

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PALOMAR FINANCIAL, LC

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Toll Free (877) 309-7105
www.palomarfin.com

September 6, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

May 1, 2017 – May 31, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
May 2017	\$14,722.50	\$0.00	\$14,722.50
<u>Totals (1)</u>	<u>\$14,722.50</u>	<u>\$0.00</u>	<u>\$14,722.50</u>

Palomar Financial, LC

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

		Billable Hours	Billable Rate	May 2017 Billing
1	TIME KEEPER - Nicole Wilkins	16.45	\$250.00	\$4,112.50
2	TIME KEEPER - Robert Stebel	0.75	\$160.00	\$120.00
3	TIME KEEPER - Burnett Wallace	4.00	\$150.00	\$600.00
4	TIME KEEPER - Neda Khalaf	29.00	\$160.00	\$4,640.00
5	TIME KEEPER - Susan Roehm	14.50	\$150.00	\$2,175.00
6	TIME KEEPER - Gayathri Sivadasan	20.50	\$150.00	\$3,075.00
7	TIME KEEPER - Angela Messina	0.00	\$80.00	\$0.00
	GRAND TOTAL	85.20		\$14,722.50

Palomar Financial, LC
05/01/2017-05/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	8.35	\$ 2,087.50
		Investment Accounting/Support	0.60	\$ 150.00
		Accounts Payable and Receivable	7.50	\$ 1,875.00
		Sub Total (NMW)	16.45	\$ 4,112.50
RNS	Robert Stebel	Regulatory Responses/Compliance	0.75	\$ 120.00
		Sub Total (RNS)	0.75	\$ 120.00
BAW	Burnett Wallace	Payroll & Employee Benefits	4.00	\$ 600.00
		Sub Total (BAW)	4.00	\$ 600.00
NK	Neda Khalaf	Accounts Payable and Receivable	29.00	\$ 4,640.00
		Sub Total (NK)	29.00	\$ 4,640.00
SER	Susan Roehm	IT Support & Administration	14.50	\$ 2,175.00
		Sub Total (SER)	14.50	\$ 2,175.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	20.50	\$ 3,075.00
		Sub Total (GS)	20.50	\$ 3,075.00
	Grand Total		85.20	\$ 14,722.50



Invoice No.: 4538372
File No. : 170678.010100
Bill Date : July 12, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through June 30, 2017:

Total Fees: \$ 89,447.50

Expenses:

Filing Fees	3.50
UPS Charges	10.22

Total Expenses:	\$	13.72
-----------------	----	-------

Current Invoice:	\$	89,461.22
-------------------------	-----------	------------------

MEF:TKK
Tax ID: 13-3613083

Invoice No.: 4568920
File No. : 170678.010100
Bill Date : August 24, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through July 31, 2017:

Total Fees: \$ 85,138.50

Expenses:

Filing Fees 7.00
Messenger/Courier Services 15.00

Total Expenses: \$ 22.00

Current Invoice: \$ 85,160.50

MEF:TKK
Tax ID: 13-3613083

Invoice No.: 4534075
File No. : 170678.010200
Bill Date : July 10, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: Nevada Health Co-Op/adv. Yiming Wu

Legal Services through June 30, 2017:

Total Fees: \$ 1,600.00

Expenses:

Information and Research

29.70

Total Expenses: \$ 29.70

Current Invoice: \$ 1,629.70

EWS:TKK
Tax ID: 13-3613083

Invoice No.: 4561154
File No. : 170678.010200
Bill Date : August 9, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: Nevada Health Co-Op/adv. Yiming Wu

Legal Services through July 31, 2017:

Total Fees: \$ 1,400.00

Expenses:

Filing Fees 4.64
Messenger/Courier Services 10.00

Total Expenses: \$ 14.64

Current Invoice: \$ 1,414.64

EWS:TKK
Tax ID: 13-3613083



Invoice Remittance

Barbara D. Richardson
Nevada Health CO-OP
c/o Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

June 22, 2017
FTI Invoice No. 7449338
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through May 31, 2017

Amount Due This Period

Professional Services	\$67,252.50
Expenses	<u>\$16.89</u>
Amount Due this Period.....	<u><u>\$67,269.39</u></u>



Invoice Remittance

Barbara D. Richardson
Nevada Health CO-OP
c/o Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

July 18, 2017
FTI Invoice No. 7451463
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through June 30, 2017

Amount Due This Period

Professional Services	\$80,662.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$80,662.50



Invoice Remittance

Barbara D. Richardson
Nevada Health CO-OP
c/o Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

August 31, 2017
FTI Invoice No. 7455161
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through July 31, 2017

Amount Due This Period

Professional Services	\$39,720.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$39,720.00



DEVITO CONSULTING, INC.
JOSEPH J. DEVITO CONSULTING

July 12, 2017

Mr. Mark E. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:

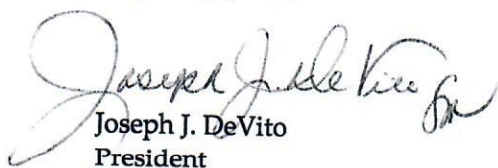
The following is a summary of consulting fees incurred from June 1, 2017 through June 30, 2017 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$62,737.50

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,


Joseph J. DeVito
President

Enclosures

EXHIBIT “2”

NEVADA HEALTH CO-OP

Cash Flow Analysis

Oct 2015 - Sep 2017

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,755,920
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	667,084
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	787,352
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Restricted Cash became Unrestricted	768,517
Other	476,846
TOTAL SOURCES:	\$25,076,972

USES:

Medical Claims Q4 2015 and Post 2015 Adj	(161,019)
Rx Claims Q4 2015	(7,599,195)
Risk Adjustment 2015	-
Medical PMPMs Q4	(43,967)
FTR Reinsurance Premium	(898,687)
Traditional Reins Premium Q4 2015	(547,319)
Premium Tax	(294,665)
Other Admin	(9,235,328)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(3,890,795)

TOTAL USES:

(22,832,217)

Net cash increase for period

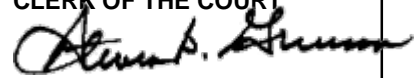
\$2,244,755

Ending Cash at end of Sep 30, 2017

\$ 7,597,172

TAB 19

TAB 19



1 **SR**

2 MARK E. FERRARIO, ESQ.
3 Nevada Bar No. 1625
4 ERIC W. SWANIS, ESQ.
5 Nevada Bar No. 6840
6 GREENBERG TRAURIG, LLP
7 3773 Howard Hughes Parkway
8 Suite 400 North
9 Las Vegas, Nevada 89169
10 Telephone: (702) 792-3773
11 Facsimile: (702) 792-9002
12 Emails: ferrariom@gtlaw.com
13 swanise@gtlaw.com

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

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

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

36 **NINTH STATUS REPORT**

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

I. INTRODUCTION AND HISTORICAL BACKGROUND

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

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

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

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

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

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

10 **II. RECEIVERSHIP ADMINISTRATION**

11 **Receivership Administrative Services and Oversight**

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

18 **Resolution of Outstanding Receivership Matters**

19 ***Pre-Liquidation Claims Adjudications and Claims Solidification***

20 NHC's staff continues the process of claims adjudications. At this point, new claims
21 are only accepted for review if the claimant can show proof of timely filing (*i.e.*, proof that the
22 claim was previously submitted in advance of the Receiver's Claims Filing Deadline).

23 The Receiver continues to coordinate with those plan members who were reported to
24 collection agencies by healthcare providers and facilities, or who are currently being sought
25 for payment based on the receivership estate's obligations. In cases where collection efforts
26 have taken place in violation of the Permanent Receivership Order, NHC staff members
27 contact those providers and any related collection agencies to inform them of the Permanent
28 Receivership Order and its moratorium on the payment of health claims. When necessary,

1 the SDR has also sent letters to such providers to advise them that their direct collection
2 actions violate the Permanent Receivership Order, and may justify receivership remedies
3 against them.

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

5 As explained in prior status reports, the Receiver and SDR have submitted essential
6 data for the various regulatory reporting processes required for CO-OPs under the ACA, and
7 NHC fulfills ongoing requirements as may be applicable. The Receiver is working to resolve
8 CMS matters so that the maximum amounts are collected under the various federal
9 receivables programs.

10 NHC is owed payments relating to several such programs, including: Cost Sharing
11 Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and
12 Risk Corridors. The expected receipt of these federal receivables is a key part of any future
13 claim payments by NHC. The non-receipt of substantially all federal accounts payable for
14 plan year 2015, and a material portion of accounts payable for plan year 2014, has greatly
15 diminished NHC's assets and, therefore, its claims-paying ability.

16 CMS has maintained the position that any monies deemed owed to NHC (*i.e.*, the
17 receivership estate) are to be set off against the amounts CMS asserts it is owed under the
18 start-up loan to NHC. CMS has so far made offsets against accounts payable to NHC for the
19 outstanding balance of the start-up loan. The SDR sent a letter to CMS to request a detailed,
20 cumulative accounting of all offsets applied to date so that the SDR can review CMS'
21 accounting of charges and offsets applied to NHC's accounts payable. The SDR has
22 received such an accounting and is currently reviewing it in detail.

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

24 NHC Risk Adjustment and Federal Transitional Reinsurance data was submitted to
25 CMS on May 2, 2016. On June 30, 2016, CMS released its Summary Report on
26 Transactional Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit
27 Year.¹ Per the report, for coverage year 2015, the CO-OP is owed a Federal Transitional
28

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

1 Reinsurance payment of \$8,842,009.69 and net Risk Adjustment transfer of \$4,532,560.29.
2 The 2015 Federal Transitional Reinsurance payment amount increased by \$4,601.65 to
3 \$8,846,611.34 in the December 6, 2016, Amendment to the Summary Report on Transitional
4 Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2015 Benefit
5 Year.²

6 In 2016, the reporting related to the CSR Reconciliation program resulted in a net
7 amount owed by NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. At the beginning
8 of June 2017, the SDR submitted amended filings to CMS of the 2014 and 2015 CSRs,
9 resulting in NHC owing an adjusted balance to CMS of \$482,948.54 rather than
10 \$3,579,359.65—or a reduction in NHC liability of \$3,096,411.11. CMS has accepted this
11 adjustment.

12 Regarding the 2015 Risk Corridors, CMS has confirmed that NHC is owed \$29.9
13 million for its individual market and \$3.75 million for its small group market.³ However, CMS
14 claims to have no funds available to pay 2015 Risk Corridors at this time, and it has
15 announced that all 2015 and 2016 benefit year collections will be used towards remaining
16 2014 benefit year risk corridors balances.⁴ Due to a shortfall in risk corridor collections, CMS
17 was initially able to pay only a prorated 12.6% of all 2014 Risk Corridors payments due to
18 issuers. In November 2016, CMS announced an additional expected payment toward NHC's
19 2014 Risk Corridor of \$355,443.99. Likewise, in November 2017, CMS announced an
20 additional expected payment toward NHC's 2014 Risk Corridor of \$93,079.06. The CO-OP is
21 still owed over \$9.4 million for unpaid 2014 Risk Corridors.

22 The SDR has previously disputed with CMS the balance due NHC for Advance
23 Premium Tax Credits ("APTC"). CMS recently provided clarification and detailed materials in
24 support of its position, which the SDR is still reviewing.

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

26 ³ DEPT OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES ("CMS"),
27 CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT
YEAR (November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>).

28 ⁴ *Id.*; CMS, CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2016
BENEFIT YEAR (November 15, 2017) (available at <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

Use of Third-Party Contractors as Part of Business Operations

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

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

1. Eldorado, a division of Mphasis Corporation, to provide a hosting service for claims data and information.
2. The Jacobson Group, to provide claims adjustment and customer service staffing support.
3. Redcard, to perform check processing and delivery to health care providers, and delivery of Explanation of Benefit disclosures to providers and plan members.
4. ADP, to provide payroll support and processing for employee compensation and benefits.

Internal Administrative Matters Related to Wind Down

NHC maintains staff to address calls from interested parties regarding the proof of claim ("POC") process, other claim matters, and the collection of assets for the receivership. The Receiver has refunded premium overpayments to members since such overpayments were not funds to which NHC was entitled and are therefore outside the normal claim process. The Receiver believes that substantially all premium refunds have been processed and paid.

The wind down of NHC's 401(k) retirement plan continues, with the SDR having submitted to the Internal Revenue Service the Form 5310 for the retirement plan wind down. The Form 5310 filing sought a tax determination letter that would permit the distribution of 401(k) assets to employees without the need for an expensive and time-consuming audit. On September 21, 2017, the SDR received notice from the IRS via a letter dated September 14, 2017, that the termination of the 401(k) "doesn't affect its qualification for federal tax purposes." This favorable determination having been obtained, the SDR has instructed its 401(k) third-party administrator to coordinate with the investment company in custody of the

1 retirement plan assets to begin the process of de-conversion as part of the wind down,
2 making sure that all employee terminations which occurred within and subsequent to 2015 be
3 treated as events which vest 401(k) participants fully in the amounts held on their accounts.
4 All former retirement plan participants shall receive notices from the investment company with
5 mandatory disclosures concerning their funds, and instructions for effecting a transfer to an
6 alternate company.

7 The Receiver also maintains an office for NHC's essential office staff.⁵

8 **Commencement of Action Against Various Professionals and Other Firms Who**
9 **Performed Services for and on Behalf of NHC**

10 On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a
11 complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-
12 party vendors, and professional service firms which are alleged to have contributed to NHC's
13 current hazardous financial condition by, among other things, failing to adhere to applicable
14 standards of professional care and requirements imposed by law, misrepresentation
15 concerning quality and standard of care for services performed, and breaches of contract,
16 duty, and implied covenants of good faith and fair dealing.

17 The complaint names, among others, NHC's former actuaries, accountants, auditors,
18 and providers of certain business operations and utilization review services, as well as those
19 individuals who specifically performed, or who were in the role of supervising the
20 performance of, those services. The Complaint also names several of NHC's former
21 directors and executive management.

22 On September 14, 2017, Counsel for the Receiver filed with this Court a Motion to
23 Coordinate Cases, seeking a coordination of that case and the overarching receivership
24 action being supervised by this Court on grounds that the case constitutes an asset recovery
25 action, an integral part of the resolution of the receivership that merits continued supervision
26 by this Court. This motion was set for in chambers hearing on October 19, 2017, but was
27 continued to November 7, 2017. An opposition to the Motion to Coordinate Cases was filed
28 _____

⁵ Currently, NHC maintains fifteen full-time and two part-time employees.

1 by Milliman, and subsequently joined by Nevada Health Solutions, InsureMonkey, Larson,
2 and many of the former directors and officers of NHC. By an order dated December 8, 2017,
3 this Court denied Plaintiff's Motion to Coordinate Cases.

4 A request to reassign this case to the Business Court on the grounds that the action
5 involves the alleged commission of torts related to business was filed September 28, 2017,
6 and Judge Nancy Alf was assigned. Judge Kathleen Delaney has now been assigned the
7 case subsequent to Judge Alf being subject to a peremptory challenge dated November 9,
8 2017.

9 Milliman filed its Motion to Compel Arbitration on November 6, 2017, a motion which
10 was challenged by the December 11, 2017, filing of Plaintiff's Opposition to Milliman's Motion
11 to Compel Arbitration. The hearing to address this issue was scheduled for December 12,
12 2017, but it has now been reset for a hearing on January 9, 2018.

13 Millennium filed a Motion to Dismiss on October 26, 2017, and an opposition to such
14 motion was filed by the Receiver on December 18, 2017. The hearing on that Motion to
15 Dismiss was scheduled for December 12, 2017, but this was later rescheduled to January 9,
16 2018, on stipulation of the parties.

17 **Commencement of Action Against CMS to Settle Questions of Setoff as to Mutual**
18 **Obligations**

19 On March 16, 2017, Counsel for the Receiver filed in the United States District Court
20 for the District of Nevada a Complaint and Demand for Jury Trial (the "Complaint") against
21 the United States Department of Health and Human Services, the Centers for Medicare and
22 Medicaid Services, Thomas E. Price, M.D. in his capacity as the U.S. Secretary of Health and
23 Human Services, and the United States (the "Defendants"). Through this Complaint, the
24 Receiver seeks both judicial review of a final agency action made by Defendants and a
25 declaratory judgment as to Defendants' right to set off any monies claimed against NHC
26 through funds that HHS/CMS is statutorily obligated to pay to NHC. As has been reported to
27 this Court on several occasions, Defendants (via CMS) have provided notice to the Receiver
28 of their termination of the underlying Loan Agreement through which the CO-OP received its
funds under the ACA, declaring those loans immediately due and payable. Further, on March

6, 2016, HHS/CMS stated that an “administrative hold” on payables due to NHC had been implemented at the request of the U.S. Department of Justice. As part of this chain of events, on September 29, 2016, HHS/CMS claimed that approximately \$7 million had been offset against funds payable to NHC from the outstanding amount of the start-up loan, and prospectively asserted its “right” to offset future payables. As noted above, CMS has since notified the SDR on several occasions of additional offsets, and the SDR has determined certain discrepancies in CMS’ accounting. Consequently, the SDR has requested, in writing, that CMS provide a cumulative accounting of all offsets and charges applied to NHC’s accounts payable to date, which CMS has provided and which is now under review.

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

Defendants’ Motion to Dismiss was filed in that case on June 29, 2017, asserting that the Receiver’s claim for declaratory relief fails both for lack of jurisdiction and on the merits.

A Stipulation and Order to Extend Briefing Schedule regarding that Motion to Dismiss was filed with the United States District Court for the State of Nevada, with the consent of counsel for both plaintiff and defendants, on August 8, 2017. This stipulation provides that the Receiver shall have up to and including August 28, 2017, to respond to HHS/CMS’ motion to dismiss, and HHS/CMS shall have up to and including October 4, 2017, to submit a reply brief. This Stipulation was approved via an order entered August 10, 2017.

The Receiver filed her Opposition to Motion to Dismiss on August 28, 2017. The Opposition to Motion to Dismiss, *inter alia*, asserts that not only does the Administrative Procedure Act provide a waiver of sovereign immunity which applies to this action, but that the CMS Loan Agreement contains an express waiver of sovereign immunity under its own

1 terms, insofar as that agreement specifically declares that both parties (HHS/CMS and NHC)
2 consent to the jurisdiction of the federal courts located within Nevada, and courts of appeal
3 therefrom. On October 4, 2017, HHS/CMS filed its Reply in Support of Motion to Dismiss the
4 Complaint, wherein the Court of Federal Claims was again argued to be sole jurisdiction
5 under which the suit may be adjudicated, that any monetary relief provided by that court
6 would adequately address the agency actions NHC complains of, and that sovereign
7 immunity had not been waived under the terms of the CMS Loan Agreement.

8 On December 6, 2017, Plaintiff filed its Initial Case Management Statement and
9 Scheduling Order, proposing a plan and schedule for discovery to be conducted in that case.
10 The same day, Defendants filed their Motion to Deny Plaintiff's Proposed Scheduling Order,
11 and a hearing on that motion is expected to be heard on January 22, 2018.

