

IN THE SUPREME COURT OF NEVADA

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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,

Electronically Filed  
Jun 14 2021 01:34 p.m.  
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.

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

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**APPELLANTS' APPENDIX - VOLUME 6 OF 13**

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**June 14, 2021**

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**APPELLANTS' APPENDIX - VOLUME 6 OF 13**

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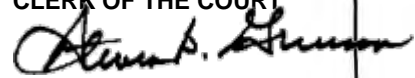


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**TAB 28**

**TAB 28**



**MDGF**

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Nevada Bar No. 6840

DONALD L. PRUNTY, ESQ.

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*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.  
COMMISSIONER OF INSURANCE, IN HER  
OFFICIAL CAPACITY AS STATUTORY  
RECEIVER FOR DELINQUENT DOMESTIC  
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

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

DATE OF HEARING: 9/26/2019  
TIME OF HEARING: In chambers

**MOTION FOR DETERMINATION OF GOOD FAITH SALE OF INTEREST IN  
RECEIVABLES BY PLAINTIFF, ORDER APPROVING SALE AND PERMITTING  
DISTRIBUTION OF CERTAIN FUNDS, ON ORDER SHORTENING TIME**

COMES NOW, Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her official capacity as Permanent Receiver (the "Receiver") for Nevada Health CO-OP ("NHC," or "the CO-OP"), by and through her counsel of record, the law firm of Greenberg Traurig, LLP, and submits this Motion for Determination of Good Faith Sale of Interest in Receivables by Plaintiff, Order

1 Approving Sale and Permitting Distribution of Certain Funds pursuant to NRS 696B.290 and  
2 NRS 696B.420, on order shortening time under EDCR 2.26. This Motion is based upon the following  
3 Memorandum of Points and Authorities, the Declaration of Donald L. Prunty, Esq., the exhibit  
4 attached hereto, the papers and pleadings on file herein, and any oral argument to be entertained by the  
5 Court.

6 DATED this 13<sup>th</sup> day of September, 2019.

7 GREENBERG TRAURIG, LLP

8 By: 

9 MARK E. FERRARIO, ESQ.

10 Nevada Bar No. 1625

11 ERIC W. SWANIS, ESQ.

12 Nevada Bar No. 6840

13 DONALD L. PRUNTY, ESQ.

14 Nevada Bar No. 8230

15 10845 Griffith Peak Drive, Suite 600

16 Las Vegas, Nevada 89135

17 Counsel for Plaintiff


18 **ORDER SHORTENING TIME**

19 Upon the Declaration of Donald L. Prunty, Esq., and with good cause appearing,

20 **IT IS HEREBY ORDERED, ADJUDGED, and DECREED** that the time for hearing on the  
21 above-entitled matter will be shortened and will be heard on the 26 day of September, 2019, at  
22 the hour of 3:00 a.m. <sup>in chambers</sup> before Department I of the Eighth Judicial District Court, located at the  
23 Regional Justice Center, 200 Lewis Avenue, Las Vegas, Nevada 89155.

24  9/16/19  
DISTRICT COURT JUDGE

25 Respectfully submitted by:  
26 GREENBERG TRAURIG, LLP

27   
28 MARK E. FERRARIO, ESQ.  
Nevada Bar No. 1625  
ERIC W. SWANIS, ESQ.  
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Counsel for Plaintiff

**DECLARATION OF DONALD L. PRUNTY, ESQ.,**  
**IN SUPPORT OF ORDER SHORTENING TIME**

I, **Donald L. Prunty, Esq.**, hereby declare as follows:

1. I am an attorney at the law firm of Greenberg Traurig, LLP, counsel of record for Plaintiff Barbara D. Richardson, Commissioner of Insurance for the state of Nevada, in her official capacity as Permanent Receiver of Nevada Health CO-OP. I am licensed to practice law in the state of Nevada and am a member of the Bar in good standing.

2. The following facts are based upon my personal knowledge, unless stated otherwise. I am competent to testify as to the facts stated herein and will so testify if called upon. I make this Declaration in support of the Order Shortening Time on the Motion for Determination of Good Faith Sale of Interest in Receivables by Plaintiff, Order Approving Sale and Permitting Distribution of Certain Funds submitted by Plaintiff.

3. The Receiver is marshaling assets pursuant to the Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP (the "Permanent Receivership Order") entered by this Court, in the above-captioned action pending before this Court.

4. On or about September 13, 2019, Barbara D. Richardson, in her capacity as Receiver, and Patrick H. Cantilo, as the authorized representative for CANTILO & BENNETT, L.L.P., as the Special Deputy Receiver (the "SDR"), and their respective attorneys on the one hand, and representatives of CM Squared LLC, and its affiliates, and their respective attorneys on the other hand, negotiated and established terms of sale concerning certain of NHC's property interests, with said sale specifically conditioned upon approval from this Court of the written agreement(s) in respect of the transaction (the "Sale Contract"). Attached to this Motion as Exhibit A is a true and correct copy of the Sale Contract.

5. This Sale Contract concerns the sale of part of NHC's interest in receivables that are part of the Receiver's claims against the United States (and certain subordinate agencies and departments) in Case No. 18-1731C, currently pending before the United States Court of Federal Claims. The Receiver seeks to expedite the process of making distributions to certain of the estate's claimants and requires necessary funds to make such distributions. The Receiver seeks to use a portion of this recovery toward unpaid and future expenses of receivership administration. This Sale Contract

1 representing a fair exchange and transaction to the Receiver, the Plaintiff accordingly requests that this  
2 Motion be heard on an order shortening time.

3 6. On June 24, 2019, the U.S. Supreme Court granted certiorari for the appeal of the  
4 following three health care litigation cases:

5 *Maine Community Health Options v. United States*, No. 18-1023; *Moda Health Plan*  
6 *Inc. v. United States*, No. 18-1028; and *Land of Lincoln Mutual Health Insurance Co.*  
7 *v. United States*, No. 18-1038 (collectively, the “MODA” or “MODA Litigation”).

8 The United States Supreme Court will determine issues concerning whether the federal  
9 government is responsible for the payment of the full amount of risk corridor receivables due the  
10 MODA litigants, or whether the government’s payment obligation was limited by a series of  
11 appropriation riders passed by Congress that sought to limit the promised payments.