12 **Notice of Claim Determination to CMS**

13 In response to a POC filed by CMS against the NHC receivership estate before
14 expiration of the April 28, 2017, claims filing deadline, a notice of claim determination ("NCD")
15 was issued by the SDR to CMS on June 14, 2017, making the following claim determinations:

- 16 a. CMS claims have priority no higher than NRS § 696B.420(1)(d) ("Class D").
- 17 b. Federal law, including 31 U.S.C. § 3713, does not give CMS a claim priority
18 higher than Class D with respect to NHC's assets or in the NHC liquidation
19 proceeding.
- 20 c. Under federal and state law, including NRS 696B.440, CMS claims may not be
21 properly set off "against debts owed to NHC by the United States."
- 22 d. Any setoff of amounts claimed by the U.S., if set off against amounts owed to
23 NHC, would impermissibly elevate the U.S. claims above their statutory priority
24 level.
- 25 e. Any setoff of amounts claimed by the U.S., if set off against amounts owed to
26 NHC, would violate the NHC permanent receivership order.
- 27 f. The CMS claims are not entitled to secured creditor claim priority to the extent
28 they are subject to a set off by a claim of NHC against the United States.

1 g. It appears that the receivership estate has insufficient assets to pay NHC claims
2 with priority lower than Class B. Thus, the Receiver makes no determination
3 right now as to the following: (1) the merit of the CMS claim, (2) the amount
4 claimed, or (3) whether the CMS claim would have a Class D or lower priority.

5 h. No claim received after the NHC claims deadline, if not rendered absolute, can
6 participate in a share of NHC's assets. Thus, any later or additional claim by
7 CMS will be deemed a late-filed claim for which NHC is not liable. The
8 purported claim reservation of the United States to assert later determined
9 claims is therefore ineffective.

10 CMS was notified in the June 14, 2017, NCD that its appeal, if any, was due to be filed
11 within sixty (60) days of the notice (*i.e.*, by August 13, 2017). To date, CMS has not provided
12 any responsive appeal. Therefore, pursuant to the Receivership Appeal Procedure ("RAP"),
13 the SDR's June 14, 2017, determination is final and non-appealable.

14 **Filing in Small Claims Court by Former Member**

15 NHC was made party to an action in the Justice Court for Las Vegas Township via an
16 April 17, 2017, small claims complaint filed by a former member, Mr. Yiming Wu, regarding
17 \$4,727.74 that he claims he is owed by NHC for the CO-OP's allegedly reporting to the IRS
18 incorrect information concerning his coverage, resulting in the assessment of a penalty. The
19 complainant was advised via a letter from the receivership dated April 24, 2017, of the
20 necessity of filing a POC against the CO-OP to protect his rights against estate assets, but to
21 date such a POC has not been received. Counsel for the Receiver had filed a Motion to
22 Dismiss on jurisdictional grounds, among others, asserting that this action must be before the
23 Receivership Court to the exclusion of any other forum. Via an Order to Transfer Case filed
24 September 13, 2017, the Las Vegas Justice Court transferred the case to the Receivership
25 Court for further proceedings, pending the payment of transfer fees by the Plaintiff. As of the
26 date of filing of this Status Report, no such transfer fees have been paid by the Plaintiff. The
27 action cannot commence in the receivership court without the payment of such fees, and thus
28

1 the case remains abated until that requirement is satisfied. Efforts to reach out to Mr. Wu via
2 telephone have not been successful.

3 **IRS Penalties Assessed for Data Inaccuracies in Information Filings**

4 The SDR received a notice from the IRS dated October 2, 2017, regarding an unpaid
5 amount of \$491.98 and relating to the Form 720 (quarterly federal excise tax return). The
6 notice threatened to seize NHC's property to satisfy the amount due. The SDR has
7 contacted the IRS regarding this notice and been informed that the notice relates to interest
8 due on NHC's Patient-Centered Outcomes Research Institute ("PCORI") fees. The IRS has
9 filed a POC for this amount, and is aware that NHC is in liquidation. An IRS bankruptcy
10 specialist informed the SDR that a receivership "freeze" will be placed on this item, no seizure
11 of assets is in progress, and no additional notices should be received on this matter.

12 The SDR has received other notices from the IRS seeking to compel the payment of
13 penalties assessed against NHC regarding the submission of erroneous Form 1099 and Tax
14 Information Number data for tax years 2014 and 2015. The Receiver has written separately
15 regarding both tax years, to explain that reasonable cause to withhold the penalty exists and
16 that Treasury regulations insulate assets administered by a receivership court from seizure
17 and levy by the IRS. Regarding the 2014 penalty, the IRS requested additional documents to
18 support the SDR's request. The SDR has responded with the requested documentation and
19 awaits a decision from the IRS. Regarding the 2015 penalty, the SDR awaits a response
20 from the IRS.

21 **Resolution of POCs, Provision of NCDs, Appeals**

22 The Receiver has implemented the POC process approved by this Court in its Final
23 Order, and has already conducted general mailings and publication of necessary notices to
24 claimants and other interested parties.

25 The Claims Filing Deadline was April 28, 2017, and the SDR received 141 POCs.
26 Many of these are incomplete or unable to be adjudicated for various other reasons, and the
27 SDR has notified various claimants of claim deficiencies. The SDR will continue adjudicating
28

1 POCs and developing NCDs in expectation of mailing such determinations after obtaining the
2 necessary approval from this Court.

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

4 It does not appear now that there will be sufficient assets to pay claims beyond those
5 assigned a Class B priority pursuant to NRS 696B.420(1)(b). The SDR has received several
6 POCs that should be assigned to priority classes C through L, pursuant to NRS
7 696B.420(1)(c)-(l). In such instances, the SDR proposes to send claimants NCDs that
8 determine the priority of their claims, which determination will be subject to appeal under the
9 Receivership Appeal Procedure (“RAP”). To conserve the assets of the estate, and per
10 NRS696B.330(4), the SDR of NHC will refrain from reaching the merits of these claims until
11 such time it appears that assets will be available for distribution to that class. If additional
12 assets later become available for distribution to these claimants, the SDR will make a second
13 claim determination as to the merits of each claim and notify the claimants of such
14 determination.

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

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

21 The SDR will be preparing NCDs to send providers for their claims. After reporting
22 claim determinations to the Court, the SDR will begin mailing providers’ NCDs. The provider
23 NCD will show the amount the SDR has approved to be paid for each claim, along with the
24 member’s responsibility portion of the claim—which the provider may collect from the
25 member without violating the Permanent Receivership Order. For this reason, the member
26 will also receive a copy of the NCD. Members and providers may appeal NCDs in
27 accordance with the RAP.
28

Current Receivership Assets

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

1. Before year-end 2016, the Receiver submitted a reinsurance claim to Partner Re based on 2015 claims information. In April and May 2017, Partner Re paid the Receiver a total of \$787,352.41 in satisfaction of NHC's reinsurance claims, but ultimately adjusted this amount by \$2,196.11 in Partner Re's favor.

2. The unrestricted cash assets of the CO-OP have fluctuated with post-receivership expenses and claim payments, as well as with the Receiver's receipt of member premiums. The currently-available, unrestricted cash assets of the CO-OP as of November 30, 2017, were approximately \$6,697,978. The majority of NHC's currently available and liquid assets have been invested in a short-term bond mutual fund, with the remainder of such assets held in bank deposits.

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

4. The Receiver is enclosing, as Exhibit 2 attached hereto, a cash flow report for NHC for the period covering the inception of the receivership through November 30, 2017. This report reflects a summary of disbursements and collections made by NHC during this period.

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 Ninth Status Report and the actions taken by the Receiver.

DATED this 5th day of January 2018.

Respectfully submitted:

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

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

Respectfully submitted by:

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 5th day of January 2018, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, a true and correct copy of the foregoing **NINTH STATUS REPORT** was filed with the Clerk of the Court using the Odyssey eFileNV Electronic Service system and served on all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

The date and time of the electronic proof of service is in place of the date and place of deposit in the U.S. Mail.

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

EXHIBIT “1”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
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September 6, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

May 1, 2017 - May 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
May 2017	22128- 22145	\$126,690.00	\$ 10,716.90	\$137,406.90
Totals (1)		\$126,690.00	\$10,716.90	\$137,406.90

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
5/1/17 - 5/31/17**

		Billable Hours	Billable Rate	May 2017 Billing
1	Timekeeper - Patrick H. Cantilo	64.60	\$450.00	\$29,070.00
2	Timekeeper - Mark F. Bennett	75.75	\$375.00	\$28,406.25
3	Timekeeper - Kristen W. Johnson	115.10	\$175.00	\$20,142.50
4	Timekeeper - Josh O. Lively	165.25	\$175.00	\$28,918.75
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	168.50	\$100.00	\$16,850.00
9	TimeKeeper -- Pierre Riou	11.90	\$225.00	\$2,677.50
9	TimeKeeper -- Jeffrey L. Collins	5.00	\$125.00	\$625.00
	GRAND TOTAL	606.10		\$126,690.00

Work Date 05/01/2017:05/31/2017
Client ID 70750

TimeKeeper		Hours	Fees	Rate	NC Hours	NC Fees
MFB MARK F. BENNETT						
70750	Nevada Health CO-OP					
70750002	Legal	7.35	2,756.25	375.00	0.00	0.00
70750003	Claims	2.75	1,031.25	375.00	0.00	0.00
70750004	Financial Matters	7.75	2,906.25	375.00	0.00	0.00
70750008	Company Administration	12.25	4,593.75	375.00	0.00	0.00
70750010	CMS	12.65	4,743.75	375.00	0.00	0.00
70750100	Asset Recovery	31.00	11,625.00	375.00	0.00	0.00
70750102	NHC vs. CMS Litigation	1.30	487.50	375.00	0.00	0.00
70750201	Partner Re	0.70	262.50	375.00	0.00	0.00
	Sub Total (MFB)	75.75	28,406.25	375.00	0.00	0.00*
PHC PATRICK H. CANTILO						
70750	Nevada Health CO-OP					
70750003	Claims	2.00	900.00	450.00	0.00	0.00
70750006	Provider Issues	1.00	450.00	450.00	0.00	0.00
70750008	Company Administration	2.00	900.00	450.00	0.00	0.00
70750010	CMS	17.30	7,785.00	450.00	0.00	0.00
70750100	Asset Recovery	42.30	19,035.00	450.00	0.00	0.00
	Sub Total (PHC)	64.60	29,070.00	450.00	0.00	0.00*
JLC JEFFREY L. COLLINS						
70750	Nevada Health CO-OP					
70750102	NHC vs. CMS Litigation	5.00	625.00	125.00	0.00	0.00
	Sub Total (JLC)	5.00	625.00	125.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON						
70750	Nevada Health CO-OP					
70750001	Takeover Administration	115.10	20,142.50	175.00	0.00	0.00
	Sub Total (KWJ)	115.10	20,142.50	175.00	0.00	0.00*
JOL JOSHUA O. LIVELY						
70750	Nevada Health CO-OP					
70750001	Takeover Administration	24.25	4,243.75	175.00	0.00	0.00
70750002	Legal	33.25	5,818.75	175.00	0.00	0.00
70750003	Claims	27.75	4,856.25	175.00	0.00	0.00
70750008	Company Administration	22.75	3,981.25	175.00	0.00	0.00
70750100	Asset Recovery	38.75	6,781.25	175.00	0.00	0.00
70750103	Potential claims against Milliman	6.50	1,137.50	175.00	0.00	0.00
70750201	Partner Re	12.00	2,100.00	175.00	0.00	0.00
	Sub Total (JOL)	165.25	28,918.75	175.00	0.00	0.00*
PJR PIERRE J. RIOU						
70750	Nevada Health CO-OP					
70750002	Legal	0.30	67.50	225.00	0.00	0.00
70750003	Claims	6.70	1,507.50	225.00	0.00	0.00
70750100	Asset Recovery	4.90	1,102.50	225.00	0.00	0.00
	Sub Total (PJR)	11.90	2,677.50	225.00	0.00	0.00*
IXS ISAIAH SAMANIEGO						
70750	Nevada Health CO-OP					
70750008	Company Administration	168.50	16,850.00	100.00	0.00	0.00
	Sub Total (IXS)	168.50	16,850.00	100.00	0.00	0.00*
Grand Total						
		606.10	126,690.00	209.02	0.00	0.00

Work Date 05/01/2017:05/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	992.00	0.00	992.00
	FD1A FEDERAL EXPRESS	0.00	237.69	0.00	237.69
	LX1A LEXIS	0.00	1,513.60	0.00	1,513.60
	LX1E LEXIS	0.00	1,589.52	0.00	1,589.52
	PK1A PARKING	0.00	334.25	0.00	334.25
	PO1E POSTAGE	0.00	66.83	0.00	66.83
	SU1A SUPPLIES	0.00	129.51	0.00	129.51
	TA1A TRAVEL-AIRFARE	0.00	1,895.84	0.00	1,895.84
	TE1A TRANSPORTATION EXPENSE	0.00	966.59	0.00	966.59
	TH1A TRAVEL-HOTEL	0.00	1,470.79	0.00	1,470.79
	TL2E TELEPHONE	0.00	1,520.28	0.00	1,520.28
	Sub Total ()	0.00	10,716.90	0.00	10,716.90
	Grand Total	0.00	10,716.90	0.00	10,716.90

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October 2, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

June 1, 2017 - June 30, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
June 2017	22181- 22191 22196- 22198	\$ 58,540.00	\$ 6,245.32	\$ 64,785.32
Totals (1)		\$ 58,540.00	\$ 6,245.32	\$ 64,785.32

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
6/1/17 - 6/30/17**

		Billable Hours	Billable Rate	June 2017 Billing
1	Timekeeper - Patrick H. Cantilo	19.30	\$450.00	\$8,685.00
2	Timekeeper - Mark F. Bennett	97.25	\$375.00	\$36,468.75
3	Timekeeper - Kristen W. Johnson	0.00	\$175.00	\$0.00
4	Timekeeper - Josh O. Lively	0.00	\$175.00	\$0.00
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	120.50	\$100.00	\$12,050.00
9	TimeKeeper -- Pierre Riou	3.30	\$225.00	\$742.50
9	TimeKeeper -- Jeffrey L. Collins	4.75	\$125.00	\$593.75
	GRAND TOTAL	245.10		\$58,540.00

October 02, 2017
11:27 am

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

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Client ID 70750
Work Date 06/01/2017:06/30/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	3.80	1,425.00	0.00	0.00
70750003	Claims	2.05	768.75	0.00	0.00
70750004	Financial Matters	4.60	1,725.00	0.00	0.00
70750007	Member Issues	0.75	281.25	0.00	0.00
70750008	Company Administration	17.45	6,543.75	0.00	0.00
70750010	CMS	4.05	1,518.75	0.00	0.00
70750100	Asset Recovery	64.25	24,093.75	0.00	0.00
70750201	Partner Re	0.30	112.50	0.00	0.00
	Sub Total (MFB)	97.25	36,468.75	0.00	0.00*
PHC PATRICK H. CANTILO					
70750002	Legal	1.50	675.00	0.00	0.00
70750003	Claims	0.30	135.00	0.00	0.00
70750100	Asset Recovery	15.00	6,750.00	0.00	0.00
70750101	Basich vs Xerox, et al	1.00	450.00	0.00	0.00
70750103	Potential claims against Milliman	1.50	675.00	0.00	0.00
	Sub Total (PHC)	19.30	8,685.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750102	NHC vs. CMS Litigation	4.75	593.75	0.00	0.00
	Sub Total (JLC)	4.75	593.75	0.00	0.00*
PJR PIERRE J. RIOU					
70750010	CMS	3.30	742.50	0.00	0.00
	Sub Total (PJR)	3.30	742.50	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	120.50	12,050.00	0.00	0.00
	Sub Total (IXS)	120.50	12,050.00	0.00	0.00*
Grand Total		245.10	58,540.00	0.00	0.00

October 02, 2017
1:36 pm

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

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Work Date 06/01/2017:06/30/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	944.00	0.00	944.00
FD1A	FEDERAL EXPRESS	0.00	180.51	0.00	180.51
MT1A	MISCELLANEOUS	0.00	311.20	0.00	311.20
PK1A	PARKING	0.00	362.27	0.00	362.27
PO1E	POSTAGE	0.00	30.18	0.00	30.18
SU1A	SUPPLIES	0.00	7.55	0.00	7.55
TA1A	TRAVEL-AIRFARE	0.00	1,479.86	0.00	1,479.86
TE1A	TRANSPORTATION EXPENSE	0.00	771.55	0.00	771.55
TH1A	TRAVEL-HOTEL	0.00	1,415.86	0.00	1,415.86
TL2E	TELEPHONE	0.00	702.48	0.00	702.48
TS1A	TELEPHONE CHARGES	0.00	38.96	0.00	38.96
	Sub Total ()	0.00	6,244.42	0.00	6,244.42
	Grand Total	0.00	6,244.42	0.00	6,244.42

0520

Work Date 06/01/2017:06/30/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	944.00	0.00	944.00
	FD1A FEDERAL EXPRESS	0.00	180.51	0.00	180.51
	MT1A MISCELLANEOUS	0.00	312.10	0.00	312.10
	PK1A PARKING	0.00	362.27	0.00	362.27
	PO1E POSTAGE	0.00	30.18	0.00	30.18
	SU1A SUPPLIES	0.00	7.55	0.00	7.55
	TA1A TRAVEL-AIRFARE	0.00	1,479.86	0.00	1,479.86
	TE1A TRANSPORTATION EXPENSE	0.00	771.55	0.00	771.55
	TH1A TRAVEL-HOTEL	0.00	1,415.86	0.00	1,415.86
	TL2E TELEPHONE	0.00	702.48	0.00	702.48
	TS1A TELEPHONE CHARGES	0.00	38.96	0.00	38.96
	Sub Total ()	0.00	6,245.32	0.00	6,245.32
Grand Total		0.00	6,245.32	0.00	6,245.32

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October 24, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

July 1, 2017 - July, 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
July 2017	22224- 22234	\$ 83,675.00	\$ 4,784.15	\$ 88,459.15
Totals (1)		\$ 83,675.00	\$ 4,784.15	\$ 88,459.15

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
7/1/17 - 7/31/17**

		Billable Hours	Billable Rate	July 2017 Billing
1	Timekeeper - Patrick H. Cantilo	21.30	\$450.00	\$9,585.00
2	Timekeeper - Mark F. Bennett	91.10	\$375.00	\$34,162.50
3	Timekeeper - Kristen W. Johnson	0.00	\$175.00	\$0.00
4	Timekeeper - Josh O. Lively	76.00	\$175.00	\$13,300.00
5	Timekeeper - J. Alex Martin	29.50	\$175.00	\$5,162.50
6	Timekeeper - Arati Bhattacharya	45.90	\$200.00	\$9,180.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	121.50	\$100.00	\$12,150.00
9	TimeKeeper -- Pierre Riou	0.60	\$225.00	\$135.00
9	TimeKeeper -- Jeffrey L. Collins	0.00	\$125.00	\$0.00
	GRAND TOTAL	385.90		\$83,675.00