12 7. The Receiver’s litigation case against the federal government is for payment of the full  
13 risk corridor receivables due NHC, and the Receiver also claims that the receivable payment should  
14 not be reduced by the so-called Congressional riders that limited risk corridor payments. The  
15 Receiver’s case is pending but stayed in the Federal Court of Claims (“FCC”) pending the outcome of  
16 the MODA Litigation.

17 8. The MODA litigation presents a great uncertainty as to the outcome of the risk corridor  
18 recoveries for the MODA litigants and, by extension, the NHC receivership estate for its risk corridor  
19 claims. Investors interested in purchasing the risk corridor receivables from NHC are subject to the  
20 uncertainty of the MODA litigation outcome, which is likely to be an all or nothing outcome.

21 9. Briefing will be filed in the MODA litigation that may influence the interest of investors  
22 to purchase risk corridor receivables, and Congress could seek to pass other laws that would limit any  
23 successful recovery of risk corridor recoveries from the Judgment Fund<sup>1</sup> of the United States. There  
24 are other risk factors that could arise at any time, which may not be known to any litigation party, that  
25

26  
27 <sup>1</sup> The Judgment Fund is a permanent, indefinite appropriation available to pay final money judgments and wards  
28 against the United States, which will also pay compromise settlements made by the U.S. Department of Justice  
for actual or imminent litigation—if any judgment on the merits arising from the litigation would be payable  
from the Judgment Fund.

1 could influence the interest of investors to purchase risk corridor receivables, including a lack of  
2 funding availability to purchase such receivables.

3 10. If this matter is heard in the ordinary course and not on an order shortening time, risk  
4 factors could materialize, thereby dissuading investor interest or diminishing the value of the risk  
5 corridor receivables before a sale of such receivables is accomplished.

6 11. Pursuant to NRS 53.045, I declare under penalty of perjury that under the laws of the  
7 state of Nevada that the foregoing is true and correct to the best of my knowledge.

8 DATED this 13<sup>th</sup> day of September, 2019.



DONALD L. PRUNTY, ESQ.

## MEMORANDUM OF POINTS AND AUTHORITIES

### **I. INTRODUCTION**

13 The Receiver continues to administer the affairs of NHC pursuant to the Permanent Injunction  
14 and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP entered by this  
15 Court on October 14, 2015. As part of her responsibilities, pursuant to NRS 696B.290(1), the Receiver  
16 administers the assets of NHC in receivership under the orders of this Court. The Receiver, per  
17 NRS 696B.290(4), is charged with the responsible administration of "all assets coming into the  
18 possession or control of the Commissioner." Further, per NRS 696B.290(5), upon "taking possession  
19 of the assets of an insurer, the domiciliary receiver shall immediately proceed to conduct the business  
20 of the insurer or to take such steps as are authorized by this chapter for the purpose of rehabilitating,  
21 liquidating or conserving the affairs or assets of the insurer." NHC has been in liquidation since this  
22 Court entered its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent and  
23 Placing Nevada Health CO-OP into Liquidation, dated September 20, 2016.

24 As has been reported to the Court through several Status Reports, the ability of the receivership  
25 estate to pay material amounts in claims distributions is directly dependent upon the outcome of  
26 pending asset recovery litigation, which has been filed against the United States and also against  
27 certain of the CO-OP's vendors, directors and officers, and consultants; these two asset recovery suits  
28 are separate proceedings. In an effort to more expediently make distributions to claimants, the



Receiver has been vigilant in uncovering opportunities to exchange some of the estate's more illiquid assets for free cash. Plaintiff thus requests that this Court grant this Motion seeking approval of such a sale, and specifically authorizing the Receiver to use some of the proceeds from the sale to make certain claims distributions and to make other proceeds available to cover unpaid or future expenses of receivership administration.

## II. BACKGROUND

As part of the Receiver's ongoing efforts to obtain sufficient liquid assets to make distributions to the receivership estate's various claimants, the Receiver has initiated litigation against several different parties. Among these cases is the Receiver's pending suit entitled *Barbara D. Richardson, in her capacity as Receiver of Nevada Health CO-OP v. United States*, Case No. 18-1731C before the United States Court of Federal Claims, which was filed on November 8, 2018. The suit against the United States (on the basis of the actions of the Department of Health and Human Services and the Centers for Medicare & Medicaid Services), seeks reimbursement for amounts owed to NHC due to its participation in certain federal payment programs established by the Affordable Care Act (the "ACA").

As has been explained throughout the Status Reports submitted to this Court over the pendency of the receivership, the above-referenced lawsuit against the United States concerns several distinct sets of federal receivables, to include the \$43,042,673.80 of "Risk Corridors" payments owing to NHC, such obligations being expressly established under ACA § 1342, 42 U.S.C. § 18062, and 45 C.F.R. § 153.510. The Receiver, cognizant of the practical realities and uncertainties of federal litigation, and seeking to avoid the need to wait to make disbursements of any kind until final resolution of the relevant legal and factual questions, has remained responsive to inquiries from prospective purchasers concerning a sale, in whole or in part, of NHC's interest in receivables pending the outcome of any asset recovery actions.

In the past, and again recently, the receivership estate was contacted by CM Squared, RC IV LLC, a prospective purchaser (the "Purchaser") of NHC's interest in any Risk Corridor receivables. The Risk Corridor receivables are currently being pursued by the Receiver in Case No. 18-1731C, and negotiations concerning a potential sale of receivables occurred between the Purchaser and the SDR. After consideration of all of the facts and circumstances of the proposed transaction and the underlying

1 litigation with the United States, the Receiver and the Purchaser have agreed to the terms of a Prepaid  
2 Forward Purchase Agreement (the "Sale Contract") as set forth in Exhibit A, subject to this Court's  
3 approval.

4 Exhibit A sets forth the agreed upon material terms for the sale of a certain portion of NHC's  
5 interest in receivables, which are being pursued by the Receiver against the United States in Case  
6 No. 18-1731C, before the Court of Federal Claims, for amounts owed to NHC under ACA § 1342, 42  
7 U.S.C. § 18062, and 45 C.F.R. § 153.510, the Risk Corridors program. The essential terms of the Sale  
8 Contract<sup>2</sup>, are:

9 (1) Purchaser shall pay to the Receiver ("Seller") \$10,000,000 upon  
10 execution, delivery, and judicial approval of the Sale Contract, provided that such  
11 approval order becomes final under the terms of the Sale Contract. This upfront payment  
12 will be made on a non-recourse basis, meaning that the Seller shall have no obligation to  
13 repay the Purchaser these funds, absent certain limited conditions as set forth in the Sale  
14 Contract. Either party shall have the right, but not the obligation, to terminate the Sale  
15 Contract immediately, upon written notice to the other party within three (3) business  
16 days after December 2, 2019, if the \$10,000,000 funding has not occurred and Seller has  
17 not received the Purchase Price on or before December 2, 2019.