October 24, 2017
1:12 pm

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

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Client ID 70750
Work Date 7/1/2017:07/31/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	5.20	1,950.00	0.00	0.00
70750003	Claims	2.05	768.75	0.00	0.00
70750004	Financial Matters	9.00	3,375.00	0.00	0.00
70750006	Provider Issues	0.50	187.50	0.00	0.00
70750008	Company Administration	4.10	1,537.50	0.00	0.00
70750010	CMS	2.75	1,031.25	0.00	0.00
70750100	Asset Recovery	66.50	24,937.50	0.00	0.00
70750102	NHC vs. CMS Litigation	1.00	375.00	0.00	0.00
Sub Total (MFB)		91.10	34,162.50	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	45.90	9,180.00	0.00	0.00
Sub Total (ABS)		45.90	9,180.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750003	Claims	1.80	810.00	0.00	0.00
70750100	Asset Recovery	17.50	7,875.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.00	900.00	0.00	0.00
Sub Total (PHC)		21.30	9,585.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750001	Takeover Administration	13.00	2,275.00	0.00	0.00
70750002	Legal	13.00	2,275.00	0.00	0.00
70750008	Company Administration	5.00	875.00	0.00	0.00
70750100	Asset Recovery	45.00	7,875.00	0.00	0.00
Sub Total (JOL)		76.00	13,300.00	0.00	0.00*
JAM JAMES A. MARTIN					
Sub Total (JAM)		29.50	5,162.50	0.00	0.00
		29.50	5,162.50	0.00	0.00*
PJR PIERRE J. RIOU					
70750002	Legal	0.60	135.00	0.00	0.00
Sub Total (PJR)		0.60	135.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	121.50	12,150.00	0.00	0.00
Sub Total (IXS)		121.50	12,150.00	0.00	0.00*
Grand Total		385.90	83,675.00	0.00	0.00

November 03, 2017
2:41 pm

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

Page 1
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Work Date 07/01/2017:07/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	576.00	0.00	576.00
FD1A	FEDERAL EXPRESS	0.00	86.60	0.00	86.60
MT1A	MISCELLANEOUS	0.00	377.00	0.00	377.00
PK1A	PARKING	0.00	174.25	0.00	174.25
SU1A	SUPPLIES	0.00	49.76	0.00	49.76
TA1A	TRAVEL-AIRFARE	0.00	895.94	0.00	895.94
TE1A	TRANSPORTATION EXPENSE	0.00	698.42	0.00	698.42
TH1A	TRAVEL-HOTEL	0.00	922.08	0.00	922.08
TL2E	TELEPHONE	0.00	1,004.10	0.00	1,004.10
	Sub Total ()	0.00	4,784.15	0.00	4,784.15
	Grand Total	0.00	4,784.15	0.00	4,784.15

0525

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November 10, 2017

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

August 1, 2017 - August 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2017	22253- 22265	\$157,687.50	\$11,420.96	\$169,108.46
Totals (1)		\$157,687.50	\$11,420.96	\$169,108.46

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
8/1/17 - 8/31/17**

		Billable Hours	Billable Rate	August 2017 Billing
1	Timekeeper - Patrick H. Cantilo	40.30	\$450.00	\$18,135.00
2	Timekeeper - Mark F. Bennett	108.05	\$375.00	\$40,518.75
3	Timekeeper - Kristen W. Johnson	54.70	\$175.00	\$9,572.50
4	Timekeeper - Josh O. Lively	168.50	\$175.00	\$29,487.50
5	Timekeeper - J. Alex Martin	85.50	\$175.00	\$14,962.50
6	Timekeeper - Arati Bhattacharya	141.50	\$200.00	\$28,300.00
7	Timekeeper - Law Clerks	19.00	\$85.00	\$1,615.00
8	Timekeeper - Isaiah Samaniego	125.00	\$100.00	\$12,500.00
9	TimeKeeper - Pierre Riou	8.90	\$225.00	\$2,002.50
10	TimeKeeper - Jeffrey L. Collins	4.75	\$125.00	\$593.75
	GRAND TOTAL	756.20		\$157,687.50

Client ID 70750
Work Date 8/1/17:08/31/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	2.65	993.75	0.00	0.00
70750003	Claims	3.80	1,425.00	0.00	0.00
70750004	Financial Matters	4.20	1,575.00	0.00	0.00
70750007	Member Issues	0.75	281.25	0.00	0.00
70750008	Company Administration	13.55	5,081.25	0.00	0.00
70750009	Lease Issues	0.20	75.00	0.00	0.00
70750010	CMS	16.85	6,318.75	0.00	0.00
70750100	Asset Recovery	65.75	24,656.25	0.00	0.00
70750201	Partner Re	0.30	112.50	0.00	0.00
	Sub Total (MFB)	108.05	40,518.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	141.50	28,300.00	0.00	0.00
	Sub Total (ABS)	141.50	28,300.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750008	Company Administration	1.00	450.00	0.00	0.00
70750010	CMS	2.00	900.00	0.00	0.00
70750100	Asset Recovery	32.00	14,400.00	0.00	0.00
70750102	NHC vs. CMS Litigation	5.30	2,385.00	0.00	0.00
	Sub Total (PHC)	40.30	18,135.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
	Sub Total (JLC)	4.75	593.75	0.00	0.00
		4.75	593.75	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	54.70	9,572.50	0.00	0.00
	Sub Total (KWJ)	54.70	9,572.50	0.00	0.00*
KTO KYLE T. OSBORN					
70750100	Asset Recovery	19.00	1,615.00	0.00	0.00
	Sub Total (KTO)	19.00	1,615.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750001	Takeover Administration	17.75	3,106.25	0.00	0.00
70750002	Legal	43.25	7,568.75	0.00	0.00
70750008	Company Administration	32.25	5,643.75	0.00	0.00
70750100	Asset Recovery	75.25	13,168.75	0.00	0.00
	Sub Total (JOL)	168.50	29,487.50	0.00	0.00*
JAM JAMES A. MARTIN					
	Sub Total (JAM)	85.50	14,962.50	0.00	0.00
		85.50	14,962.50	0.00	0.00*
PJR PIERRE J. RIOU					
70750002	Legal	5.40	1,215.00	0.00	0.00
70750010	CMS	2.00	450.00	0.00	0.00
70750100	Asset Recovery	1.50	337.50	0.00	0.00
	Sub Total (PJR)	8.90	2,002.50	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	125.00	12,500.00	0.00	0.00
	Sub Total (IXS)	125.00	12,500.00	0.00	0.00*
Grand Total		756.20	157,687.50	0.00	0.00

November 10, 2017
10:35 am

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

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Work Date 08/01/2017:08/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	1,152.00	0.00	1,152.00
LX1E	LEXIS	0.00	2,237.48	0.00	2,237.48
MT1A	MISCELLANEOUS	0.00	1,107.88	0.00	1,107.88
PK1A	PARKING	0.00	233.50	0.00	233.50
PO1E	POSTAGE	0.00	85.99	0.00	85.99
SU1A	SUPPLIES	0.00	41.06	0.00	41.06
TA1A	TRAVEL-AIRFARE	0.00	1,598.84	0.00	1,598.84
TE1A	TRANSPORTATION EXPENSE	0.00	1,227.80	0.00	1,227.80
TH1A	TRAVEL-HOTEL	0.00	1,844.16	0.00	1,844.16
	Sub Total ()	0.00	9,528.71	0.00	9,528.71
	Grand Total	0.00	9,528.71	0.00	9,528.71

0529

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October 2, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

June 1, 2017 – June 30, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
June 2017	\$16,635.00	\$0.00	\$16,635.00
Totals (1)	\$16,635.00	\$0.00	\$16,635.00

Palomar Financial, LC

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

		Billable Hours	Billable Rate	June 2017 Billing
1	TIME KEEPER - Nicole Wilkins	8.30	\$250.00	\$2,075.00
2	TIME KEEPER - Robert Stebel	1.75	\$160.00	\$280.00
3	TIME KEEPER - Burnett Wallace	24.50	\$150.00	\$3,675.00
4	TIME KEEPER - Neda Khalaf	33.00	\$160.00	\$5,280.00
5	TIME KEEPER - Susan Roehm	19.50	\$150.00	\$2,925.00
6	TIME KEEPER - Gayathri Sivadasan	16.00	\$150.00	\$2,400.00
	GRAND TOTAL	103.05		\$16,635.00

Palomar Financial, LC
06/01/2017-06/30/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Payroll & Employee Benefits	2.25	\$ 562.50
		Investment Accounting/Support	0.25	\$ 62.50
		Accounts Payable and Receivable	5.55	\$ 1,387.50
		Bank Account Administration/Reconciliation	0.25	\$ 62.50
		Sub Total (NMW)	8.30	\$ 2,075.00
RNS	Robert Stebel	Investment Accounting/Support	0.75	\$ 120.00
		Regulatory Responses/Compliance	1.00	\$ 160.00
		Sub Total (RNS)	1.75	\$ 280.00
BAW	Burnett Wallace	Payroll & Employee Benefits	24.50	\$ 3,675.00
		Sub Total (BAW)	24.50	\$ 3,675.00
NK	Neda Khalaf	Accounts Payable and Receivable	33.00	\$ 5,280.00
		Sub Total (NK)	33.00	\$ 5,280.00
SER	Susan Roehm	IT Support & Administration	19.50	\$ 2,925.00
		Sub Total (SER)	19.50	\$ 2,925.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	16.00	\$ 2,400.00
		Sub Total (GS)	16.00	\$ 2,400.00
	Grand Total		103.05	\$ 16,635.00

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

Telephone (512) 404-6555
Facsimile (512) 404-6530
Toll Free (877) 309-7105
www.palomarfin.com

October 24, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

July 1, 2017 – July 31, 2017

Matter No. and Description	Fees	Costs	Total
July 2017	\$11,712.50	\$0.00	\$11,712.50
Totals (1)	\$11,712.50	\$0.00	\$11,712.50

Palomar Financial, LC

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

		Billable Hours	Billable Rate	July 2017 Billing
1	TIME KEEPER - Nicole Wilkins	13.60	\$250.00	\$3,400.00
2	TIME KEEPER - Robert Stebel	0.75	\$160.00	\$120.00
3	TIME KEEPER - Burnett Wallace	14.85	\$150.00	\$2,227.50
4	TIME KEEPER - Neda Khalaf	26.50	\$160.00	\$4,240.00
5	TIME KEEPER - Susan Roehm	4.50	\$150.00	\$675.00
6	TIME KEEPER - Gayathri Sivadasan	7.00	\$150.00	\$1,050.00
	GRAND TOTAL	67.20		\$11,712.50

Palomar Financial, LC
07/01/2017-07/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.60	\$ 400.00
		Payroll & Employee Benefits	7.00	\$ 1,750.00
		Accounts Payable and Receivable	4.55	\$ 1,137.50
		Bank Account Administration/Reconciliation	0.45	\$ 112.50
		Sub Total (NMW)	13.60	\$ 3,400.00
RNS	Robert Stebel	Regulatory Responses/Compliance	0.75	\$ 120.00
		Sub Total (RNS)	0.75	\$ 120.00
BAW	Burnett Wallace	Payroll & Employee Benefits	14.85	\$ 2,227.50
		Sub Total (BAW)	14.85	\$ 2,227.50
NK	Neda Khalaf	Accounts Payable and Receivable	26.50	\$ 4,240.00
		Sub Total (NK)	26.50	\$ 4,240.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	1.50	\$ 225.00
		Guaranty Associations Reports/Administration	3.00	\$ 450.00
		Sub Total (SER)	4.50	\$ 675.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	7.00	\$ 1,050.00
		Sub Total (GS)	7.00	\$ 1,050.00
	Grand Total		67.20	\$ 11,712.50

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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Toll Free (877) 309-7105
www.palomarfin.com

November 10, 2017

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

August 1, 2017 – August 31, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2017	\$18,582.50	\$0.00	\$18,582.50
Totals (1)	\$18,582.50	\$0.00	\$18,582.50

Palomar Financial, LC

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

		Billable Hours	Billable Rate	August 2017 Billing
1	TIME KEEPER - Nicole Wilkins	22.25	\$250.00	\$5,562.50
2	TIME KEEPER - Robert Stebel	1.00	\$160.00	\$160.00
3	TIME KEEPER - Burnett Wallace	11.65	\$150.00	\$1,747.50
4	TIME KEEPER - Neda Khalaf	42.50	\$160.00	\$6,800.00
5	TIME KEEPER - Susan Roehm	14.75	\$150.00	\$2,212.50
6	TIME KEEPER - Gayathri Sivadasan	14.00	\$150.00	\$2,100.00
	GRAND TOTAL	106.15		\$18,582.50

Palomar Financial, LC
08/01/2017-08/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	1.05	\$ 262.50
		Accounting Reports/Receivership Team Support	2.80	\$ 700.00
		Payroll & Employee Benefits	6.20	\$ 1,550.00
		Accounts Payable and Receivable	10.00	\$ 2,500.00
		Bank Account Administration/Reconciliation	1.35	\$ 337.50
		Taxes and Tax Planning	0.60	\$ 150.00
		Regulatory Responses & Compliance	0.25	\$ 62.50
		IT Support & Administration		\$ -
		Sub Total (NMW)	22.25	\$ 5,562.50
RNS	Robert Stebel	Regulatory Responses/Compliance	1.00	\$ 160.00
		Sub Total (RNS)	1.00	\$ 160.00
BAW	Burnett Wallace	Payroll & Employee Benefits	11.65	\$ 1,747.50
		Sub Total (BAW)	11.65	\$ 1,747.50
NK	Neda Khalaf	Accounts Payable and Receivable	42.50	\$ 6,800.00
		Sub Total (NK)	42.50	\$ 6,800.00
SER	Susan Roehm	Accounts Payable and Receivable	1.50	\$ 225.00
		Reports/Replies to Policyholders, Creditors, Other Parties	6.00	\$ 900.00
SER	Susan Roehm	IT Support & Administration	7.25	\$ 1,087.50
		Sub Total (SER)	14.75	\$ 2,212.50
GS	Gayathri Sivadasan	Accounts Payable and Receivable	14.00	\$ 2,100.00
		Sub Total (GS)	14.00	\$ 2,100.00
	Grand Total		106.15	\$ 18,582.50

Invoice No.: 4586770
File No. : 170678.010100
Bill Date : September 17, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through August 31, 2017:

Total Fees: \$ 156,179.00

Expenses:

Conference Calls	3.54
Filing Fees	66.50
Publication Charges	124.65

Total Expenses: \$ 194.69

Current Invoice: \$ 156,373.69

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 4585468
File No. : 170678.010200
Bill Date : September 15, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: Nevada Health Co-Op/adv. Yiming Wu

Legal Services through August 31, 2017:

Total Fees: \$ 1,390.50

Expenses:

Parking Charges

15.00

Total Expenses: \$ 15.00

Current Invoice: \$ 1,405.50

EWS:TKK
Tax ID: 13-3613083

Invoice No.: 4613859
File No. : 170678.010100
Bill Date : October 16, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through September 30, 2017:

Total Fees: \$ 49,025.00

Expenses:

Filing Fees	63.00
Messenger/Courier Services	85.00
UPS Charges	37.26

Total Expenses: \$ 185.26

Current Invoice: \$ 49,210.26

MEF:TKK
Tax ID: 13-3613083

Invoice No.: 4613854
File No. : 170678.010200
Bill Date : October 16, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: Nevada Health Co-Op/adv. Yiming Wu

Legal Services through September 30, 2017:

Total Fees: \$ 800.00

Expenses:

Parking Charges

6.00

Total Expenses: \$ 6.00

Current Invoice: \$ 806.00

EWS:TKK
Tax ID: 13-3613083



Invoice Remittance

Barbara D. Richardson
Nevada Health CO-OP
c/o Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

September 12, 2017
FTI Invoice No. 7455831
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through August 31, 2017

Amount Due This Period

Professional Services.....	\$9,442.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$9,442.50



Invoice Remittance

Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

October 23, 2017
FTI Invoice No. 7459946
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through September 30, 2017

Amount Due This Period

Professional Services	\$360.00
Expenses	<u>\$0.00</u>
Total Amount Due	<u>\$360.00</u>



DEVITO CONSULTING, INC
JOSEPH J. DEVITO CONSULTING

August 7, 2017

Mr. Mark E. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:


The following is a summary of consulting fees incurred from July 1, 2017 through July 31, 2017 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$23,275.00

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,


Joseph J. DeVito
President

Enclosures



DEVITO CONSULTING, INC.
JOSEPH J. DEVITO CONSULTING

September 6, 2017

Mr. Mark F. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:

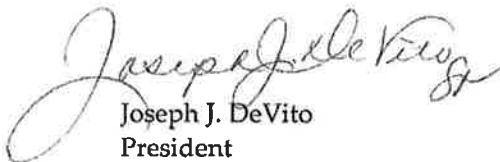
The following is a summary of consulting fees incurred from August 1, 2017 through August 31, 2017 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$1,225.00

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,



Joseph J. DeVito
President

Enclosures



DEVITO CONSULTING, INC.
JOSEPH J. DEVITO CONSULTING

November 8, 2017

Mr. Mark F. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:

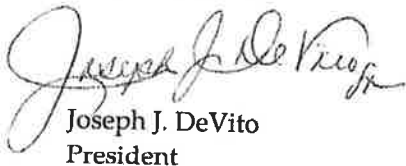
The following is a summary of consulting fees incurred from October 1, 2017 through October 31, 2017 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$3,062.50

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,



Joseph J. DeVito
President

Enclosures

EXHIBIT “2”

NEVADA HEALTH CO-OP

Cash Flow Analysis

Oct 2015 - Nov 2017

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,755,920
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	676,815
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	787,352
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Restricted Cash became Unrestricted	768,517
Other	507,942
TOTAL SOURCES:	\$25,117,798

USES:

Medical Claims Q4 2015 and Post 2015 Adj	(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	(9,710,023)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(4,356,146)

TOTAL USES:

(\$23,772,237)

Net cash increase for period

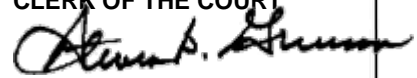
\$1,345,561

Ending Cash at end of Nov 30, 2017

\$ 6,697,978

TAB 20

TAB 20



1 **SR**

2 MARK E. FERRARIO, ESQ.
3 Nevada Bar No. 1625
4 ERIC W. SWANIS, ESQ.
5 Nevada Bar No. 6840
6 GREENBERG TRAURIG, LLP
7 3773 Howard Hughes Parkway
Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002
Emails: ferrariom@gtlaw.com
swanise@gtlaw.com

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

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

14 STATE OF NEVADA, EX REL.)	Case No. A-15-725244-C
15 COMMISSIONER OF INSURANCE, IN HER)	
16 OFFICIAL CAPACITY AS STATUTORY)	Dept. No. 1
17 RECEIVER FOR DELINQUENT DOMESTIC)	
18 INSURER,)	
19)	
20)	
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TENTH 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 Tenth Status Report in the above-captioned receivership.

1 **I. INTRODUCTION AND HISTORICAL BACKGROUND**

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

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

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

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

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

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

II. RECEIVERSHIP ADMINISTRATION

Receivership Administrative Services and Oversight

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

¹ The portions of billing entries that are being filed/submitted for *in camera* inspection are specifically identified by Bates number herein. The *in camera* materials are being submitted in a separate envelope.

Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this matter are providing expert witness related services. As such, the billing entries relating thereto should be considered confidential and/or otherwise not subject to discovery.

In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent that they reveal

Resolution of Outstanding Receivership Matters

Pre-Liquidation Claims Adjudications and Claims Solidification

NHC's staff continues the process of claims adjudications. At this point, new claims are only accepted for review if the claimant can show proof of timely filing (*i.e.*, proof that the claim was previously submitted in advance of the Receiver's Claims Filing Deadline).

The Receiver continues to coordinate with those plan members who were reported to collection agencies by healthcare providers and facilities, or who are currently being sought for payment based on the receivership estate's obligations. In cases where collection efforts have taken place in violation of the Permanent Receivership Order, NHC staff members contact those providers and any related collection agencies to inform them of the Permanent Receivership Order and its moratorium on the payment of health claims. When necessary, the SDR has also sent letters to such providers to advise them that their direct collection actions violate the Permanent Receivership Order and may justify receivership remedies against them.

Continuation of Mandatory Regulatory Reporting to CMS

As explained in prior status reports, the Receiver and SDR have submitted essential data for the various regulatory reporting processes required for CO-OPs under the ACA, and NHC fulfills ongoing requirements as may be applicable. The Receiver is working to resolve CMS matters so that the maximum amounts are collected under the various federal receivables programs.

NHC is owed payments relating to several such programs, including: Cost Sharing Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and

litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

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

1 Risk Corridors. The expected receipt of these federal receivables is a key part of any future
2 claim payments by NHC. The non-receipt of substantially all federal accounts payable for plan
3 year 2015, and a material portion of accounts payable for plan year 2014, has greatly
4 diminished NHC's assets and, therefore, its claims-paying ability.

5 CMS has maintained the position that any monies deemed owed to NHC (*i.e.*, the
6 receivership estate) are to be set off against the amounts CMS asserts it is owed under the
7 start-up loan to NHC. CMS has so far made offsets against accounts payable to NHC for the
8 outstanding balance of the start-up loan. The SDR sent a letter to CMS to request a detailed,
9 cumulative accounting of all offsets applied to date so that the SDR could review CMS'
10 accounting of charges and offsets applied to NHC's accounts payable. The SDR received such
11 an accounting and reviewed it in detail. The SDR sent a follow-up letter to CMS, via counsel
12 at the Department of Justice, to request clarification of several items in the prior accounting, as
13 well as to request an updated accounting (to include any subsequent offsets). The SDR awaits
14 a response from CMS.

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

16 NHC Risk Adjustment and Federal Transitional Reinsurance data was submitted to CMS
17 on May 2, 2016. On June 30, 2016, CMS released its Summary Report on Transactional
18 Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.² Per the
19 report, for coverage year 2015, the CO-OP is owed a Federal Transitional Reinsurance
20 payment of \$8,842,009.69 and net Risk Adjustment transfer of \$4,532,560.29. The 2015
21 Federal Transitional Reinsurance payment amount increased by \$4,601.65 to \$8,846,611.34
22 in the December 6, 2016, Amendment to the Summary Report on Transitional Reinsurance
23 Payments and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.³

24 In 2016, the reporting related to the CSR Reconciliation program resulted in a net
25 amount owed by NHC to CMS of \$3,579,359.65 for 2014 and 2015 CSRs. At the beginning of
26 June 2017, the SDR submitted amended filings to CMS of the 2014 and 2015 CSRs, resulting

27 ² Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/June-30-2016-RA-and-RI-Summary-Report-5CR-063016.pdf>.

28 ³ Available at: https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/DDC_RevisedJune30thReport_v2_5CR_120516.pdf.

1 in NHC owing an adjusted balance to CMS of \$482,948.54 rather than \$3,579,359.65—or a
2 reduction in NHC liability of \$3,096,411.11. CMS has accepted this adjustment.

3 Regarding the 2015 Risk Corridors, CMS has confirmed that NHC is owed \$29.9 million
4 for its individual market and \$3.75 million for its small group market.⁴ However, CMS claims to
5 have no funds available to pay 2015 Risk Corridors at this time, and it has announced that all
6 2015 and 2016 benefit year collections will be used towards remaining 2014 benefit year risk
7 corridors balances.⁵ Due to a shortfall in risk corridor collections, CMS was initially able to pay
8 only a prorated 12.6% of all 2014 Risk Corridors payments due to issuers. In November 2016,
9 CMS announced an additional expected payment toward NHC's 2014 Risk Corridor of
10 \$355,443.99. Likewise, in November 2017, CMS announced an additional expected payment
11 toward NHC's 2014 Risk Corridor of \$93,079.06. The CO-OP is still owed over \$9.4 million for
12 unpaid 2014 Risk Corridors.

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

14 The Receiver utilizes the services of several third-party contractors that had been
15 engaged before commencement of the receivership, and some of them (*i.e.*, Eldorado,
16 Redcard, and Indegene) were engaged after the receivership commenced to assist in
17 management of NHC's affairs. The Receiver has also engaged the services of some new third-
18 party contractors (*i.e.*, Jacobson and ADP) to perform services to assist the administration of
19 the Company.

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

21 1. Eldorado, a division of Mphasis Corporation, to provide a hosting service for
22 claims data and information.

23 2. The Jacobson Group, to provide claims and customer service staffing support.

24
25
26 ⁴ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES
27 ("CMS"), CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015
28 BENEFIT YEAR (November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>).

⁵ *Id.*; CMS, CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR
THE 2016 BENEFIT YEAR (November 15, 2017) (available at <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

1 3. Redcard, to perform check processing and delivery to health care providers, and
2 delivery of Explanation of Benefit disclosures to providers and plan members.

3 4. ADP, to provide payroll support and processing for employee compensation and
4 benefits.

5 5. Indegene Healthcare, LLC to provide analytical and data services for 2014 and
6 2015 risk adjustment calculations.

7 **Consulting Expert Retained**

8 The Receiver has retained D'Antonio Technologies ("D'Antonio") to provide information
9 technology consulting expert services for the tracking and sorting of data, assembling of data
10 for electronic discovery, and other consulting services involving the Company's technology
11 systems. Thus far, the Receiver has paid \$10,200 for D'Antonio's consulting services. It is
12 anticipated that D'Antonio's services will be necessary during the duration of the pending
13 litigation involving NHC. Depending on the length and complexity of NHC's litigation with other
14 parties, D'Antonio's total costs may range from another \$50,000 to \$175,000. This cost
15 projection is a very rough estimate that may change depending on factors that are beyond the
16 Receiver's control, including issues with the quality of data, issues with analyzing data, and
17 issues with retrieving data for discovery requests. The Receiver will continue to evaluate
18 D'Antonio's services and may further revise these projections based on new developments and
19 circumstances.

20 On October 16, 2017, the Receiver filed with the Receivership Court the Receiver's
21 Motion to Approve Professional Fee Rates, seeking an order approving certain professional
22 fee rates for D'Antonio Technologies, and permitting the Receiver to approve and pay invoices
23 of D'Antonio Technologies as she deems necessary, without subsequent application to the
24 Court. The Court later approved the Receiver's engagement of this technology services
25 professional, requesting via a minute order that the Receiver provide an estimate of
26 expenditures anticipated for services rendered, which has now been provided in this report.

Internal Administrative Matters Related to Wind Down

NHC maintains staff to address calls from interested parties regarding the proof of claim ("POC") process, other claim matters, and the collection of assets for the receivership. The Receiver has refunded premium overpayments to members since such overpayments were not funds to which NHC was entitled and are therefore outside the normal claim process.

The wind down of NHC's 401(k) retirement plan continues, with the SDR having received from the IRS the necessary determination letter advising that the wind-down process does not implicate federal tax obligations. In light of this response, the SDR has instructed the Principal Financial Group, the investment company currently in custody of the retirement plan assets, to commence the de-conversion and transfer of plan assets to former retirement plan participants as though those participants were fully vested in their account balances. Following a final compliance check with applicable federal and state guidelines relating to tax-advantaged retirement accounts, which included the execution of plan termination authorizations sent to the investment company in early March 2018, former plan participants will now receive the mandatory disclosures concerning their funds. The disclosures to plan participants will be sent to their last known address, alongside instructions for transferring their plan account balances.

The Receiver also maintains an office for NHC's essential office staff.⁶

Commencement of Action Against Various Professionals and Other Firms Who Performed Services for and on Behalf of NHC

On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-party vendors, and professional service firms which are alleged to have contributed to NHC's current hazardous financial condition by, among other things, failing to adhere to applicable standards of professional care and requirements imposed by law, misrepresentation concerning quality and standard of care for services performed, and breaches of contract, duty, and implied covenants of good faith and fair dealing.

⁶ Currently, NHC maintains fifteen full-time employees and one part-time employee.

1 The complaint names, among others, NHC's former actuaries, accountants, auditors,
2 and providers of certain business operations and utilization review services, as well as those
3 individuals who specifically performed, or who were in the role of supervising the performance
4 of, those services. The Complaint also names several of NHC's former directors and executive
5 management.

6 On September 14, 2017, Counsel for the Receiver filed with this Court a Motion to
7 Coordinate Cases, seeking a coordination of that case and the overarching receivership action
8 being supervised by this Court on grounds that the case constitutes an asset recovery action,
9 an integral part of the resolution of the receivership that merits continued supervision by this
10 Court. This motion was set for in chambers hearing on October 19, 2017, but was continued
11 to November 7, 2017. An opposition to the Motion to Coordinate Cases was filed by Milliman,
12 and subsequently joined by Nevada Health Solutions, InsureMonkey, Larson, and many of the
13 former directors and officers of NHC. By an order dated December 8, 2017, this Court denied
14 Plaintiff's Motion to Coordinate Cases.

15 A request to reassign this case to the Business Court on the grounds that the action
16 involves the alleged commission of torts related to business was filed September 28, 2017, and
17 Judge Nancy Alf was assigned. Judge Kathleen Delaney has been assigned the case
18 subsequent to Judge Alf being subject to a peremptory challenge dated November 9, 2017.

19 Milliman filed its Motion to Compel Arbitration on November 6, 2017, a motion which
20 was challenged by the December 11, 2017, filing of Plaintiff's Opposition to Milliman's Motion
21 to Compel Arbitration. The hearing to address this issue was scheduled for December 12,
22 2017, but had been reset for a hearing on January 9, 2018. Milliman would again state its
23 bases to compel arbitration of those matters raised in the instant litigation via a reply dated
24 January 3, 2018. This motion and related briefing were heard by Judge Kathleen Delaney on
25 January 9, 2018. The related Order Granting Milliman's Motion to Compel Arbitration, dated
26 March 12, 2018, held that a requirement to arbitrate in the pre-receivership agreements
27 between NHC and Milliman did apply to the Receiver's claims against Milliman, as the
28 Receiver's claims against Milliman would not have arisen but for the agreement, and such

1 agreement contains an enforceable arbitration provision. The Order also acknowledged the
2 “strong presumption” in favor of arbitration under federal and Nevada law, and characterized
3 the Receiver’s claims against Milliman as pre-receivership, common law damages claims
4 which did not necessarily need to be brought to the Court overseeing the receivership directly.
5 The Receiver has filed a Motion for Reconsideration of the Milliman arbitration ruling.

6 Millennium filed a Motion to Dismiss on October 26, 2017, and an opposition to such
7 motion was filed by the Receiver on December 18, 2017. The hearing on that Motion to Dismiss
8 was scheduled for December 12, 2017, but this was later rescheduled to January 9, 2018, on
9 stipulation of the parties, and then later rescheduled to be heard on January 16, 2018, by
10 another stipulation. Millennium restated its bases for dismissing several claims in the litigation
11 against it in its Reply in Support of its Motion to Dismiss dated January 9, 2018. The related
12 hearing on these matters was conducted by Judge Elizabeth Gonzalez on January 16, 2018,
13 who denied the Motion in all respects.

14 The six NHC former directors and officers named specifically in the Original Petition
15 joined together in filing their January 16, 2018, Motion to Dismiss, Alternatively for More Definite
16 Statement, seeking to have the Court dismiss all claims against them for intentional
17 misrepresentation and fraud, negligent misrepresentation, constructive fraud, unjust
18 enrichment, and civil conspiracy, on the basis that the Receiver had not sufficiently articulated
19 her claims under such causes of action in the Original Petition. Counsel for InsureMonkey and
20 Alex Rivlin filed a Limited Joinder to the aforementioned Motion to Dismiss on January 23,
21 2018, stating essentially similar grounds to justify a dismissal of the claims based on
22 “impermissibly vague allegations” relating to them. The hearing on this Motion and its related
23 matters was initially scheduled to occur on February 20, 2018, but was later rescheduled to
24 March 20, 2018, via a stipulation reached between the parties. A second stipulation and
25 proposed order was approved on March 8, 2018, rescheduling the hearing on the motion and
26 joinder to April 24, 2018.

27 The Parties had their mandatory pre-trial conference under Nevada Rule of Civil
28 Procedure 16 on January 23, 2018, in order to establish the applicable deadlines for finalizing

1 discovery, participating in a mandatory settlement conference, and setting forth the provisional
2 schedule for trial. Until otherwise modified, parties have until October 22, 2018, to file motions
3 to amend pleadings or add parties and to designate experts, until November 21, 2018, to
4 designate rebuttal experts, until January 25, 2019, to complete discovery, and until February
5 22, 2019, to file Motions in Limine or other Dispositive Motions. The mandatory settlement
6 conference is scheduled to occur on June 8, 2018, and the jury trial is to begin in earnest on
7 May 20, 2019. Pre-trial memoranda are to be filed no later than May 6, 2019, with a calendar
8 call on May 14, 2019. Motions for approval of an ESI Protocol and a Protective Order were
9 filed on orders shortening time. They are currently scheduled for a hearing on April 3, 2018.

10 **Commencement of Action Against CMS to Settle Questions of Setoff as to Mutual**
11 **Obligations**

12 On March 16, 2017, Counsel for the Receiver filed in the United States District Court for
13 the District of Nevada a Complaint and Demand for Jury Trial (the "Complaint") against the
14 United States Department of Health and Human Services, the Centers for Medicare and
15 Medicaid Services, Thomas E. Price, M.D. in his capacity as the U.S. Secretary of Health and
16 Human Services, and the United States (the "Defendants"). Through this Complaint, the
17 Receiver seeks both judicial review of a final agency action made by Defendants and a
18 declaratory judgment as to Defendants' right to set off any monies claimed against NHC
19 through funds that HHS/CMS is statutorily obligated to pay to NHC. As has been reported to
20 this Court on several occasions, Defendants (via CMS) have provided notice to the Receiver
21 of their termination of the underlying Loan Agreement through which the CO-OP received its
22 funds under the ACA, declaring those loans immediately due and payable. Further, on March
23 6, 2016, HHS/CMS stated that an "administrative hold" on payables due to NHC had been
24 implemented at the request of the U.S. Department of Justice. As part of this chain of events,
25 on September 29, 2016, HHS/CMS claimed that approximately \$7 million had been offset
26 against funds payable to NHC from the outstanding amount of the start-up loan, and
27 prospectively asserted its "right" to offset future payables. As noted above, CMS has since
28

1 notified the SDR on several occasions of additional offsets, and the SDR has sought
2 clarification regarding CMS' accounting.

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

10 Defendants' Motion to Dismiss was filed in that case on June 29, 2017, asserting that
11 the Receiver's claim for declaratory relief fails both for lack of jurisdiction and on the merits.

12 A Stipulation and Order to Extend Briefing Schedule regarding that Motion to Dismiss
13 was filed with the United States District Court for the State of Nevada, with the consent of
14 counsel for both plaintiff and defendants, on August 8, 2017. This stipulation provided that the
15 Receiver shall have up to and including August 28, 2017, to respond to the HHS/CMS motion
16 to dismiss, and HHS/CMS shall have up to and including October 4, 2017, to submit a reply
17 brief. This Stipulation was approved via an order entered August 10, 2017.

18 The Receiver filed her Opposition to Motion to Dismiss on August 28, 2017. The
19 Opposition to Motion to Dismiss, *inter alia*, asserts that not only does the Administrative
20 Procedure Act provide a waiver of sovereign immunity which applies to this action, but that the
21 CMS Loan Agreement contains an express waiver of sovereign immunity under its own terms,
22 insofar as that agreement specifically declares that both parties (HHS/CMS and NHC) consent
23 to the jurisdiction of the federal courts located within Nevada, and courts of appeal therefrom.
24 On October 4, 2017, HHS/CMS filed its Reply in Support of Motion to Dismiss the Complaint,
25 wherein the Court of Federal Claims was again argued to be sole jurisdiction under which the
26 suit may be adjudicated, that any monetary relief provided by that court would adequately
27 address the agency actions NHC complains of, and that sovereign immunity had not been
28 waived under the terms of the CMS Loan Agreement.

1 On December 5, 2017, Plaintiff filed its Initial Case Management Statement and
2 Scheduling Order, proposing a plan and schedule for discovery to be conducted in that case.
3 The next day, Defendants filed their Motion to Deny Plaintiff's Proposed Scheduling Order.
4 The hearing on this contested matter was initially scheduled for December 21, 2017, but was
5 later rescheduled upon stipulation of the parties to January 23, 2018. This hearing was later
6 vacated and continued by minute order of the Court to January 30, 2018, until it was further
7 continued to April 3, 2018, via a second stipulation of the parties dated January 19, 2018, and
8 approved via order dated January 23, 2018. A third stipulation of the parties filed March 14
9 continued the hearing on the Motion to Deny Plaintiff's Proposed Scheduling Order until May
10 15, 2018.

11 On March 30, 2018, the District Court entered an Order granting the Defendants' Motion
12 to Dismiss the Complaint, based on a finding that the Receiver's Complaint ultimately seeks
13 monetary relief that is available exclusively through the Court of Federal Claims. Therefore,
14 the court held, jurisdiction over the claims against CMS and the federal government lies
15 exclusively in the Court of Federal Claims under the Tucker Act. Recourse to the Court of
16 Federal Claims, the Court explained in its Order, was appropriate because Plaintiff could obtain
17 a full remedy for her stated claims, as that court could both award monetary damages as well
18 as prevent setting off further payments under the principle of *res judicata*.

19 **Notice of Claim Determination to CMS**

20 In response to a POC filed by CMS against the NHC receivership estate before
21 expiration of the April 28, 2017, claims filing deadline, a notice of claim determination ("NCD")
22 was issued by the SDR to CMS on June 14, 2017, making the following claim determinations:

- 23 a. CMS claims have priority no higher than NRS § 696B.420(1)(d) ("Class D").
- 24 b. Federal law, including 31 U.S.C. § 3713, does not give CMS a claim priority
25 higher than Class D with respect to NHC's assets or in the NHC liquidation
26 proceeding.
- 27 c. Under federal and state law, including NRS 696B.440, CMS claims may not be
28 properly set off "against debts owed to NHC by the United States."