18 (2) The Purchaser shall receive from the Seller payments out of the "Claims  
19 Proceeds" (as defined by the Sale Contract) as provided by the "Waterfall" payment  
20 formula specified in the Sale Contract.

21 (3) As more fully set forth in the Sale Contract, the Waterfall payment  
22 distribution formula allocates the Purchaser's investment return and Seller's allocation  
23 from the recovery of the Claims Proceeds, whenever received, as follows:

24 i. If the Claims Proceeds received are \$39,500,000 or less, 98% of  
25 the Claims Proceeds to Purchaser and 2% to Seller;  
26

27 <sup>2</sup> This summary overview of the Sale Contract does not include all of the details or provisions of the contract,  
28 which is attached hereto as Exhibit A.

ii. If the Claims Proceeds are received less than three years following the Funding Date, and more than \$39,500,000 is received, the sum of \$38,710,000 plus 20% of the Claims Proceeds in excess of \$39,500,000 but not exceeding \$43,042,674 will be paid to Purchaser, with the remainder paid to Seller;

iii. If the Claims Proceeds are received three or more years following the Funding Date, and more than \$39,500,000 is received, the sum of \$38,710,000 plus 50% of the Claims Proceeds in excess of \$39,500,000 but not exceeding \$43,042,674 less 50% of the Litigation Expense (to the extent not previously deducted from such calculation) will be paid to Purchaser, with the remainder paid to Seller; and

if the Claims Proceeds are received in multiple payments, then the Investment Return and Seller allocation will be calculated according to the waterfall by cumulating the multiple payments. In the event of the Claims Proceeds being paid in multiple payments, Purchaser's purchased interest in the Claims Proceeds shall not terminate until all payments are received.

(4) The Receiver shall remain the Plaintiff of Record in the underlying litigation and shall retain all rights with respect to the prosecution of the litigation, including choice of counsel, participation in settlement negotiations, determination of acceptable settlement offers, and subject to certain options and the following rights of the Purchaser:

a. Seller shall have an obligation to bring the Claim to a final disposition and to pay all legal fees and expenses associated with the pursuit of the Claim, except as specified. In no event, however, shall Seller's obligation exceed \$1,000,000 in legal fees and expenses paid.

b. The Seller shall use reasonable commercial efforts to pursue the Claim in a manner that maximizes the recovery of the Claims Proceeds.

c. Once Seller determines to accept a settlement offer, Seller shall promptly communicate to Purchaser in writing such Settlement offer that Seller

determines is acceptable and that Seller intends to accept, including the settlement demands or proposals, and the substance of the Settlement discussions and any non-privileged related documents. These communications shall be confidential information.

d. Upon notification of Seller's determination to accept a settlement offer, Purchaser may exercise a "Contingent Purchase Right" (as defined in the Sale Contract) by paying Seller an amount equal to the acceptable settlement offer less the Investment Return that would be due to Purchaser under the Sale Contract, with such resulting payment made to Seller by Purchaser on the same terms as if the acceptable settlement offer was accepted and paid. Thereafter, Purchaser shall receive the following: (1) 100% of all Claims Proceeds less than or equal to the proceeds that would have been received by Seller in the acceptable settlement offer (with Seller keeping 0% of the Claims Proceeds), and (2) 99% of all Claims Proceeds in excess of what Seller would have received in the acceptable settlement offer (with Seller keeping 1% of the Claims Proceeds). Accordingly, in the event Purchaser exercises such Contingent Purchase Right, Seller will receive from Purchaser, Seller's portion of the proposed settlement under the terms of the Sale Contract as though the settlement offer had been accepted and paid, and Seller will be entitled to receive 1% of any Claim Proceeds, which are in excess of the settlement offer that triggered the Contingent Purchase Right, that may be recovered and paid at a future date.

e. Purchaser may also exercise a "Contingent Purchase Right", if Seller elects to cease to fund or pursue the Claims or Litigation because expenses have exceeded the Fee Cap or for any other reason, by paying Seller an amount equal to \$1.00 and assuming the right to fund or pursue the Claims or Litigation. Thereafter, Purchaser shall receive 99% of all Claims Proceeds (with Seller keeping 1% of the Claims Proceeds).

### III. LEGAL AUTHORITY

This Court has original and continuing jurisdiction over the subject matter of this motion under the provisions of NRS 696B.190. NRS 696B.330 authorizes the Receiver to establish a process by which claimants may set forth in reasonable detail the amount of their claims against the assets of NHC, the facts upon which those claims are based, and any priorities asserted. NRS 696B.420 directs the Receiver to pay claims in order of priority as provided therein. Paragraph 8 of the Permanent Receivership Order requires all claims against NHC's assets be made to the Receiver "to the exclusion of any other method of submitting or adjudicating such claims in any forum, court, or tribunal subject to the further Order of this Court." The same paragraph also authorizes the Receiver to establish a Receivership Claims and Appeal Procedure for all receivership claims.

Nevada law clearly expresses the intention of the legislature to invest wide authority and discretion with the Commissioner as Receiver of insolvent insurance companies. NRS 696B.290(7) directly provides that [emphasis added]:

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

This Court's own Permanent Receivership Order, in paragraph 14(c), grants the Receiver the express authority to [emphasis added]: "*sell, transfer, abandon, or otherwise dispose of or deal with any asset or property of CO-OP [ . . . ] upon such terms and conditions as she deems to be fair and reasonable, irrespective of the value at which such property was last carried on the books of CO-OP[.]*" Paragraph 14(c) specifically empowers the Receiver to "execute, acknowledge, and deliver any and all deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the receivership[.]" Paragraph 13(e) of the Permanent Receivership Order permits the Receiver to "[e]nter into such contracts as are necessary to carry out this Order[.]"