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

CMS was notified in the June 14, 2017, NCD that its appeal, if any, was due to be filed within sixty (60) days of the notice (*i.e.*, by August 13, 2017). To date, CMS has not provided any responsive appeal. Therefore, pursuant to the Receivership Appeal Procedure ("RAP"), the SDR's June 14, 2017, determination is final and non-appealable.

IRS Penalties Assessed for Data Inaccuracies in Information Filings

The SDR received a notice from the IRS dated October 2, 2017, regarding an unpaid amount of \$491.98 and relating to the Form 720 (quarterly federal excise tax return). The notice threatened to seize NHC's property to satisfy the amount due. The SDR has contacted the IRS regarding this notice and been informed that the notice relates to interest due on NHC's Patient-Centered Outcomes Research Institute ("PCORI") fees. The IRS has filed a POC for this amount, and is aware that NHC is in liquidation. An IRS bankruptcy specialist informed

1 the SDR that a receivership “freeze” will be placed on this item, no seizure of assets is in
2 progress, and no additional notices should be received on this matter.

3 The SDR has received other notices from the IRS seeking to compel the payment of
4 penalties assessed against NHC regarding the submission of erroneous Form 1099 and Tax
5 Information Number data for tax years 2014 and 2015. The Receiver has written separately
6 regarding both tax years, to explain that reasonable cause to withhold the penalty exists and
7 that Treasury regulations insulate assets administered by a Receivership Court from seizure
8 and levy by the IRS. Regarding the 2014 and 2015 penalties, the IRS requested additional
9 documents to support the SDR’s request. The SDR responded with the requested
10 documentation, and the IRS subsequently notified the SDR that there is now \$0.00 owed to the
11 IRS for the 2014 and 2015 penalties.

12 **Resolution of POCs, Provision of NCDs, Appeals**

13 The Receiver has implemented the POC process approved by this Court in its Final
14 Order, and has already conducted general mailings and publication of necessary notices to
15 claimants and other interested parties.

16 The Claims Filing Deadline was April 28, 2017, and the SDR received 141 POCs. Many
17 of these are incomplete or unable to be adjudicated for various other reasons, and the SDR
18 has notified various claimants of claim deficiencies. The SDR will continue adjudicating POCs
19 and developing NCDs in expectation of mailing such determinations after obtaining the
20 necessary approval from this Court.

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

22 It does not appear now that there will be sufficient assets to pay claims beyond those
23 assigned a Class B priority pursuant to NRS 696B.420(1)(b). The SDR has received several
24 POCs that should be assigned to priority classes C through L, pursuant to NRS 696B.420(1)(c)-
25 (l). In such instances, the SDR proposes to send claimants NCDs that determine the priority
26 of their claims is no higher than NRS § 696B.420(1)(c) (“Class C”), which determination will be
27 subject to appeal under the Receivership Appeal Procedure (“RAP”). To conserve the assets
28 of the estate, and per NRS 696B.330(4), the SDR of NHC will refrain from reaching the merits

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

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

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

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

17 **Current Receivership Assets**

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

22 1. Before year-end 2016, the Receiver submitted a reinsurance claim to Partner Re
23 based on 2015 claims information. In April and May 2017, Partner Re paid the Receiver a total
24 of \$787,352.41 in satisfaction of NHC's reinsurance claims, but ultimately adjusted this amount
25 by \$2,196.11 in Partner Re's favor.

26 2. The unrestricted cash assets of the CO-OP have fluctuated with post-
27 receivership expenses and claim payments, as well as with the Receiver's receipt of member
28 premiums. The currently-available, unrestricted cash assets of the CO-OP as of February 28,

2018, were approximately \$5,581,106. The majority of NHC's currently available and liquid assets have been invested in a bond mutual fund, with the remainder of such assets held in bank deposits.

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

4. The Receiver is enclosing, as Exhibit 2 attached hereto, a cash flow report for NHC for the period covering the inception of the receivership through February 28, 2018. This report reflects a summary of disbursements and collections made by NHC during this period.

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 Tenth Status Report and the actions taken by the Receiver.

DATED this 3rd day of April 2018.

Respectfully submitted:

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

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

Respectfully submitted by:

/s/ERIC W. SWANIS

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 3rd day of April 2018, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **TENTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

E-Service Master List

For Case

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EXHIBIT “1”

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February 2, 2018

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

September 1, 2017 - September 30, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2017	22360- 22373	\$146,089.00	\$ 20,807.70	\$166,896.70
Totals (1)		\$146,089.00	\$ 20,807.70	\$166,896.70

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
9/1/17 - 9/30/17**

		Billable Hours	Billable Rate	August 2017 Billing
1	Timekeeper - Patrick H. Cantilo	16.00	\$450.00	\$7,200.00
2	Timekeeper - Mark F. Bennett	83.70	\$375.00	\$31,387.50
3	Timekeeper - Kristen W. Johnson	150.10	\$175.00	\$26,267.50
4	Timekeeper - Josh O. Lively	147.00	\$175.00	\$25,725.00
5	Timekeeper - J. Alex Martin	86.50	\$175.00	\$15,137.50
6	Timekeeper - Arati Bhattacharya	100.40	\$200.00	\$20,080.00
7	Timekeeper - Law Clerks	40.40	\$85.00	\$3,434.00
8	Timekeeper - Isaiah Samaniego	122.30	\$100.00	\$12,230.00
9	TimeKeeper - Pierre Riou	9.90	\$225.00	\$2,227.50
10	TimeKeeper - Jeffrey L. Collins	2.00	\$125.00	\$250.00
	GRAND TOTAL	758.30		\$143,939.00

February 06, 2018
8:54 am

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

Page 1
[cs1c]

Work Date 09/01/2017:09/30/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,520.00	0.00	1,520.00
	LX1E LEXIS	0.00	11,297.28	0.00	11,297.28
	MT1A MISCELLANEOUS	0.00	132.50	0.00	132.50
	PK1A PARKING	0.00	346.75	0.00	346.75
	PO1E POSTAGE	0.00	17.69	0.00	17.69
	TA1A TRAVEL-AIRFARE	0.00	1,883.76	0.00	1,883.76
	TE1A TRANSPORTATION EXPENSE	0.00	1,491.77	0.00	1,491.77
	TH1A TRAVEL-HOTEL	0.00	2,354.33	0.00	2,354.33
	TL2E TELEPHONE	0.00	1,753.07	0.00	1,753.07
	TS1A TELEPHONE CHARGES	0.00	10.55	0.00	10.55
	Sub Total ()	0.00	20,807.70	0.00	20,807.70
	Grand Total	0.00	20,807.70	0.00	20,807.70

0572

February 06, 2018
8:43 am

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

Page 1
[pr 3]

Work Date 09/01/2017:09/30/2017
Client ID 70750

TimeKeeper		Hours	Fees	Rate	NC Hours	NC Fees
MFB	MARK F. BENNETT					
70750	Nevada Health CO-OP					
70750002	Legal	3.20	1,200.00	375.00	0.00	0.00
70750003	Claims	1.05	393.75	375.00	0.00	0.00
70750004	Financial Matters	5.00	1,875.00	375.00	0.00	0.00
70750006	Provider Issues	0.45	168.75	375.00	0.00	0.00
70750007	Member Issues	5.55	2,081.25	375.00	0.00	0.00
70750008	Company Administration	14.90	5,587.50	375.00	0.00	0.00
70750010	CMS	4.55	1,706.25	375.00	0.00	0.00
70750015	Tax Issues	2.50	937.50	375.00	0.00	0.00
70750100	Asset Recovery	46.50	17,437.50	375.00	0.00	0.00
	Sub Total (MFB)	83.70	31,387.50	375.00	0.00	0.00*
ABS	ARATI BHATTACHARYA					
70750	Nevada Health CO-OP					
70750001	Takeover Adminlstration	100.40	20,080.00	200.00	0.00	0.00
	Sub Total (ABS)	100.40	20,080.00	200.00	0.00	0.00*
PHC	PATRICK H. CANTILO					
70750	Nevada Health CO-OP					
70750004	Financial Matters	1.00	450.00	450.00	0.00	0.00
70750008	Company Administration	1.50	675.00	450.00	0.00	0.00
70750100	Asset Recovery	13.50	6,075.00	450.00	0.00	0.00
	Sub Total (PHC)	16.00	7,200.00	450.00	0.00	0.00*
JLC	JEFFREY L. COLLINS					
70750	Nevada Health CO-OP					
70750102	NHC vs. CMS Litigation	2.00	250.00	125.00	0.00	0.00
	Sub Total (JLC)	2.00	250.00	125.00	0.00	0.00*
KWJ	KRISTEN W. JOHNSON					
70750	Nevada Health CO-OP					
70750001	Takeover Administration	150.10	26,267.50	175.00	0.00	0.00
	Sub Total (KWJ)	150.10	26,267.50	175.00	0.00	0.00*
KTO	KYLE T. OSBORN					
70750	Nevada Health CO-OP					
70750001	Takeover Administration	26.70	2,269.50	85.00	0.00	0.00
70750100	Asset Recovery	13.70	1,164.50	85.00	0.00	0.00
	Sub Total (KTO)	40.40	3,434.00	85.00	0.00	0.00*
JOL	JOSHUA O. LIVELY					
70750	Nevada Health CO-OP					
70750001	Takeover Administration	28.00	4,900.00	175.00	0.00	0.00
70750002	Legal	14.00	2,450.00	175.00	0.00	0.00
70750008	Company Administration	35.50	6,212.50	175.00	0.00	0.00
70750100	Asset Recovery	69.50	12,162.50	175.00	0.00	0.00
	Sub Total (JOL)	147.00	25,725.00	175.00	0.00	0.00*
JAM	JAMES A. MARTIN					
70750	Nevada Health CO-OP					
70750100	Asset Recovery	86.50	15,137.50	175.00	0.00	0.00
	Sub Total (JAM)	86.50	15,137.50	175.00	0.00	0.00*
PJR	PIERRE J. RIOU					
70750	Nevada Health CO-OP					
70750002	Legal	9.90	2,227.50	225.00	0.00	0.00
	Sub Total (PJR)	9.90	2,227.50	225.00	0.00	0.00*
IXS	ISAIAH SAMANIEGO					
70750	Nevada Health CO-OP					
70750008	Company Administration	122.30	12,230.00	100.00	0.00	0.00
	Sub Total (IXS)	122.30	12,230.00	100.00	0.00	0.00*
Grand Total		758.30	143,939.00	189.82	0.00	0.00

CANTILO & BENNETT, L.L.P.

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

11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758
www.cb-firm.com

Facsimile: (512) 404-6550

February 22, 2018

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

October 1, 2017 - October 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
October 2017	22405- 22416	\$186,081.25	\$ 9,139.19	\$195,220.44
Totals (1)		\$186,081.25	\$ 9,139.19	\$195,220.44

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
10/1/17 - 10/31/17**

		Billable Hours	Billable Rate	August 2017 Billing
1	Timekeeper - Patrick H. Cantilo	40.10	\$450.00	\$18,045.00
2	Timekeeper - Mark F. Bennett	107.85	\$375.00	\$40,443.75
3	Timekeeper - Kristen W. Johnson	170.70	\$175.00	\$29,872.50
4	Timekeeper - Josh O. Lively	176.00	\$175.00	\$30,800.00
5	Timekeeper - J. Alex Martin	104.25	\$175.00	\$18,243.75
6	Timekeeper - Jose M. Rangel	13.25	\$300.00	\$3,975.00
7	Timekeeper - Arati Bhattacharya	133.00	\$200.00	\$26,600.00
8	Timekeeper - Law Clerks	23.50	\$85.00	\$1,997.50
9	Timekeeper - Isaiah Samaniego	143.75	\$100.00	\$14,375.00
10	TimeKeeper - Pierre Riou	3.10	\$225.00	\$697.50
11	TimeKeeper - Jeffrey L. Collins	8.25	\$125.00	\$1,031.25
	GRAND TOTAL	923.75		\$186,081.25

February 22, 2018
10:50 am

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

Page 1
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Work Date 10/01/2017:10/31/2017
Client ID 70750

TimeKeeper		Hours	Fees	Rate	NC Hours	NC Fees
MFB MARK F. BENNETT						
70750 Nevada Health CO-OP						
70750002 Legal		5.55	2,081.25	375.00	0.00	0.00
70750003 Claims		2.40	900.00	375.00	0.00	0.00
70750004 Financial Matters		7.25	2,718.75	375.00	0.00	0.00
70750007 Member Issues		1.95	731.25	375.00	0.00	0.00
70750008 Company Administration		6.65	2,493.75	375.00	0.00	0.00
70750100 Asset Recovery		78.00	29,250.00	375.00	0.00	0.00
70750102 NHC vs. CMS Litigation		6.05	2,268.75	375.00	0.00	0.00
Sub Total (MFB)		107.85	40,443.75	375.00	0.00	0.00*
ABS ARATI BHATTACHARYA						
70750 Nevada Health CO-OP						
70750001 Takeover Administration		133.00	26,600.00	200.00	0.00	0.00
Sub Total (ABS)		133.00	26,600.00	200.00	0.00	0.00*
PHC PATRICK H. CANTILO						
70750 Nevada Health CO-OP						
70750003 Claims		0.50	225.00	450.00	0.00	0.00
70750004 Financial Matters		0.80	360.00	450.00	0.00	0.00
70750008 Company Administration		1.50	675.00	450.00	0.00	0.00
70750015 Tax Issues		0.30	135.00	450.00	0.00	0.00
70750100 Asset Recovery		32.00	14,400.00	450.00	0.00	0.00
70750102 NHC vs. CMS Litigation		5.00	2,250.00	450.00	0.00	0.00
Sub Total (PHC)		40.10	18,045.00	450.00	0.00	0.00*
JLC JEFFREY L. COLLINS						
70750 Nevada Health CO-OP						
70750102 NHC vs. CMS Litigation		8.25	1,031.25	125.00	0.00	0.00
Sub Total (JLC)		8.25	1,031.25	125.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON						
70750 Nevada Health CO-OP						
70750001 Takeover Administration		170.70	29,872.50	175.00	0.00	0.00
Sub Total (KWJ)		170.70	29,872.50	175.00	0.00	0.00*
KTO KYLE T. OSBORN						
70750 Nevada Health CO-OP						
70750001 Takeover Administration		15.00	1,275.00	85.00	0.00	0.00
70750002 Legal		0.50	42.50	85.00	0.00	0.00
70750100 Asset Recovery		8.00	680.00	85.00	0.00	0.00
Sub Total (KTO)		23.50	1,997.50	85.00	0.00	0.00*
JOL JOSHUA O. LIVELY						
70750 Nevada Health CO-OP						
70750001 Takeover Administration		4.50	787.50	175.00	0.00	0.00
70750002 Legal		14.00	2,450.00	175.00	0.00	0.00
70750003 Claims		4.00	700.00	175.00	0.00	0.00
70750004 Financial Matters		3.50	612.50	175.00	0.00	0.00
70750008 Company Administration		16.50	2,887.50	175.00	0.00	0.00
70750100 Asset Recovery		133.50	23,362.50	175.00	0.00	0.00
Sub Total (JOL)		176.00	30,800.00	175.00	0.00	0.00*
JAM JAMES A. MARTIN						
70750 Nevada Health CO-OP						
70750100 Asset Recovery		104.25	18,243.75	175.00	0.00	0.00
Sub Total (JAM)		104.25	18,243.75	175.00	0.00	0.00*
JMR JOSE M. RANGEL						
70750 Nevada Health CO-OP						
70750100 Asset Recovery		13.25	3,975.00	300.00	0.00	0.00
Sub Total (JMR)		13.25	3,975.00	300.00	0.00	0.00*
PJR PIERRE J. RIOU						
70750 Nevada Health CO-OP						
70750002 Legal		1.50	337.50	225.00	0.00	0.00
70750100 Asset Recovery		1.60	360.00	225.00	0.00	0.00

February 22, 2018
10:50 am

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

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Work Date 10/01/2017:10/31/2017
Client ID 70750

TimeKeeper	Hours	Fees	Rate	NC Hours	NC Fees
Sub Total (PJR)	3.10	697.50	225.00	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750 Nevada Health CO-OP					
70750008 Company Administration	143.75	14,375.00	100.00	0.00	0.00
Sub Total (IXS)	143.75	14,375.00	100.00	0.00	0.00*
Grand Total	923.75	186,081.25	201.44	0.00	0.00

February 22, 2018
4:36 pm

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

Work Date 10/01/2017:10/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,152.00	0.00	1,152.00
	FD1A FEDERAL EXPRESS	0.00	27.98	0.00	27.98
	LX1E LEXIS	0.00	153.55	0.00	153.55
	MT1A MISCELLANEOUS	0.00	50.00	0.00	50.00
	PK1A PARKING	0.00	124.45	0.00	124.45
	PO1E POSTAGE	0.00	22.96	0.00	22.96
	SU1A SUPPLIES	0.00	10.66	0.00	10.66
	TA1A TRAVEL-AIRFARE	0.00	2,180.84	0.00	2,180.84
	TE1A TRANSPORTATION EXPENSE	0.00	1,339.69	0.00	1,339.69
	TH1A TRAVEL-HOTEL	0.00	1,844.16	0.00	1,844.16
	TL2E TELEPHONE	0.00	2,232.90	0.00	2,232.90
	Sub Total ()	0.00	9,139.19	0.00	9,139.19
	Grand Total	0.00	9,139.19	0.00	9,139.19

11401 Century Oaks Terrace
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Austin, Texas 78758



PALOMAR FINANCIAL, LC

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Toll Free (877) 309-7105
www.palomarfin.com

February 5, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

September 1, 2017 – September 31, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2017	\$18,785.00	\$0.00	\$18,785.00
Totals (1)	\$18,785.00	\$0.00	\$18,785.00

Palomar Financial, LC

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

		Billable Hours	Billable Rate	September 2017 Billing
1	TIME KEEPER - Nicole Wilkins	26.25	\$250.00	\$6,562.50
2	TIME KEEPER - Robert Stebel	1.50	\$160.00	\$240.00
3	TIME KEEPER - Burnett Wallace	21.80	\$150.00	\$3,270.00
4	TIME KEEPER - Neda Khalaf	27.50	\$160.00	\$4,400.00
5	TIME KEEPER - Susan Roehm	7.00	\$150.00	\$1,050.00
6	TIME KEEPER - Gayathri Sivadasan	21.75	\$150.00	\$3,262.50
	GRAND TOTAL	105.80		\$18,785.00

Palomar Financial, LC
09/01/2017-09/30/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.60	\$ 400.00
		Payroll & Employee Benefits	12.05	\$ 3,012.50
		Accounts Payable and Receivable	10.25	\$ 2,562.50
		Bank Account Administration/Reconciliation	2.35	\$ 587.50
		Sub Total (NMW)	26.25	\$ 6,562.50
RNS	Robert Stebel	Investment Accounting/Support	0.50	\$ 80.00
		Regulatory Responses/Compliance	0.75	\$ 120.00
		Other	0.25	\$ 40.00
		Sub Total (RNS)	1.50	\$ 240.00
BAW	Burnett Wallace	Payroll & Employee Benefits	21.80	\$ 3,270.00
		Sub Total (BAW)	21.80	\$ 3,270.00
NK	Neda Khalaf	Accounts Payable and Receivable	27.50	\$ 4,400.00
		Sub Total (NK)	27.50	\$ 4,400.00
SER	Susan Roehm	Reports/Replies to Policyholders, Creditors, Other Parties	7.00	\$ 1,050.00
		Sub Total (SER)	7.00	\$ 1,050.00
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	6.75	\$ 1,012.50
		Accounts Payable and Receivable	15.00	\$ 2,250.00
		Sub Total (GS)	21.75	\$ 3,262.50
Grand Total			105.80	\$ 18,785.00