1 The decision to approve the sale of the majority of NHC's interest in future Risk Corridor  
2 receivables was made after a careful review of the receivership's current financial position, the status  
3 and uncertainty of pending litigation, the creditors' collective interests in obtaining distributions, and  
4 the Receiver's past experience regulating insolvent insurers. The Receiver has determined that this  
5 sale is in the best interests of the estate, its claimants, and the insurance-buying public, and believes  
6 that she is explicitly authorized to conduct this sale as part of her enumerated power to administer  
7 estate assets pursuant to the Permanent Receivership Order and the terms of NRS 696B.290.<sup>3</sup>

8 The Receiver also seeks permission from this Court to make distributions to estate claimants  
9 using a portion of proceeds resulting from the above-described sale and to use or make available the  
10 other portion of the proceeds for unpaid or future expenses of receivership administration. The  
11 Receiver seeks authorization from this Court to distribute, at her determination, as much as \$5 million  
12 from the proceeds of sale, with the remaining \$5 million of proceeds to be used or made available for  
13 the payment of unpaid or future expenses of receivership administration. It is the Receiver's  
14 determination that being authorized to distribute \$5 million from the overall \$10 million received from  
15 the above-described sale will allow the estate to make meaningful distributions to claimants while  
16 minimizing the risk of future liquidity problems as the receivership progresses and litigation continues  
17 against various parties.<sup>4</sup> Under the terms of the Sale Contract, Claims Proceeds shall be held, by legal  
18 counsel engaged by Seller or an escrow agent mutually agreed upon by the parties for the benefit of  
19 Purchaser, and legal counsel or escrow agent will pay to the Purchaser the Investment Return within 10  
20 business days of receipt of cleared funds from future recoveries. The Sale Contract further provides  
21 that if there is any future successful challenge to the validity of the Sale Contract, Purchaser's claim to  
22 payment under the Sale Contract shall be treated as an administrative expense payable in accordance

23  
24 <sup>3</sup> Agency interpretations of statutes they are charged with enforcing are given "great deference" by reviewing  
25 courts, as the agency is "impliedly clothed with power to construe it as a necessary precedent to administrative  
26 action[.]" *State v. Morros*, 104 Nev. 709, 713, 766 P.2d 263, 266 (1988) (quoting *Clark Co. Sch. Dist. v. Local*  
*Gov't*, 90 Nev. 442, 446, 530 P.2d 114, 117 (1974)). While not directly controlling, an agency's interpretation of  
a statute is persuasive to courts. *Morros*, 766 P.2d at 266 (citing *Nevada Power Co. v. Public Serv. Comm'n*,  
102 Nev. 1, 4, 711 P.2d 867, 869 (1986)).

27 <sup>4</sup> See, *Foster v. Mutual Fire, Marine and Inland Ins. Co.*, 614 A.2d 1086, 1093 (Pa. 1992) (explaining court  
28 reasoning for deference to Receiver as follows: "[t]his Court has concluded that this great deference in favor of  
the Insurance Commissioner and the resulting scope of review for the courts are in recognition of the expertise  
of the administrative agency or individual officer assigned the task of regulating a given industry.").

1 with the Priority of Distributions set forth in NRS 696B.420(1)(a), and the Receiver believes that such  
2 claims priority is fair and reasonable in the event of a successful challenge.

3 As the prospective Sale Contract contemplated by this Motion may affect the present and future  
4 property interests of certain of the estate's creditors (*e.g.*, the United States, or claimants in low-  
5 priority classes), the Receiver requests that this Motion be set for public hearing, so that all interested  
6 parties be given an opportunity to participate if desired. The Receiver expects to send notice of this  
7 Motion to the Department of Justice, all opposing parties in asset recovery litigation concerning the  
8 receivership estate, and all parties on the service list in this proceeding.

#### 9 IV. REQUESTED RELIEF

10 The Receiver therefore respectfully requests that the Court issue an order:

11 1. Determining that the proposed Sale Contract between the Receiver and Purchaser was  
12 negotiated and entered into in good faith, and is reasonable;

13 2. Approving the Sale Contract in all respects and as described herein, and authorizing the  
14 Receiver to execute all documents necessary to effectuate the Sale Contract and complete the  
15 transaction;

16 3. Finding that the Receiver's interpretation of NRS 696B.290 as permitting the Receiver  
17 to engage in sale transactions like those contemplated by this Motion is entitled to deference.

18 4. Permitting the Receiver to make as much as \$5 million in distributions to estate  
19 claimants from the \$10 million in proceeds resulting from the sale, with the other \$5 million of  
20 proceeds to be used or made available for unpaid or future expenses of receivership administration;

21 5. Providing that the Receiver shall not make any other sale or assignment of the Claims  
22 Proceeds or the Claims (as defined in the Sale Contract) to anyone other than Purchaser, and the  
23 Receivership estate;

24 6. Providing that any Claims Proceeds shall be held by legal counsel engaged by Seller, or  
25 an escrow agent mutually agreed to by the parties for the benefit of Purchaser;

26 7. Providing that counsel engaged by Seller or the escrow agent, as applicable, shall pay to  
27 the Purchaser the Investment Return within 10 business days of receipt of cleared funds;  
28

1 8. Allowing the Purchaser's claim to payment under the Sale Contract to be treated as an  
2 administrative expense payable in accordance with the Priority of Distributions, as set forth in  
3 NRS 696B.420(1)(a), if there is any future successful challenge to the validity of the Sale Contract;

4 9. Providing that in the event of a dispute between the Receiver and Purchaser with respect  
5 to the Sale Contract, this Court shall retain jurisdiction to resolve such disputes;

6 10. Designating the order as an appealable Final Order pursuant to NRS 696B.190(5).

7 11. Granting all other relief requested by the Motion; and

8 12. Granting the Receiver any such other relief as the Court may deem just and equitable.

9 DATED this 13<sup>th</sup> day of September, 2019.

10 GREENBERG TRAURIG, LLP

11 By: 

12 MARK E. FERRARIO, ESQ.

13 Nevada Bar No. 1625

14 ERIC W. SWANIS, ESQ.

15 Nevada Bar No. 6840

16 DONALD L. PRUNTY, ESQ.

17 Nevada Bar No. 8230

18 10845 Griffith Peak Drive, Suite 600

19 Las Vegas, Nevada 89135

20 Counsel for Plaintiff  
21  
22  
23  
24  
25  
26  
27  
28



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 16<sup>th</sup> day of September, 2019, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, a true and correct copy of the **MOTION FOR DETERMINATION OF GOOD FAITH SALE OF INTEREST IN RECEIVABLES BY PLAINTIFF, ORDER APPROVING SALE AND PERMITTING DISTRIBUTION OF CERTAIN FUNDS, ON ORDER SHORTENING TIME** 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 in this case, 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 United States mail.