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Austin, Texas 78758



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www.palomarfin.com

February 22, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

October 1, 2017 – October 31, 2017

Matter No. and Description	Fees	Costs	Total
October 2017	\$20,720.00	\$0.00	\$20,720.00
Totals (1)	\$20,720.00	\$0.00	\$20,720.00

Palomar Financial, LC

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

		Billable Hours	Billable Rate	October 2017 Billing
1	TIME KEEPER - Nicole Wilkins	19.05	\$250.00	\$4,762.50
2	TIME KEEPER - Robert Stebel	3.50	\$160.00	\$560.00
3	TIME KEEPER - Burnett Wallace	23.10	\$150.00	\$3,465.00
4	TIME KEEPER - Neda Khalaf	30.75	\$160.00	\$4,920.00
5	TIME KEEPER - Susan Roehm	5.25	\$150.00	\$787.50
6	TIME KEEPER - Gayathri Sivadasan	41.50	\$150.00	\$6,225.00
	GRAND TOTAL	123.15		\$20,720.00

Palomar Financial, LC
10/01/2017-10/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.80	\$ 700.00
		Payroll & Employee Benefits	6.85	\$ 1,712.50
		Accounts Payable and Receivable	6.45	\$ 1,612.50
		Bank Account Administration/Reconciliation	2.95	\$ 737.50
		Sub Total (NMW)	19.05	\$ 4,762.50
RNS	Robert Stebel	Regulatory Responses/Compliance	0.75	\$ 120.00
		Other	2.75	\$ 440.00
		Sub Total (RNS)	3.50	\$ 560.00
BAW	Burnett Wallace	Payroll & Employee Benefits	23.10	\$ 3,465.00
		Sub Total (BAW)	23.10	\$ 3,465.00
NK	Neda Khalaf	Accounts Payable and Receivable	30.75	\$ 4,920.00
		Sub Total (NK)	30.75	\$ 4,920.00
SER	Susan Roehm	Accounting Reports/Receivership Team Support	3.00	\$ 450.00
		IT Support & Administration	2.25	\$ 337.50
		Sub Total (SER)	5.25	\$ 787.50
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	16.50	\$ 2,475.00
		Accounts Payable and Receivable	25.00	\$ 3,750.00
		Sub Total (GS)	41.50	\$ 6,225.00
	Grand Total		123.15	\$ 20,720.00



Invoice No. : 4636608
File No. : 170678.010100
Bill Date : November 10, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through October 31, 2017:

Total Fees: \$ 65,005.50

Expenses:

Conference Calls	4.55
Filing Fees	31.50
Local Travel	139.02
Messenger/Courier Services	3,175.00
Travel and Lodging Out of Town	812.46

Total Expenses: \$ 4,162.53

Current Invoice: \$ 69,168.03

MEF:TKK
Tax ID: 13-3613083

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

0585



Invoice No.: 4655307
File No. : 170678.010100
Bill Date : December 5, 2017

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through November 30, 2017:

Total Fees: \$ 56,719.50

Expenses:

Filing Fees 14.00
Messenger/Courier Services 277.00

Total Expenses: \$ 291.00

Current Invoice: \$ 57,010.50

MEF:TKK
Tax ID: 13-3613083

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

0586



Invoice No.: 4679869
File No.: 170678.010100
Bill Date: January 11, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through December 31, 2017:

Total Fees: \$ 78,638.50

Expenses:

Filing Fees
Professional & Legal

484.50
17,339.82

Total Expenses: \$ 17,824.32

Current Invoice: \$ 96,462.82

MEF:TKK
Tax ID: 13-3613083

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

0587



Invoice No. : 4680948
File No. : 170678.010200
Bill Date : January 11, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Barbara Richardson
Cantilo & Bennett

INVOICE

Re: Nevada Health Co-Op/adv. Yiming Wu

Legal Services through December 31, 2017:

Total Fees:	\$	96.00
Current Invoice:	\$	<u>96.00</u>

EWS:TKK
Tax ID: 13-3613083



Invoice No.: 4706662
File No. : 170678.010100
Bill Date : February 16, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through January 31, 2018:

Total Fees: \$ 46,041.50

Expenses:

Deposition/Court Reporters	464.00
Filing Fees	3.50
Messenger/Courier Services	133.75

Total Expenses: \$ 601.25

Current Invoice: \$ 46,642.75

MEF:TKK
Tax ID: 13-3613083

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

0589



Invoice Remittance

Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

October 23, 2017
FTI Invoice No. 7459946
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through September 30, 2017

Amount Due This Period

Professional Services	\$360.00
Expenses	<u>\$0.00</u>
Total Amount Due	<u>\$360.00</u>



Invoice Remittance

Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

March 15, 2018
FTI Invoice No. 7472553
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through February 28, 2018

Amount Due This Period

Professional Services	\$720.00
Expenses	<u>\$0.00</u>
Total Amount Due	<u>\$720.00</u>

Phone: 504-849-7000
Fax: 504-849-7001



Invoice Number:
1398

Invoice Date:
Nov 1, 2017

Page:
1

Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

10. Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			12/1/17

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of October 2017 (see attached for details)		1,600.00

Subtotal	1,600.00
Sales Tax	
Amount	1,600.00
Applied	
TOTAL	1,600.00

Check/Credit Memo No:

Total Invoice Amount	1,600.00
Payment/Credit Applied	

TOTAL	1,600.00
--------------	----------

0592

D'Antonio Technologies, L.L.C.
4300 South I-10 Service Road
Suite 101A
Metairie, LA 70001

Phone: 504-849-7000
Fax: 504-849-7001



Invoice
Invoice Number:
1403

Invoice Date:
Dec 1, 2017

Page:
1

Sold To:

Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Ship To:

Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			12/31/17

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of November 2017 (see attached for details)		1,400.00

Check/Credit Memo No:

Subtotal	1,400.00
Sales Tax	
Total Invoice Amount	1,400.00
Payment/Credit Applied	
TOTAL	1,400.00

0593

D'Antonio Technologies, L.L.C.
4300 South I-10 Service Road
Suite 101A
Metairie, LA 70001

Phone: 504-849-7000
Fax: 504-849-7001



Invoice
Invoice Number:
1413

Invoice Date:
Feb 1, 2018

Page:
1

Sold To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Ship To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			3/3/18

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of January 2018 (see attached for details)		550.00

	Subtotal	550.00
	Sales Tax	
	Total Invoice Amount	550.00
Check/Credit Memo No:	Payment/Credit Applied	
	TOTAL	550.00

0595

D'Antonio Technologies, L.L.C.
4300 South I-10 Service Road
Suite 101A
Metairie, LA 70001

Phone: 504-849-7000
Fax: 504-849-7001



Invoice
Invoice Number:
1418

Invoice Date:
Mar 1, 2018

Page:
1

Sold To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Ship To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

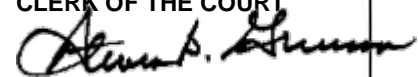
Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			3/31/18

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of February 2018 (see attached for details)		5,150.00

	Subtotal	5,150.00
	Sales Tax	
	Total Invoice Amount	5,150.00
Check/Credit Memo No:	Payment/Credit Applied	
	TOTAL	5,150.00

TAB 21

TAB 21



SR

MARK E. FERRARIO, ESQ.
Nevada Bar No. 1625
ERIC W. SWANIS, ESQ.
Nevada Bar No. 6840
GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002
Emails: ferrariom@gtlaw.com
swanise@gtlaw.com
Counsel for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

IN THE EIGHTH JUDICIAL DISTRICT COURT
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.)	

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

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

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

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

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

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

10 II. RECEIVERSHIP ADMINISTRATION

11 Receivership Administrative Services and Oversight

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

18
19 ¹ The portions of billing entries that are being filed/submitted for *in camera* inspection are specifically
identified by Bates number herein. The *in camera* materials are being submitted in a separate envelope.

20 Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made
21 part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this matter
are providing expert witness related services. As such, the billing entries relating thereto should be considered
22 confidential and/or otherwise not subject to discovery.

23 In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal
discovery and are not subject to legal disclosure, as this information may provide indications or context concerning
24 potential litigation strategy and the nature of the expert services being provided. See, e.g., *Avnet, Inc. v. Avana
Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that
25 billing entries were privileged because they reveal a party's strategy and the nature of services provided); *Fed.
Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information
26 revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue
have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent
27 that they reveal litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D.
211, 213 (N.D. Cal. 1986).

28 The *in-camera* review should apply not only to documentation concerning attorneys' fees, but it also
extends to "details of work revealed in [an] expert's work description [which] would relate to tasks for which she
[or he] was compensated[.]" a situation which is "analogous to protecting attorney-client privileged information

Resolution of Outstanding Receivership Matters

Pre-Liquidation Claims Adjudications and Claims Solidification

NHC's staff continues the process of claims adjudications. At this point, new claims are only accepted for review if the claimant can show proof of timely filing (*i.e.*, proof that the claim was previously submitted in advance of the Receiver's Claims Filing Deadline).

The Receiver has coordinated with those plan members who were reported to collection agencies by healthcare providers and facilities, or who were being sought for payment based on the receivership estate's obligations. In cases where collection efforts have taken place in violation of the Permanent Receivership Order, NHC staff members contact those providers and any related collection agencies to inform them of the Permanent Receivership Order and its moratorium on the payment of health claims. When necessary, the SDR has also sent letters to such providers to advise them that their direct collection actions violate the Permanent Receivership Order and may justify receivership remedies against them.

Continuation of Mandatory Regulatory Reporting to CMS

As explained in prior status reports, the Receiver and SDR have submitted essential data for the various regulatory reporting processes required for CO-OPs under the ACA, and NHC fulfills ongoing requirements as may be applicable. The Receiver is working to resolve CMS matters to collect amounts due under the various federal receivables programs.

NHC is owed payments relating to several such programs, including: Cost Sharing Reduction ("CSR") Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and Risk Corridors. The expected receipt of these federal receivables may be a key part of any future claim payments by NHC. The non-receipt of substantially all federal accounts payable for plan year 2015, and a material portion of accounts payable for plan year 2014, has greatly diminished NHC's assets and, therefore, its claims-paying ability to make any distributions.

contained in counsel's bills describing work performed." See *DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016); see also *Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the specific nature of the services provided, such as researching particular areas of law," are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

1 CMS has maintained the position that any monies deemed owed to NHC (*i.e.*, the
2 receivership estate) are to be set off against the amounts CMS asserts it is owed under the
3 start-up loan to NHC. CMS has so far made offsets against accounts payable to NHC against
4 much of the outstanding balance of the start-up loan. The SDR sent a letter to CMS to request
5 a detailed, cumulative accounting of all offsets applied to date so that the SDR could review
6 CMS' accounting of charges and offsets applied to NHC's accounts payable. The SDR
7 received such an accounting and reviewed it in detail. The SDR sent a follow-up letter to CMS,
8 via counsel at the Department of Justice, to request clarification of several items in the prior
9 accounting, as well as to request an updated accounting (to include any subsequent offsets).
10 The SDR has recently received a response from CMS, including an updated cumulative
11 accounting of all offsets applied to date. The SDR is currently reviewing these materials.

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

13 NHC Risk Adjustment and Federal Transitional Reinsurance data was submitted to CMS
14 on May 2, 2016. On June 30, 2016, CMS released its Summary Report on Transactional
15 Reinsurance and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.² Per the
16 report, for coverage year 2015, the CO-OP is owed a Federal Transitional Reinsurance
17 payment of \$8,842,009.69 and net Risk Adjustment transfer of \$4,532,560.29. The 2015
18 Federal Transitional Reinsurance payment amount increased by \$4,601.65 to \$8,846,611.34
19 in the December 6, 2016, Amendment to the Summary Report on Transitional Reinsurance
20 Payments and Permanent Risk Adjustment Transfers for the 2015 Benefit Year.³

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

27 ² Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/June-30-2016-RA-and-RI-Summary-Report-5CR-063016.pdf>.

28 ³ Available at: https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/DDC_RevisedJune30thReport_v2_5CR_120516.pdf.

Regarding the 2015 Risk Corridors, CMS has confirmed that NHC is owed \$29.9 million for its individual market and \$3.75 million for its small group market.⁴ However, CMS claims to have no funds available to pay 2015 Risk Corridors at this time, and it has announced that all 2015 and 2016 benefit year collections will be used towards remaining 2014 benefit year risk corridors balances.⁵ Due to a shortfall in risk corridor collections, CMS was initially able to pay only a prorated 12.6% of all 2014 Risk Corridors payments due to issuers. In November 2016, CMS announced an additional expected payment toward NHC's 2014 Risk Corridor of \$355,443.99. Likewise, in November 2017, CMS announced an additional expected payment toward NHC's 2014 Risk Corridor of \$93,079.06. The CO-OP is still owed over \$9.4 million for unpaid 2014 Risk Corridors.

The receipt of the aforementioned federal receivables, and specifically the Risk Corridor amounts, has likely been forestalled by the recent decision rendered by a judicial panel of the United States Court of Appeals for the Federal Circuit in the case of Moda Health Plan, Inc. v. United States, No. 2017-1994 (Decided June 14, 2018). The effect and implications of this decision are discussed in the below section of this Status Report addressing the Receiver's own litigation against HHS/CMS.

Use of Third-Party Contractors as Part of Business Operations

The Receiver utilizes the services of several third-party contractors that had been engaged before commencement of the receivership, and some of them (*i.e.*, Eldorado, Redcard, and Indegene) were engaged after the receivership commenced to assist in management of NHC's affairs. The Receiver has also subsequently engaged the services of some third-party contractors (*i.e.*, Jacobson and ADP) to perform administrative and support services to assist the administration of the Company.

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

⁴ DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES ("CMS"), CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT YEAR (November 18, 2016) (available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>).

⁵ *Id.*; CMS, CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2016 BENEFIT YEAR (November 15, 2017) (available at <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

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

3 2. The Jacobson Group, to provide claims and customer service staffing support.

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

6 4. ADP, to provide payroll support and processing for employee compensation and
7 benefits.

8 5. Indegene Healthcare, LLC to provide analytical and data services for 2014 and
9 2015 risk adjustment calculations.

10 **Consulting Expert Retained**

11 The Receiver has retained D'Antonio Technologies ("D'Antonio") to provide information
12 technology consulting expert services for the tracking and sorting of data, assembling of data
13 for electronic discovery, and other consulting services involving the Company's technology
14 systems. Thus far, the Receiver has paid \$16,550 for D'Antonio's consulting services. It is
15 anticipated that D'Antonio's services will be necessary during the duration of the pending
16 litigation involving NHC. Depending on the length and complexity of NHC's litigation with other
17 parties, D'Antonio's total costs may range from another \$50,000 to \$175,000. This cost
18 projection is a very rough estimate that may change depending on factors that are beyond the
19 Receiver's control, including issues with the quality of data, issues with analyzing data, and
20 issues with retrieving data for discovery requests. The Receiver will continue to evaluate
21 D'Antonio's services and may further revise these projections based on new developments and
22 circumstances.

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

24 NHC maintains staff to address calls from interested parties regarding the proof of claim
25 ("POC") process, other claim matters, and the collection of assets for the receivership. The
26
27
28

1 Receiver has refunded premium overpayments to members since such overpayments were
2 not funds to which NHC was entitled and are therefore outside the normal claim process.

3 The wind down of NHC's 401(k) retirement plan is nearly complete, with the distribution
4 of funds to participating employees having taken place over the first half of 2018. The assets
5 have either been transferred to the former participants' accounts at their election, or, in the
6 case that a participant neglected to elect a distribution option, have been placed into Individual
7 Retirement Accounts with Principal Bank, outside of NHC's retirement plan. The SDR, having
8 received from the IRS the necessary determination letter advising that the wind-down process
9 does not implicate federal tax obligations, will soon file the 2017 Form 5500 annual return with
10 the IRS.

11 The Receiver also maintains an office for NHC's essential office staff.⁶

12 **Commencement of Action Against Various Professionals and Other Firms Who**
13 **Performed Services for and on Behalf of NHC**

14 On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a
15 complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-
16 party vendors, and professional service firms which are alleged to have contributed to NHC's
17 current hazardous financial condition by, among other things, failing to adhere to applicable
18 standards of professional care and requirements imposed by law, misrepresentation
19 concerning quality and standard of care for services performed, and breaches of contract, duty,
20 and implied covenants of good faith and fair dealing.

21 The complaint names, among others, NHC's former actuaries, accountants, auditors,
22 and providers of certain business operations and utilization review services, as well as those
23 individuals who specifically performed, or who were in the role of supervising the performance
24 of, those services. The Complaint also names several of NHC's former directors and executive
25 management.

26 On September 14, 2017, Counsel for the Receiver filed with this Court a Motion to
27 Coordinate Cases, seeking a coordination of that case and the overarching receivership action

28 ⁶ Currently, NHC maintains fifteen full-time employees and one part-time employee.

1 being supervised by this Court on grounds that the case constitutes an asset recovery action,
2 an integral part of the resolution of the receivership that merits continued supervision by this
3 Court. An opposition to the Motion to Coordinate Cases was filed by Milliman, and
4 subsequently joined by Nevada Health Solutions, InsureMonkey, Larson, and many of the
5 former directors and officers of NHC. By an order dated December 8, 2017, this Court denied
6 Plaintiff's Motion to Coordinate Cases.

7 A request to reassign this case to the Business Court on the grounds that the action
8 involves the alleged commission of torts related to business was filed September 28, 2017.
9 Ultimately, Judge Kathleen Delaney has been assigned the case.

10 Milliman filed its Motion to Compel Arbitration on November 6, 2017, a motion which
11 was challenged by the December 11, 2017, filing of Plaintiff's Opposition to Milliman's Motion
12 to Compel Arbitration. The hearing to address this issue was scheduled for December 12,
13 2017, but had been reset for a hearing on January 9, 2018. Milliman would again state its
14 bases to compel arbitration of those matters raised in the instant litigation via a reply dated
15 January 3, 2018. This motion and related briefing were heard by Judge Kathleen Delaney on
16 January 9, 2018. The related Order Granting Milliman's Motion to Compel Arbitration, dated
17 March 12, 2018, held that a requirement to arbitrate in the pre-receivership agreements
18 between NHC and Milliman did apply to the Receiver's claims against Milliman. The Receiver
19 has filed a Motion for Reconsideration of the Milliman arbitration ruling, dated March 29, 2018.