Such motion was also served electronically through the Odyssey efileNV Electronic Service system and served on all parties with an email address on record in Clark County District Court, Case No. A-17-760558-B and was served electronically on counsel for the United State in the United States Court of Federal Claims, Case No. 1:18-cv-01731-MBH, to the following:

Frances M. McLaughlin  
Senior Trial Counsel  
United States Department of Justice  
Civil Division, Commercial Litigation Branch  
Frances.McLaughlin@usdoj.gov

Kirk Manhardt  
Deputy Director  
United States Department of Justice  
Civil Division, Commercial Litigation Branch  
Kirk.Manhardt@usdoj.gov


Such motion was also served on counsel for the United States in United States Court of Federal Claims, Case No. 1:18-cv-01731-MBH, by UPS overnight delivery to the following:

Frances M. McLaughlin  
Senior Trial Counsel  
United States Department of Justice  
Civil Division, Commercial Litigation Branch  
1100 L Street, NW, Room 7230  
Washington, D.C. 20005

///

///

1 Kirk Manhardt  
2 Deputy Director  
3 United States Department of Justice  
4 Civil Division, Commercial Litigation Branch  
5 1100 L Street, NW, Room 7000  
6 Washington, D.C. 20005

  
An employee of Greenberg Traurig LLP

# **EXHIBIT “A”**

## PREPAID FORWARD PURCHASE AGREEMENT

Prepaid Forward Purchase Agreement, dated as of September 13, 2019, between CM Squared RC IV LLC, a Delaware limited liability company, with registered address at 874 Walker Road, Suite C, Dover, DE 19904 ("*Purchaser*"), and Barbara D. Richardson, acting only in her capacity as the statutory and court-appointed Receiver of Nevada Health Co-Op ("*NHC*"), a Nevada domestic health maintenance organization and non-profit Consumer Operated and Oriented Plan under Section 1322 of the Patient Protection and Affordable Care Act (42 U.S.C. § 18001 (2010)), ("*Seller*"). Purchaser and Seller are referred to herein individually as a "*Party*" and collectively, the "*Parties*."


In exchange for the Purchase Price, Seller hereby sells to Purchaser the right to receive the Investment Return as set forth in greater detail herein.

This Prepaid Forward Purchase Agreement consists of the Transaction Summary (the "*Transaction Summary*") set forth below, the General Terms and Conditions (the "*General Terms and Conditions*") hereto, and all other Exhibits hereto (all as may be amended by mutual agreement from time to time, collectively, the "*Agreement*"). The abbreviations "*TS*" and "*GTC*" are used when referring to an Article or Section in the Transaction Summary or General Terms and Conditions, as applicable.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

NEVADA HEALTH CO-OP

CM SQUARED RC IV LLC

By: 

Name: Barbara D. Richardson

Title: Receiver of Nevada Health Co-Op

By: \_\_\_\_\_

Name: Carlo Mattoni

Title: President

## PREPAID FORWARD PURCHASE AGREEMENT

Prepaid Forward Purchase Agreement, dated as of September 13, 2019, between CM Squared RC IV LLC, a Delaware limited liability company, with registered address at 874 Walker Road, Suite C, Dover, DE 19904 ("*Purchaser*"), and Barbara D. Richardson, acting only in her capacity as the statutory and court-appointed Receiver of Nevada Health Co-Op ("*NHC*"), a Nevada domestic health maintenance organization and non-profit Consumer Operated and Oriented Plan under Section 1322 of the Patient Protection and Affordable Care Act (42 U.S.C. § 18001 (2010)), ("*Seller*"). Purchaser and Seller are referred to herein individually as a "*Party*" and collectively, the "*Parties*."

In exchange for the Purchase Price, Seller hereby sells to Purchaser the right to receive the Investment Return as set forth in greater detail herein.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

### NEVADA HEALTH CO-OP

By: \_\_\_\_\_  
Name: Barbara D. Richardson  
Title: Receiver of Nevada Health Co-Op

### CM SQUARED RC IV LLC

By:   
Name: Carlo Mattoni  
Title: President

In consideration for the promises contained in this Agreement, the Parties agree to be bound as follows:

## **TRANSACTION SUMMARY**

### **1. DEFINITIONS**

Capitalized terms used in this Agreement shall have the respective meanings ascribed to them in the General Terms and Conditions or otherwise as specifically defined. In addition:

*"Approval Order"* An order of the Receivership Court approving this Agreement with the same material terms as the Proposed Court Order.

*"Claims"* Seller's claims relating to or arising against the Defendant regarding the failure of the Defendant to pay the Seller risk corridor amounts of \$43,042,673.80 owed under Section 1342 of the Patient Protection and Affordable Care Act (Pub. L. No. 111-148 (Mar. 23, 2010), 124 Stat. 119) and the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152 (Mar. 30, 2010)) (collectively the "ACA") including the claims being pursued by the Litigation or any other claim, proceeding or cause of action initiated for the benefit of Seller regarding violations of Section 1342 of the ACA, including, without limitation, any proceeding arising from an amendment, bifurcation, consolidation or change of venue of the Litigation. Claims shall also include any and all claims against the Defendant that relate to, or arise out of, violations of the United States Constitution (e.g., takings' claims) in connection with Section 1342 of the ACA.

For the avoidance of doubt, the Claims shall exclude all non-risk corridor claims asserted in the Litigation, against the Defendant with regard to violations of Sections 1341, 1343, 1401, 1402, 1411 and 1412 of the ACA and wrongful setoff of amounts owed to NHC under sections of the ACA other than Section 1342. The Claims shall also exclude any rights, causes of action, and claims that Seller may have against any Person that is not a Defendant as defined herein, including without limitation, claims against NHC's officers, directors, employees, contractors, representatives, actuaries, and auditors.

*"Defendant"* Means the United States of America, acting through its agencies and instrumentalities, including, but not limited to, the Department of Health and Human Services and the Centers for Medicare & Medicaid Services.

*"Final Approval Order"* An Approval Order where (x) any appeal taken, petition for certiorari or motion for rehearing or reconsideration that has been filed, has been finally determined or dismissed in a manner that does not affect the Approval Order or (y) the time to appeal, seek certiorari or move for

reconsideration or rehearing has expired and no appeal, petition for certiorari or motion for reconsideration or rehearing has been timely filed.