20 The Motion for Reconsideration sought review of the prior judgment compelling
21 arbitration on various grounds.

22 Via an Opposition to Plaintiff's Motion for Reconsideration filed April 16, 2018, Milliman
23 sought to challenge the Receiver's effort to avoid compelled arbitration, largely restating the
24 grounds set forth in Milliman's original November 6, 2017, Motion to Compel Arbitration. The
25 Receiver filed her Reply in Support of Motion for Reconsideration on April 24, 2018. On May
26 1, 2018, argument on the Motion for Reconsideration was heard by Judge Delaney, who
27 subsequently ordered the proceedings continued to May 29, 2018, and requested more briefing
28 from the parties on the most relevant legal questions underlying the Motion for Reconsideration.

1 This further requested briefing has since been submitted, and as of the date of filing of this
2 Eleventh Status Report, a hearing has been reset to July 10, 2018.

3 Millennium filed a Motion to Dismiss on October 26, 2017, and an opposition to such
4 motion was filed by the Receiver on December 18, 2017. The hearing on that Motion to Dismiss
5 was scheduled for December 12, 2017, but this was later rescheduled to January 9, 2018, on
6 stipulation of the parties, and then later rescheduled to be heard on January 16, 2018, by
7 another stipulation. Millennium restated its bases for dismissing several claims in the litigation
8 against it in its Reply in Support of its Motion to Dismiss dated January 9, 2018. The related
9 hearing on these matters was conducted by Judge Elizabeth Gonzalez on January 16, 2018,
10 who denied the Motion in all respects.

11 The six NHC former directors and officers named specifically in the Original Petition
12 joined together in filing their January 16, 2018, Motion to Dismiss, Alternatively for More Definite
13 Statement, seeking to have the Court dismiss all claims against them for intentional
14 misrepresentation and fraud, negligent misrepresentation, constructive fraud, unjust
15 enrichment, and civil conspiracy, on the basis that the Receiver had not sufficiently articulated
16 her claims under such causes of action in the Original Petition. Counsel for InsureMonkey and
17 Alex Rivlin filed a Limited Joinder to the aforementioned Motion to Dismiss on January 23,
18 2018, stating essentially similar grounds to justify a dismissal of the claims based on
19 "impermissibly vague allegations" relating to them. The hearing on this Motion and its related
20 matters was initially scheduled to occur on February 20, 2018, but was later rescheduled to
21 March 20, 2018, via a stipulation reached between the parties. As litigation has continued on
22 this Motion, the Court has granted several stipulations between the parties to reset the date of
23 the hearing, which is now scheduled for July 24, 2018.

24 InsureMonkey and Mr. Rivlin filed their Motion for Summary Judgment and Declaratory
25 Relief on June 5, 2018, claiming that all of the Receiver's tort claims against both InsureMonkey
26 and Alex Rivlin are time-barred pursuant to Nevada law and by private contract. Further,
27 InsureMonkey and Rivlin argue that certain contractual provisions limit any potential recovery
28 against them to twice the total expected value of fees paid by the CO-OP. On June 22, 2018,

1 the Receiver filed Plaintiff's Opposition to InsureMonkey, Inc. and Alex Rivlin's Motion for
2 Summary Judgment and Declaratory Relief, setting forth the legal and factual grounds for
3 rejecting InsureMonkey and Rivlin's position. A hearing on this Motion by Judge Kathleen
4 Delaney is currently scheduled for July 10, 2018.

5 The Parties had their mandatory pre-trial conference under Nevada Rule of Civil
6 Procedure 16 on January 23, 2018, in order to establish the applicable deadlines for finalizing
7 discovery, participating in a mandatory settlement conference, and setting forth the provisional
8 schedule for trial. Until otherwise modified, parties have until October 22, 2018, to file motions
9 to amend pleadings or add parties and to designate experts, until November 21, 2018, to
10 designate rebuttal experts, until January 25, 2019, to complete discovery, and until February
11 22, 2019, to file Motions in Limine or other Dispositive Motions. The mandatory settlement
12 conference was scheduled to occur, and did occur, on June 8, 2018, and the jury trial is to
13 begin on May 20, 2019. No settlements were reached during the settlement conference. Pre-
14 trial memoranda are to be filed no later than May 6, 2019, with a calendar call on May 14, 2019.
15 Motions for approval of an ESI Protocol and a Protective Order were filed on orders shortening
16 time. They were scheduled for a hearing on April 3, 2018, and were subsequently approved
17 by judicial order dated May 16, 2018.

18 **Moda Health Plan, Inc. v. United States**

19 On June 14, 2018, in the case entitled Moda Health Plan, Inc. v. United States, case
20 number 2017-1994, a judicial panel of the United States Court of Appeals for the Federal Circuit
21 rendered judgment against Moda Health Plan, another ACA CO-OP, and its claims against the
22 federal government under section 1342 of the ACA, which specifically provides for the
23 payments of certain calculated amounts under the CO-OP Risk Corridors program. In that
24 Court's words, "the government contends that appropriations riders on the fiscal years in which
25 payments from the risk corridors program came due limited the government's obligation to the
26 amount of payments in." That Court further held that "[a]lthough we agree with Moda that
27 section 1342 obligated the government to pay the full amount of risk corridors payments
28 according to the formula it set forth, we hold that the riders on the relevant appropriations

1 effected a suspension of that obligation for each of the relevant years.” Moda Health Plan, Inc.
2 v. United States, No. 2017-1994, 2018 WL 2976278, at *6 (Fed. Cir. June 14, 2018).

3 The implications of this decision may be far reaching on NHC’s own risk corridors claims
4 against the federal government. Although NHC was not a party to the litigation in Moda, the
5 decision establishes adverse precedent upon which the federal government will rely in any
6 future suit against them in the Court of Federal Claims for any Risk Corridors amounts. It is
7 anticipated that Moda will appeal this adverse decision. The Receiver is carefully reviewing
8 this decision in making her determinations for future litigation, if any, against HHS/CMS.

9 **Resolution of POCs, Provision of NCDs, Appeals**

10 The Receiver has implemented the POC process approved by this Court in its Final
11 Order and has already conducted general mailings and publication of necessary notices to
12 claimants and other interested parties.

13 The Claims Filing Deadline was April 28, 2017, and the SDR received 141 POCs. Many
14 of these are incomplete or unable to be adjudicated for various other reasons, and the SDR
15 has notified various claimants of claim deficiencies. The SDR will continue adjudicating POCs
16 and developing NCDs in expectation of mailing such determinations after obtaining the
17 necessary approval from this Court.

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

19 It does not appear now that there will be sufficient assets to pay claims beyond those
20 assigned a Class B priority pursuant to NRS 696B.420(1)(b). The SDR has received several
21 POCs that should be assigned to priority classes C through L, pursuant to NRS 696B.420(1)(c)-
22 (l). In such instances, the SDR will send claimants NCDs that determine the priority of their
23 claims is no higher than NRS § 696B.420(1)(c) (“Class C”), which determination will be subject
24 to appeal under the Receivership Appeal Procedure (“RAP”). To conserve the assets of the
25 estate, and per NRS696B.330(4), the SDR of NHC will refrain from reaching the merits of these
26 claims until such time it appears that assets will be available for distribution to that class. If
27 additional assets later become available for distribution to these claimants, the SDR will make
28

1 a second claim determination as to the merits of each claim and notify the claimants of such
2 determination.

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

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

9 The SDR will be preparing NCDs to send providers for their claims. After reporting claim
10 determinations to the Court, the SDR will begin mailing providers' NCDs. Providers may appeal
11 NCDs in accordance with the RAP.

12 **Current Receivership Assets**

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

17 1. Before year-end 2016, the Receiver submitted a reinsurance claim to Partner Re
18 based on 2015 claims information. In April and May 2017, Partner Re paid the Receiver a total
19 of \$787,352.41 in satisfaction of NHC's reinsurance claims, but ultimately adjusted this amount
20 by \$2,196.11 in Partner Re's favor. NHC does not expect to present further such claims.

21 2. The unrestricted cash assets of the CO-OP have fluctuated with post-
22 receivership expenses and claim payments, as well as with the Receiver's receipt of member
23 premiums. The currently-available, unrestricted cash assets of the CO-OP as of May 31, 2018,
24 were approximately \$3,622,864. The majority of NHC's currently available and liquid assets
25 have been invested in a bond mutual fund, with the remainder of such assets held in bank
26 deposits.

27 3. The financial information of NHC in this Eleventh Status Report provides
28 estimates. NHC's financials may materially vary depending upon the estate's receipt of the

1 promised federal receivables payments under the various ACA programs described in this
2 report and future litigation recoverables. These figures will remain estimates until the estate
3 receives clearer indications from CMS and the federal government as to the amount and timing
4 of any federal payments or future appropriations, as well as the final disposition of CMS
5 receivable balances in which CMS has placed an administrative hold and asserted rights to
6 setoff.

7 4. The Receiver is enclosing, as Exhibit 2 attached hereto, a cash flow report for
8 NHC for the period covering the inception of the receivership through May 31, 2018. This
9 report reflects a summary of disbursements and collections made by NHC during this period.

10 CONCLUSION

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

14 DATED this 2nd day of July 2018.

15 Respectfully submitted:

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

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

22 Respectfully submitted by:

23 /s/ Eric W. Swanis

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ERIC W. SWANIS, ESQ., Nevada Bar No. 6840
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26 Facsimile: (702) 792-9002
27 Emails: ferrariom@gtlaw.com
swanise@gtlaw.com

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 2nd day of July 2018, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **ELEVENTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

**E-Service Master List
For Case**

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

Attorney General's Office

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/s/ Sandy L. Jackson

An employee of Greenberg Traurig, LLP

EXHIBIT “1”

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March 14, 2018

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

November 1, 2017 - November 30, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
2017 Audit Corrections	22439- 22441	\$ 6,500.00	\$ 78.00	\$ 6,578.00
November 2017	22442 22452- 22460	\$151,547.50	\$ 5,998.21	\$157,545.71
Totals (1)		\$158,047.50	\$ 6,076.21	\$164,123.71

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
11/1/17 - 11/30/17**

		Billable Hours	Billable Rate	August 2017 Billing
1	Timekeeper - Patrick H. Cantilo	49.80	\$450.00	\$22,410.00
2	Timekeeper - Mark F. Bennett	72.50	\$375.00	\$27,187.50
3	Timekeeper - Kristen W. Johnson	128.00	\$175.00	\$22,400.00
4	Timekeeper - Josh O. Lively	135.00	\$175.00	\$23,625.00
5	Timekeeper - J. Alex Martin	55.50	\$175.00	\$9,712.50
6	Timekeeper - Jose M. Rangel	3.75	\$300.00	\$1,125.00
7	Timekeeper - Arati Bhattacharya	154.00	\$200.00	\$30,800.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	137.25	\$100.00	\$13,725.00
10	TimeKeeper - Pierre Riou	0.00	\$225.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	4.50	\$125.00	\$562.50
	GRAND TOTAL	740.30		\$151,547.50
	2017 Audit Corrections			\$6,500.00
	Total			\$158,047.50

Cantilo & Bennett, L.L.P.

NEVADA HEALTH CO-OP TIMEKEEPER SUMMARY REPORT 2017 Corrections

		Billable Hours	Billable Rate	2016 Audit Corrections
1	Timekeeper - Patrick H. Cantilo	7.00	\$450.00	\$3,150.00
2	Timekeeper - Mark F. Bennett	0.00	\$375.00	\$0.00
3	Timekeeper - Kristen W. Johnson		\$175.00	\$0.00
4	Timekeeper - Josh O. Lively	0.00	\$175.00	\$0.00
5	Timekeeper - Nelson J. Dunlap	0.00	\$135.00	\$0.00
6	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
7	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
8	Timekeeper - Isaiah Samaniego	33.50	\$100.00	\$3,350.00
9	TimeKeeper - Pierre Riou		\$225.00	\$0.00
9	TimeKeeper - Jeffrey L. Collins		\$125.00	\$0.00
	GRAND TOTAL	40.50		\$6,500.00

2017 Corrections

PHC not billed 8/14/17 1.0
PHC not billed 8/15/17 3.50
PHC not billed 8/16/17 1.5
PHC not billed 8/17/17 1.0
IXS not billed 8/1/17 10.0
IXS not billed 8/2/17 10.0
IXS not billed 8/3/17 10.0
IXS not billed 8/4/17 3.50

March 14, 2018
11:30 am

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

Page 1
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Client ID 70750
Work Date 11/1/17:11/30/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	0.25	93.75	0.00	0.00
70750003	Claims	2.05	768.75	0.00	0.00
70750004	Financial Matters	5.20	1,950.00	0.00	0.00
70750007	Member Issues	1.50	562.50	0.00	0.00
70750008	Company Administration	7.10	2,662.50	0.00	0.00
70750010	CMS	2.80	1,050.00	0.00	0.00
70750100	Asset Recovery	52.50	19,687.50	0.00	0.00
70750102	NHC vs. CMS Litigation	1.10	412.50	0.00	0.00
	Sub Total (MFB)	72.50	27,187.50	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	154.00	30,800.00	0.00	0.00
	Sub Total (ABS)	154.00	30,800.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750003	Claims	1.50	675.00	0.00	0.00
70750004	Financial Matters	0.50	225.00	0.00	0.00
70750008	Company Administration	0.80	360.00	0.00	0.00
70750100	Asset Recovery	46.00	20,700.00	0.00	0.00
70750102	NHC vs. CMS Litigation	1.00	450.00	0.00	0.00
	Sub Total (PHC)	49.80	22,410.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750100	Asset Recovery	2.50	312.50	0.00	0.00
70750102	NHC vs. CMS Litigation	2.00	250.00	0.00	0.00
	Sub Total (JLC)	4.50	562.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	128.00	22,400.00	0.00	0.00
	Sub Total (KWJ)	128.00	22,400.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750004	Financial Matters	2.50	437.50	0.00	0.00
70750008	Company Administration	1.50	262.50	0.00	0.00
70750100	Asset Recovery	131.00	22,925.00	0.00	0.00
	Sub Total (JOL)	135.00	23,625.00	0.00	0.00*
JAM JAMES A. MARTIN					
	Sub Total (JAM)	55.50	9,712.50	0.00	0.00
		55.50	9,712.50	0.00	0.00*
JMR JOSE M. RANGEL					
	Sub Total (JMR)	3.75	1,125.00	0.00	0.00
		3.75	1,125.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	137.25	13,725.00	0.00	0.00
	Sub Total (IXS)	137.25	13,725.00	0.00	0.00*
Grand Total		740.30	151,547.50	0.00	0.00

March 16, 2018
2:54 pm

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

Page 1
[cs1c]

Work Date 11/01/2017-11/30/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	848.00	0.00	848.00
	PK1A PARKING	0.00	156.40	0.00	156.40
	PO1E POSTAGE	0.00	26.38	0.00	26.38
	SU1A SUPPLIES	0.00	4.27	0.00	4.27
	TA1A TRAVEL-AIRFARE	0.00	1,297.37	0.00	1,297.37
	TE1A TRANSPORTATION EXPENSE	0.00	521.73	0.00	521.73
	TH1A TRAVEL-HOTEL	0.00	1,325.49	0.00	1,325.49
	TL2E TELEPHONE	0.00	1,818.57	0.00	1,818.57
	Sub Total ()	0.00	5,998.21	0.00	5,998.21
	Grand Total	0.00	5,998.21	0.00	5,998.21

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March 28, 2018

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

December 1, 2017 - December 31, 2017

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2017	22485- 22499	\$123,671.25	\$ 6,676.74	\$130,347.99
Totals (1)		\$123,671.25	\$ 6,676.74	\$130,347.99

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
10/1/17 - 10/31/17**

		Billable Hours	Billable Rate	August 2017 Billing
1	Timekeeper - Patrick H. Cantilo	48.20	\$450.00	\$21,690.00
2	Timekeeper - Mark F. Bennett	52.25	\$375.00	\$19,593.75
3	Timekeeper - Kristen W. Johnson	119.40	\$175.00	\$20,895.00
4	Timekeeper - Josh O. Lively	115.50	\$175.00	\$20,212.50
5	Timekeeper - J. Alex Martin	48.00	\$175.00	\$8,400.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	101.70	\$200.00	\$20,340.00
8	Timekeeper - Law Clerks	11.50	\$85.00	\$977.50
9	Timekeeper - Isaiah Samaniego	113.75	\$100.00	\$11,375.00
10	TimeKeeper - Pierre Riou		\$225.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	1.50	\$125.00	\$187.50
	GRAND TOTAL	611.80		\$123,671.25

March 28, 2018
12:06 pm

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

Page 1
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Client ID 70750
Work Date 12/1/17:12/31/2017

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	4.95	1,856.25	0.00	0.00
70750003	Claims	0.25	93.75	0.00	0.00
70750004	Financial Matters	2.75	1,031.25	0.00	0.00
70750007	Member Issues	0.45	168.75	0.00	0.00
70750008	Company Administration	5.55	2,081.25	0.00	0.00
70750010	CMS	3.05	1,143.75	0.00	0.00
70750100	Asset Recovery	33.50	12,562.50	0.00	0.00
70750102	NHC vs. CMS Litigation	1.20	450.00	0.00	0.00
70750201	Partner Re	0.55	206.25	0.00	0.00
	Sub Total (MFB)	52.25	19,593.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	101.70	20,340.00	0.00	0.00
	Sub Total (ABS)	101.70	20,340.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750000	General	2.00	900.00	0.00	0.00
70750002	Legal	1.80	810.00	0.00	0.00
70750008	Company Administration	1.00	450.00	0.00	0.00
70750100	Asset Recovery	41.10	18,495.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.30	1,035.00	0.00	0.00
	Sub Total (PHC)	48.20	21,690.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
	Sub Total (JLC)	1.50	187.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	119.40	20,895.00	0.00	0.00
	Sub Total (KWJ)	119.40	20,895.00	0.00	0.00*
KTO KYLE T. OSBORN					
	Sub Total (KTO)	11.50	977.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750100	Asset Recovery	31.50	5,512.50	0.00	0.00
	Sub Total (JOL)	84.00	14,700.00	0.00	0.00
		115.50	20,212.50	0.00	0.00*
JAM JAMES A. MARTIN					
	Sub Total (JAM)	48.00	8,400.00	0.00	0.00
		48.00	8,400.00	0.00	0.00*
IXS ISALIAH SAMANIEGO					
70750008	Company Administration	113.75	11,375.00	0.00	0.00
	Sub Total (IXS)	113.75	11,375.00	0.00	0.00*
Grand Total		611.80	123,671.25	0.00	0.00

March 28, 2018
12:08 pm

Cantilo & Bennett, LLP
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 12/01/2017:12/31/2017
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
BM1A	BUSINESS MEALS	0.00	896.00	0.00	896.00
FD1A	FEDERAL EXPRESS	0.00	754.56	0.00	754.56
MT1A	MISCELLANEOUS	0.00	72.60	0.00	72.60
PK1A	PARKING	0.00	196.30	0.00	196.30
PO1E	POSTAGE	0.00	48.30	0.00	48.30
TA1A	TRAVEL-AIRFARE	0.00	1,202.84	0.00	1,202.84
TE1A	TRANSPORTATION EXPENSE	0.00	638.96	0.00	638.96
TH1A	TRAVEL-HOTEL	0.00	1,383.12	0.00	1,383.12
TL2E	TELEPHONE	0.00	1,484.06	0.00	1,484.06
	Sub Total ()	0.00	6,676.74	0.00	6,676.74
	Grand Total	0.00	6,676.74	0.00	6,676.74