<i>"Funding Date"</i>	Has the meaning set forth in TS Section 3.3.
<i>"IOLTA Account"</i>	Greenberg Traurig, LLP's IOLTA account, which is a trust account established exclusively for handling client funds.
<i>"Investment Return"</i>	Has the meaning set forth in TS Section 4.2.
<i>"Lawyers"</i>	Means Greenberg Traurig, LLP or any substitute legal counsel engaged by Seller with respect to the Claims or the Litigation.
<i>"Litigation"</i>	Any and all claims, actions, and/or proceedings against the Defendant relating to or arising from the case brought by Seller captioned " <i>Barbara D. Richardson, in her capacity as Receiver of Nevada Health Co-Op. v. The United States</i> ", pending in the United States Court of Federal Claims, Case No. 18-1731C filed on November 8, 2018, including but not limited to any proceedings concerning the enforcement of Seller's awards, and any appeal or remand therefrom or proceedings in connection therewith, and any new proceedings against Defendant that may arise from the facts and/or Claims.
<i>"Litigation Expense"</i>	The amount in reasonable legal fees and expenses accrued and paid by Seller to the Lawyers following the Funding Date to pursue the Claims.
<i>"Material Change"</i>	Means the following: (i) the dismissal of or decision in the Litigation; (ii) a decision by the Supreme Court of the United States to dismiss as improvidently granted the grant of <i>certiorari</i> in one or more of <i>Land of Lincoln Mutual Health Insurance Company v. United States</i> , No. 18-1038; <i>Moda Health Plan, Inc. v. United States</i> , No. 18-1028; or <i>Maine Community Health Options v. United States</i> , No. 18-1023 (together the " <i>Leading Cases</i> "); or (ii) the passage of a new federal law materially impacting one or more of the Claims by precluding recovery of any of the claimed amount, including new legislation cutting off access to the Judgement Fund at the U.S. Treasury Department for ACA-related payments other than appropriation riders such as those previously passed prohibiting use of appropriated funds for Risk Corridor payments.
<i>"Payment Waterfall"</i>	Has the meaning set forth in TS Section 4.3.
<i>"Proposed Court Order"</i>	Has the meaning set forth in TS Section 3.2.
<i>"Purchase Price"</i>	Has the meaning set forth in TS Section 3.1.
<i>"Receiver"</i>	Means the <i>Statutory Receiver for Delinquent Domestic Insurer Nevada Health Co-Op.</i>
<i>"Receivership Action"</i>	Has the meaning set forth in TS Section 3.2.

**"Receivership Court"** Has the meaning set forth in TS Section 3.2.

**"Special Deputy Receiver"** Means Cantilo & Bennett, L.L.P. or such other Special Deputy Receiver as appointed from time to time by the Receivership Court.

## **2. AGREEMENT TO PURCHASE AND SELL**

2.1 **Agreement to Purchase and Sell.** Subject to the terms and conditions of this Agreement as well as entry of the Approval Order by the Receivership Court, Seller hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from Seller, in exchange for the Purchase Price, all of Seller's rights, title and interest in and to an amount of the Claims Proceeds equal to the Investment Return, without reduction, set-off or counterclaim by Seller, and further agrees to the Contingent Purchase Right provided in GTC Section 5.4.

## **3. PURCHASE PRICE**

3.1 **Purchase Price.** Subject to GTC Section 10, the Purchase Price shall be a non-recourse amount of \$10,000,000, which shall be paid by Purchaser to Seller in full on the Funding Date.

3.2 **Proposed Court Order.** Subject to the direction of the Court, Seller shall endeavor to provide to the Eighth Judicial District Court of Clark County in the State of Nevada, presiding over *State of Nevada, Ex Rel. Commissioner of Insurance, in her official capacity as Statutory Receiver for Delinquent Domestic Insurer v. Nevada Health Co-Op, Case No. A-15-725244-C* (respectively, the "Receivership Court" and the "Receivership Action") a proposed order approving the Agreement, in a form and substance satisfactory to Purchaser (the "Proposed Court Order"). The Proposed Court Order, subject to the approval of the Receivership Court, shall provide, among other things, that: (i) Seller shall not make any other sale or assignment of the Claims Proceeds or the Claims to anyone other than Purchaser, and the Receivership estate; (ii) any Claims Proceeds shall be held by Lawyers or an escrow agent mutually agreed to by the parties for the benefit of Purchaser; (iii) Lawyers or the escrow agent, as applicable, shall pay to the Purchaser the Investment Return within ten (10) business days of receipt of cleared funds; and (iv) in the event of any future successful challenge to the validity of this Prepaid Forward Purchase Agreement, Purchaser's right to receive the Investment Return shall be treated as a Class A expense payable in accordance with the Priority of Distributions set forth in NRS 696B.420(1)(a).

3.3 **Funding Date.** So long as no Material Change shall have occurred and there has been no breach of this Agreement by Seller, Purchaser shall disburse the Purchase Price within two (2) business days after the occurrence of a Final Approval Order, or such earlier date as determined by Purchaser in its sole discretion (such date, the "Funding Date").

3.4 **[Reserved]**

3.5 **Parties' Obligations after Court Approval.** As of the Funding Date, each Party shall certify in writing that (i) its representations and warranties in the Agreement are true and correct and (ii) it has not defaulted on any of its obligations in the Agreement, each as of the date of such certification, in a form substantially the same as Exhibit A (for Seller) and Exhibit B (for Purchaser) attached hereto.



- 3.6 Payment Instruction. On the Funding Date, Purchaser shall pay the Purchase Price by wire transfer by following the wire instructions provided by the Receiver or Special Deputy Receiver.

#### **4. INVESTMENT RETURN AND PAYMENT WATERFALL**

- 4.1 Introduction. The Investment Return shall be paid strictly in accordance with this Article 4 without reduction, set off or counterclaim by Seller and free and clear of and without deduction or withholding of any Taxes unless otherwise required by law. Seller shall cause and direct the Lawyers to pay to Purchaser, in liquidation of its rights hereunder, the Investment Return, as set forth below, until fully paid, but solely from the Claims Proceeds, if any. Upon full payment of the Investment Return to Purchaser, Purchaser's interest in the Claims Proceeds shall terminate.

- 4.1.1 Use of IOLTA or Escrow Account. Seller shall cause the Lawyers or other escrow agent mutually agreed to by the Parties: (a) to arrange to receive any and all Claims Proceeds; (b) to receive any and all Claims Proceeds in cash unless otherwise dictated by court order, or agreed by Purchaser; (c) for any and all cash Claims Proceeds (or any and all cash proceeds of any non-cash Claims Proceeds) received by the Lawyers or other escrow agent, to immediately deposit such receipts into the IOLTA Account or other mutually agreed escrow account and not to commingle with any other funds; and (d) not to disburse the funds deposited pursuant to this Agreement except in accordance with this Agreement.

- 4.1.2 Seller's Receipt of Claims Proceeds. If, notwithstanding TS Section 4.1.1, Seller directly or indirectly receives any Claims Proceeds, Seller will promptly pay the Claims Proceeds consisting of cash (and the cash proceeds of non-cash Claims Proceeds), to the Lawyers to be deposited into the IOLTA Account or otherwise mutually agreed escrow account and held and disbursed in accordance with this Agreement.

- 4.1.3 Non-cash Claims Proceeds. If Seller receives any non-cash Claims Proceeds, Seller and Purchaser shall reasonably agree in good faith the appropriate party to hold such Claims Proceeds and the appropriate process for liquidating such Claims Proceeds until such time as the Claims Proceeds can be liquidated and the cash proceeds of that liquidation deposited into the IOLTA Account, or other mutually agreed escrow account, for distribution to Purchaser and Seller in accordance with TS Section 4.3. Seller shall take all commercially reasonable steps to accomplish the liquidation or realization of any non-cash Claims Proceeds as soon as reasonably practicable.

- 4.2 Investment Return. The Investment Return with respect to the Claims Proceeds, whenever received, (the "*Investment Return*") is as follows:

4.2.1 If the Claims Proceeds received are \$39,500,000 or less, 98% of the Claims Proceeds;

4.2.2 If the Claims Proceeds are received less than 3 years following the Funding Date, and more than \$39,500,000 is received, the sum of \$38,710,000 plus 20% of the Claims Proceeds in excess of \$39,500,000 but not exceeding \$43,042,674;

4.2.3 If the Claims Proceeds are received 3 or more years following the Funding Date, and more than \$39,500,000 is received, the sum of \$38,710,000 plus 50% of the Claims Proceeds in excess of \$39,500,000 but not exceeding \$43,042,674 less 50% of the Litigation Expense (to the extent not previously deducted from such calculation); and

if the Claims Proceeds are received in multiple payments, then the Investment Return will be calculated according to the Payment Waterfall by cumulating the multiple payments. For example, if an initial amount of \$10 million were received, the Investment Return would be 98% of \$10 million. If, later, an additional amount of \$10 million were received, the additional Investment Return would be 98% of the additional \$10 million. Furthermore, in the event of the Claims Proceeds being paid in multiple payments, Purchaser's purchased interest in the Claims Proceeds shall not terminate until all payments are received.

4.3 Payment Waterfall. The Claims Proceeds shall be distributed within ten (10) business days of receipt of cleared funds by Lawyers or other mutually agreed upon Escrow Agent in the following order of priority:

4.3.1 First, to pay the Investment Return to Purchaser in accordance with TS Section 4.2; and

4.3.2 Second, after the amounts set forth in TS Section 4.3.1 have been paid in full, to Seller or as Seller shall direct.

## 5. **ADDITIONAL PROVISIONS**

5.1 Seller's Arrangements. Without the written consent of Purchaser, Seller will not enter into any arrangement other than a Settlement as defined in GTC Article 1 that would adversely impact the economic return and payment priority provided to Purchaser in this Agreement, including, without limitation, any contingent fee arrangement.

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## GENERAL TERMS AND CONDITIONS

The following General Terms and Conditions shall govern the Transaction and the Agreement.

### 1. DEFINITIONS

Capitalized terms used in this Agreement shall have the respective meanings ascribed to them below or otherwise as specifically defined in this Agreement.

*"Acceptable Settlement Offer"* Has the meaning set forth in GTC Section 5.4.1.

*"Acceptable Settlement Proceeds"* Has the meaning set forth in GTC Section 5.4.1.

*"Affiliates"* Means, with respect to any Person, another Person that indirectly or directly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

*"Asset Recovery Action"* Means the action filed by the Seller to recover assets for the receivership in District Court, Clark County, Nevada, Department XVI, Case No. A-17-760558-C.

*"Change in Law"* Has the meaning set forth in GTC Section 14.6.

*"Claims"* Shall have the meaning assigned to such term in the Transaction Summary.

*"Claims Proceeds"* Any and all (i) non-cash consideration paid or delivered, and (ii) cash consideration paid net of any set offs, in each case, by Defendant or any of its instrumentalities (including, but not limited to, the United States Treasury Department, Department of Health and Human Services and the Centers for Medicare & Medicaid Services) to Seller or for the express benefit of Seller, in connection with or arising from the Litigation or the Claims (whether by award, judgment, verdict, Settlement, political resolution, appropriation, voluntary payment or otherwise), including any damages (whether compensatory, punitive or otherwise), penalties, sanctions, interest and other amounts paid or property transferred in respect of the Litigation or the Claims, without any offset for fees, disbursements or expenses incurred, either prior to or after the Funding Date, by Seller, Lawyers or any other Person with respect to the Litigation or the Claims, including in connection with obtaining or collecting the Claims Proceeds. For the avoidance of doubt, Purchaser's interest in the Claims Proceeds is limited to the Investment Return relating to the Claims not to exceed \$43,042,673.80.

*"Confidential Information"* Consistent with and subject to GTC Section 6.4, all communications, information, and documents shared by and between the Parties and/or their counsel shall be maintained in strict confidence and shall not be disclosed to any individual or entity not covered by this Agreement without the prior written consent of the Party who disclosed such

communications, information, and documents to the other Party to this Agreement, except as provided herein. If disclosure of such communications, information, or documents is required by law (e.g., court order or subpoena), then the procedure in GTC Section 6.6 shall govern.

***“Contingent Purchase Price”*** Has the meaning set forth in GTC Section 5.4.3.

***“Contingent Purchase Right”*** Has the meaning set forth in GTC Section 5.4.1.

***“Control”*** The possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or investments of a Person, whether through the ability to exercise voting power, by contract or otherwise. *“Controlling”* and *“Controlled”* have meanings correlative thereto.