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April 19, 2018

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

January 1, 2018 - January 31, 2018

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
January 2018	22532- 22542	\$148,613.75	\$ 8,820.87	\$157,434.62
Totals (1)		\$148,613.75	\$ 8,820.87	\$157,434.62

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
1/1/18 - 1/31/18**

		Billable Hours	Billable Rate	January 2018 Billing
1	Timekeeper - Patrick H. Cantilo	51.80	\$450.00	\$23,310.00
2	Timekeeper - Mark F. Bennett	56.60	\$375.00	\$21,225.00
3	Timekeeper - Kristen W. Johnson	137.70	\$175.00	\$24,097.50
4	Timekeeper - Josh O. Lively	153.25	\$175.00	\$26,818.75
5	Timekeeper - J. Alex Martin	77.00	\$175.00	\$13,475.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	116.20	\$200.00	\$23,240.00
8	Timekeeper - Law Clerks	3.50	\$85.00	\$297.50
9	Timekeeper - Isaiah Samaniego	154.55	\$100.00	\$15,455.00
10	TimeKeeper - Pierre Riou	1.70	\$225.00	\$382.50
11	TimeKeeper - Jeffrey L. Collins	2.50	\$125.00	\$312.50
	GRAND TOTAL	754.80		\$148,613.75

April 18, 2018
10:51 am

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

Page 1
[pr 3b]

Client ID 70750
Work Date 1/1/18:01/31/2018

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	1.75	656.25	0.00	0.00
70750003	Claims	0.55	206.25	0.00	0.00
70750004	Financial Matters	2.85	1,068.75	0.00	0.00
70750007	Member Issues	1.55	581.25	0.00	0.00
70750008	Company Administration	6.25	2,343.75	0.00	0.00
70750009	Lease Issues	0.20	75.00	0.00	0.00
70750010	CMS	1.30	487.50	0.00	0.00
70750100	Asset Recovery	40.00	15,000.00	0.00	0.00
70750102	NHC vs. CMS Litigation	2.15	806.25	0.00	0.00
	Sub Total (MFB)	56.60	21,225.00	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750001	Takeover Administration	116.20	23,240.00	0.00	0.00
	Sub Total (ABS)	116.20	23,240.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750004	Financial Matters	1.00	450.00	0.00	0.00
70750010	CMS	0.50	225.00	0.00	0.00
70750100	Asset Recovery	47.00	21,150.00	0.00	0.00
70750102	NHC vs. CMS Litigation	3.30	1,485.00	0.00	0.00
	Sub Total (PHC)	51.80	23,310.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
	Sub Total (JLC)	2.50	312.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750001	Takeover Administration	137.70	24,097.50	0.00	0.00
	Sub Total (KWJ)	137.70	24,097.50	0.00	0.00*
KTO KYLE T. OSBORN					
	Sub Total (KTO)	3.50	297.50	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750008	Company Administration	1.50	262.50	0.00	0.00
70750100	Asset Recovery	151.75	26,556.25	0.00	0.00
	Sub Total (JOL)	153.25	26,818.75	0.00	0.00*
JAM JAMES A. MARTIN					
	Sub Total (JAM)	77.00	13,475.00	0.00	0.00*
PJR PIERRE J. RIOU					
70750002	Legal	1.70	382.50	0.00	0.00
	Sub Total (PJR)	1.70	382.50	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750006	Provider Issues	0.30	30.00	0.00	0.00
70750008	Company Administration	154.25	15,425.00	0.00	0.00
	Sub Total (IXS)	154.55	15,455.00	0.00	0.00*
Grand Total		754.80	148,613.75	0.00	0.00

Work Date 01/01/2018:01/31/2018
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	1,008.00	0.00	1,008.00
	BM1E BUSINESS MEALS	0.00	96.00	0.00	96.00
	FD1A FEDERAL EXPRESS	0.00	37.99	0.00	37.99
	FF1A FILING FEES	0.00	14.14	0.00	14.14
	PK1A PARKING	0.00	297.42	0.00	297.42
	PO1E POSTAGE	0.00	131.48	0.00	131.48
	TA1A TRAVEL-AIRFARE	0.00	2,839.14	0.00	2,839.14
	TE1A TRANSPORTATION EXPENSE	0.00	912.09	0.00	912.09
	TH1A TRAVEL-HOTEL	0.00	1,675.79	0.00	1,675.79
	TL2E TELEPHONE	0.00	1,783.37	0.00	1,783.37
	TS1A TELEPHONE CHARGES	0.00	18.57	0.00	18.57
	Sub Total ()	0.00	8,813.99	0.00	8,813.99
	Grand Total	0.00	8,813.99	0.00	8,813.99

11401 Century Oaks Terrace
Suite 310
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March 12, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

November 1, 2017 – November 30, 2017

<hr/>			
Matter No. and Description	Fees	Costs	Total
November 2017	\$16,710.00	\$0.00	\$16,710.00
Totals (1)	\$16,710.00	\$0.00	\$16,710.00

Palomar Financial, LC

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

		Billable Hours	Billable Rate	November 2017 Billing
1	TIME KEEPER - Nicole Wilkins	13.70	\$250.00	\$3,425.00
2	TIME KEEPER - Robert Stebel	3.00	\$160.00	\$480.00
3	TIME KEEPER - Burnett Wallace	25.65	\$150.00	\$3,847.50
4	TIME KEEPER - Neda Khalaf	26.50	\$160.00	\$4,240.00
5	TIME KEEPER - Hoss Walters	0.20	\$150.00	\$30.00
6	TIME KEEPER - Gayathri Sivadasan	31.25	\$150.00	\$4,687.50
	GRAND TOTAL	100.30		\$16,710.00

Palomar Financial, LC
11/01/2017-11/30/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	3.80	\$ 950.00
		Payroll & Employee Benefits	4.90	\$ 1,225.00
		Accounts Payable and Receivable	3.40	\$ 850.00
		Bank Account Administration/Reconciliation	1.60	\$ 400.00
		Sub Total (NMW)	13.70	\$ 3,425.00
RNS	Robert Stebel	Regulatory Responses/Compliance	3.00	\$ 480.00
		Sub Total (RNS)	3.00	\$ 480.00
BAW	Burnett Wallace	Payroll & Employee Benefits	25.65	\$ 3,847.50
		Sub Total (BAW)	25.65	\$ 3,847.50
NK	Neda Khalaf	Accounts Payable and Receivable	26.50	\$ 4,240.00
		Sub Total (NK)	26.50	\$ 4,240.00
HW	Hoss Walters	IT Support & Administration	0.20	\$ 30.00
		Sub Total (SER)	0.20	\$ 30.00
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	12.25	\$ 1,837.50
		Accounts Payable and Receivable	19.00	\$ 2,850.00
		Sub Total (GS)	31.25	\$ 4,687.50
	Grand Total		100.30	\$ 16,710.00

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March 22, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

December 1, 2017 – December 31, 2017

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
December 2017	\$14,490.50	\$0.00	\$14,490.50
Totals (1)	\$14,490.50	\$0.00	\$14,490.50

Palomar Financial, LC

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

		Billable Hours	Billable Rate	December 2017 Billing
1	TIME KEEPER - Nicole Wilkins	11.35	\$250.00	\$2,837.50
2	TIME KEEPER - Robert Stebel	1.05	\$160.00	\$168.00
3	TIME KEEPER - Burnett Wallace	14.40	\$150.00	\$2,160.00
4	TIME KEEPER - Neda Khalaf	32.50	\$160.00	\$5,200.00
5	TIME KEEPER - Hoss Walters	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	27.50	\$150.00	\$4,125.00
	GRAND TOTAL	86.80		\$14,490.50

Palomar Financial, LC
12/01/2017-12/31/2017
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	1.20	\$ 300.00
		Accounting Reports/Receivership Team Support	2.00	\$ 500.00
		Payroll & Employee Benefits	4.75	\$ 1,187.50
		Investment Accounting/Support	0.25	\$ 62.50
		Accounts Payable and Receivable	0.95	\$ 237.50
		Bank Account Administration/Reconciliation	1.70	\$ 425.00
		1099 Reports & Administration	0.50	\$ 125.00
		Sub Total (NMW)	11.35	\$ 2,837.50
RNS	Robert Stebel	Investment Accounting/Support	0.75	\$ 120.00
		Regulatory Responses/Compliance	0.30	\$ 48.00
		Sub Total (RNS)	1.05	\$ 168.00
BAW	Burnett Wallace	Payroll & Employee Benefits	14.40	\$ 2,160.00
		Sub Total (BAW)	14.40	\$ 2,160.00
NK	Neda Khalaf	Accounts Payable and Receivable	32.50	\$ 5,200.00
		Sub Total (NK)	32.50	\$ 5,200.00
HW	Hoss Walters	IT Support & Administration	0.00	\$ -
		Sub Total (HW)	0.00	\$ -
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	14.00	\$ 2,100.00
		Accounts Payable and Receivable	13.50	\$ 2,025.00
		Sub Total (GS)	27.50	\$ 4,125.00
	Grand Total		86.80	\$ 14,490.50

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April 19, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

January 1, 2018 – January 31, 2018

Matter No. and Description	Fees	Costs	Total
January 2018	\$14,214.50	\$0.00	\$14,214.50
Totals (1)	\$14,214.50	\$0.00	\$14,214.50

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JANUARY 2018

		Billable Hours	Billable Rate	January 2018 Billing
1	TIME KEEPER - Nicole Wilkins	20.35	\$250.00	\$5,087.50
2	TIME KEEPER - Robert Stebel	2.70	\$160.00	\$432.00
3	TIME KEEPER - Burnett Wallace	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	25.75	\$160.00	\$4,120.00
5	TIME KEEPER - Hoss Walters	1.25	\$150.00	\$187.50
6	TIME KEEPER - Gayathri Sivadasan	29.25	\$150.00	\$4,387.50
	GRAND TOTAL	79.30		\$14,214.50

Palomar Financial, LC
01/01/2018-01/31/2018
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	0.80	\$ 200.00
		Accounting Reports/Receivership Team Support	1.75	\$ 437.50
		Payroll & Employee Benefits	9.50	\$ 2,375.00
		Accounts Payable and Receivable	4.35	\$ 1,087.50
		Bank Account Administration/Reconciliation	1.45	\$ 362.50
		1099 Reports & Administration	2.50	\$ 625.00
		Sub Total (NMW)	20.35	\$ 5,087.50
RNS	Robert Stebel	Regulatory Responses/Compliance	2.00	\$ 320.00
		Other	0.70	\$ 112.00
		Sub Total (RNS)	2.70	\$ 432.00
BAW	Burnett Wallace	Payroll & Employee Benefits	0.00	\$ -
		Sub Total (BAW)	0.00	\$ -
NK	Neda Khalaf	Accounts Payable and Receivable	25.75	\$ 4,120.00
		Sub Total (NK)	25.75	\$ 4,120.00
HW	Hoss Walters	IT Support & Administration	1.25	\$ 187.50
		Sub Total (HW)	1.25	\$ 187.50
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	9.75	\$ 1,462.50
		Accounts Payable and Receivable	15.00	\$ 2,250.00
		1099 Reports & Administration	4.50	\$ 675.00
		Sub Total (GS)	29.25	\$ 4,387.50
Grand Total			79.30	\$ 14,214.50

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May 29, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

February 1, 2018 – February 28, 2018

Matter No. and Description	Fees	Costs	Total
February 2018	\$12,625.00	\$0.00	\$12,625.00
Totals (1)	\$12,625.00	\$0.00	\$12,625.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD FEBRUARY 2018

		Billable Hours	Billable Rate	February 2018 Billing
1	TIME KEEPER - Nicole Wilkins	15.25	\$250.00	\$3,812.50
2	TIME KEEPER - Robert Stebel	0.75	\$160.00	\$120.00
3	TIME KEEPER - Maria Wilder	14.40	\$150.00	\$2,160.00
4	TIME KEEPER - Neda Khalaf	19.50	\$160.00	\$3,120.00
5	TIME KEEPER - Hoss Walters	1.50	\$150.00	\$225.00
6	TIME KEEPER - Gayathri Sivadasan	21.25	\$150.00	\$3,187.50
	GRAND TOTAL	72.65		\$12,625.00

Palomar Financial, LC
02/01/2018-02/28/2018
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	3.75	\$ 937.50
		Payroll & Employee Benefits	6.15	\$ 1,537.50
		Accounts Payable and Receivable	2.50	\$ 625.00
		Bank Account Administration/Reconciliation	2.55	\$ 637.50
		Maintenance & Retrieval of Records Information	0.30	\$ 75.00
		Sub Total (NMW)	15.25	\$ 3,812.50
RNS	Robert Stebel	Regulatory Responses/Compliance	0.75	\$ 120.00
		Sub Total (RNS)	0.75	\$ 120.00
MW	Maria Wilder	Payroll & Employee Benefits	14.40	\$ 2,160.00
		Sub Total (MW)	14.40	\$ 2,160.00
NK	Neda Khalaf	Accounts Payable and Receivable	19.50	\$ 3,120.00
		Sub Total (NK)	19.50	\$ 3,120.00
HW	Hoss Walters	IT Support & Administration	1.50	\$ 225.00
		Sub Total (HW)	1.50	\$ 225.00
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	7.75	\$ 1,162.50
		Accounts Payable and Receivable	13.50	\$ 2,025.00
		Sub Total (GS)	21.25	\$ 3,187.50
	Grand Total		72.65	\$ 12,625.00

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June 14, 2018

BILL SUMMARY

707500 Nevada Health Co-Op ("NHC")

March 1, 2018 – March 31, 2018

<u>Matter No. and Description</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
March 2018	\$14,582.50	\$0.00	\$14,582.50
Totals (1)	\$14,582.50	\$0.00	\$14,582.50

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD MARCH 2018

		Billable Hours	Billable Rate	March 2018 Billing
1	TIME KEEPER - Nicole Wilkins	17.85	\$250.00	\$4,462.50
2	TIME KEEPER - Robert Stebel	7.75	\$160.00	\$1,240.00
3	TIME KEEPER - Maria Wilder	11.25	\$150.00	\$1,687.50
4	TIME KEEPER - Neda Khalaf	21.75	\$160.00	\$3,480.00
5	TIME KEEPER - Hoss Walters	1.00	\$150.00	\$150.00
6	TIME KEEPER - Gayathri Sivadasan	23.75	\$150.00	\$3,562.50
	GRAND TOTAL	83.35		\$14,582.50

Palomar Financial, LC
03/01/2018-03/31/2018
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	0.75	\$ 187.50
		Accounting Reports/Receivership Team Support	2.50	\$ 625.00
		Payroll & Employee Benefits	7.80	\$ 1,950.00
		Accounts Payable and Receivable	5.05	\$ 1,262.50
		Bank Account Administration/Reconciliation	1.75	\$ 437.50
		Sub Total (NMW)	17.85	\$ 4,462.50
RNS	Robert Stebel	Payroll & Employee Benefits	6.25	\$ 1,000.00
		Investment Accounting/Support	0.50	\$ 80.00
		Regulatory Responses/Compliance	1.00	\$ 160.00
		Sub Total (RNS)	7.75	\$ 1,240.00
MW	Maria Wilder	Payroll & Employee Benefits	11.25	\$ 1,687.50
		Sub Total (MW)	11.25	\$ 1,687.50
NK	Neda Khalaf	Accounts Payable and Receivable	21.75	\$ 3,480.00
		Sub Total (NK)	21.75	\$ 3,480.00
HW	Hoss Walters	IT Support & Administration	1.00	\$ 150.00
		Sub Total (HW)	1.00	\$ 150.00
GS	Gayathri Sivadasan	Accounting Reports/Receivership Team Support	9.50	\$ 1,425.00
		Accounts Payable and Receivable	14.25	\$ 2,137.50
		Sub Total (GS)	23.75	\$ 3,562.50
	Grand Total		83.35	\$ 14,582.50



Invoice No.: 4731870
File No. : 170678.010100
Bill Date : March 20, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through February 28, 2018:

Total Fees:	\$	50,359.00
Current Invoice:	\$	<u>50,359.00</u>

MEF:TKK
Tax ID: 13-3613083

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

0642

Invoice No.: 4748711
File No. : 170678.010100
Bill Date : April 11, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through March 31, 2018:

Total Fees: \$ 90,391.00

Expenses:

Deposition/Court Reporters	82.07
Filing Fees	10.50
Mediation Fees	2,825.00
Messenger/Courier Services	105.00

Total Expenses: \$ 3,022.57

Current Invoice: \$ 93,413.57

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 4775024
File No. : 170678.010100
Bill Date : May 8, 2018

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC in Receivership

Legal Services through April 30, 2018:

Total Fees: \$ 109,001.50

Expenses:

Deposition/Court Reporters 155.00
Filing Fees 7.00

Total Expenses: \$ 162.00

Current Invoice: \$ 109,163.50

MEF:TKK
Tax ID: 13-3613083

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0644

Phone: 504-849-7000
Fax: 504-849-7001



Invoice

Invoice Number:
1424

Invoice Date:
Apr 1, 2018

Page: 1

Sold To:

Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Ship To:

10. Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			5/1/18

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of March 2018 (see attached for details)		3,500.00

Subtotal	3,500.00
----------	----------

Sales Tax

Total Invoice Amount	3,500.00
----------------------	----------

Payment/Credit Applied

TOTAL	3,500.00
--------------	----------

Check/Credit Memo No:

0645

D'Antonio Technologies, L.L.C.
4300 South I-10 Service Road
Suite 101A
Metairie, LA 70001



Invoice
Invoice Number:
1431

Invoice Date:
Apr 30, 2018

Page:
1

Phone: 504-849-7000
Fax: 504-849-7001

Sold To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Ship To:
Nevada Health CO-OP, in Liquidation
840 S. Rancho Drive #4-321
Las Vegas, NV 89106

Customer ID	Customer PO	Payment Terms	
NEV-001		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			5/30/18

Quantity	Item	Description	Unit Price	Extension
		Information Technology Professional Consulting Services Through the month of April 2018 (see attached for details)		2,850.00

	Subtotal	2,850.00
	Sales Tax	
	Total Invoice Amount	2,850.00
Check/Credit Memo No:	Payment/Credit Applied	
	TOTAL	2,850.00

EXHIBIT “2”

NEVADA HEALTH CO-OP

Cash Flow Analysis

Oct 2015 - May 2018

Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,755,920
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	714,004
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	787,352
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Restricted Cash became Unrestricted	768,517
Other	520,828
TOTAL SOURCES:	\$25,167,873

USES:

Medical Claims Q4 2015 and Post 2015 Adj	(161,393)
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	(10,888,515)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(6,302,443)

TOTAL USES:

(\$26,897,426)

Net cash increase for period

(\$1,729,553)

Ending Cash at end of May 31, 2018

\$ 3,622,864