***“Court”*** The court or other tribunal in which the Litigation is conducted. For the avoidance of doubt, Court is not to be confused with Receivership Court as defined in TS Section 3.2.

***“Defendant”*** Shall have the meaning assigned to such term in the Transaction Summary.

***“Determination”*** Has the meaning set forth in GTC Section 14.6.

***“Disclosing Party”*** The Party to this Agreement providing Confidential Information to the other Party.

***“Early Termination”*** Any early termination of this Agreement in accordance with GTC Article 10.

***“Fee Cap”*** Shall have the meaning assigned to such term in GTC Section 7.2.2.

***“Final Resolution”*** The resolution of the Litigation and the Claims because of either: (a) a satisfaction by the Defendant of a final, non-appealable, legal and valid judgment of the Court in favor of the Seller; (b) an agreed Settlement between Seller and Defendant that is effective and not subject to any material conditions precedent and performance by the Defendant thereon; (c) other satisfaction of the Claims by Defendant; or (d) otherwise upon the mutual agreement of the Parties.

***“Lawyers”*** Shall have the meaning assigned to such term in the Transaction Summary.

***“Litigation”*** Shall have the meaning assigned to such term in the Transaction Summary.

***“Litigation Expense”*** Shall have the meaning assigned to such term in the Transaction Summary.

<i><b>"Material Change"</b></i>	Has the meaning assigned to such term in the Transaction Summary.
<i><b>"Person"</b></i>	Any natural person, corporation, partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust or other organization whether or not a legal entity, custodian, trustee, executor, administrator, nominee or entity in a representative capacity and any government or agency or political subdivision thereof.
<i><b>"Purchase Price"</b></i>	Shall have the meaning assigned to such term in the Transaction Summary.
<i><b>"Recipient"</b></i>	The Party to this Agreement receiving Confidential Information from the other Party.
<i><b>"Settlement"</b></i>	Any agreement to compromise, discontinue, waive, make payment, release or provide other form of consideration to resolve the Claims or Litigation or any circumstance whatsoever where value passes from or on behalf of the Defendant to or for the direct or indirect benefit of Seller in circumstances in which the Litigation does not commence or continue or the Claims are voluntarily withdrawn as a result of or in connection with the passing of that value; and "Settle", "Settles" and "Settled" have corresponding meanings.
<i><b>"Settlement Offer"</b></i>	Has the meaning set forth in GTC Section 5.3.
<i><b>"Tax Opinion"</b></i>	Has the meaning set forth in GTC Section 14.6
<i><b>"Taxes"</b></i>	Any and all applicable taxes, duties, charges or levies of any nature imposed by any taxing or other governmental or regulatory authority including income, gains, capital gains, surtax, capital, franchise, capital stock, value-added taxes, taxes required to be deducted from payments made by the payor and accounted for to any tax authority, employees' income withholding, back-up withholding, withholding on payments to foreign Persons, social security, national insurance, unemployment, worker's compensation, payroll, disability, real property, personal property, sales, use, goods and services or other commodity taxes, business, occupancy, excise, customs and import duties, transfer, stamp, and other taxes (including interest, penalties or additions to tax in respect of the foregoing), and includes all taxes payable pursuant to any provision of state, local or foreign law, all interest thereon, all penalties or additional amounts asserted with respect thereto, in each case, whether disputed or not.
<i><b>"Transfer Date"</b></i>	Has the meaning set forth in GTC Section 5.4.3.
<i><b>"TS"</b></i>	Has the meaning provided in the Transaction Summary set forth at the beginning of this Agreement and executed by the parties hereto.

## **2. THE PURCHASE**

- 2.1 General. Purchaser shall pay the Purchase Price hereunder subject to the terms and conditions set forth in this Agreement. Seller acknowledges that consideration for the Agreement consists, in meaningful part, of its commitment to use all commercially reasonable efforts to bring the Claims to Final Resolution and maximize the Claims Proceeds. Subject to GTC Section 10, payment of the Purchase Price by Purchaser shall be on a non-recourse and non-refundable basis.
- 2.2 No Affirmative Liability. Under no circumstances shall either party have any obligation to pay any liability of the other party, including fees, costs or awards, nor shall either party be otherwise liable for any obligation of the other party.

## **3. RECEIPT OF CLAIMS PROCEEDS**

- 3.1 Seller's Receipt of Claims Proceeds. Claims Proceeds shall be held by Lawyers in the IOLTA Account as described in TS Section 4.1 and distributed pursuant to this Agreement. For avoidance of doubt, the Investment Return, while held by Lawyers or by Seller shall not be considered an asset of the Receivership estate but will be held for the sole benefit of Purchaser until distributed in accordance with this Agreement. In the event that the Investment Return is deemed to be an asset of the Receivership estate, the Parties jointly shall seek treatment of the Investment Return as a Class A expense payable in accordance with the Priority of Distributions set forth in NRS 696B.420(1)(a).

## **4. APPLICATION OF CLAIMS PROCEEDS**

- 4.1 Payment Waterfall. In accordance with TS Article 4, Lawyers shall promptly, and in any event within ten (10) business days of receipt of cleared funds by Lawyers or Seller, pay to Purchaser the Investment Return, as and when any Claims Proceeds are received.
- 4.2 Future Challenge. Following the entry of the Approval Order and receipt by Seller of the Purchase Price, in the event of any future successful challenge to the validity of this Prepaid Forward Purchase Agreement, the Parties shall seek treatment of Purchaser's right to receive the Investment Return as a Class A expense payable in accordance with the Priority of Distributions set forth in NRS 696B.420(1)(a).

## **5. LITIGATION/SETTLEMENT**

- 5.1 Decisions with Respect to Litigation and Claims/ Right to Settle. Subject to GTC Article 5, and notwithstanding TS Section 5.1, Purchaser acknowledges and agrees that Purchaser shall have no right to make any decisions with respect to Seller's conduct of the Litigation; Seller's participation in Settlement negotiations; and Seller's determination of the acceptability of any Settlement Offers.

Subject to the provisions of GTC Article 5, Seller shall have the sole and exclusive right to settle the Claims or the Litigation.

- 5.2 No Assignment. This Agreement does not purport to create an assignment of the Claims.

5.3 Communication of Settlement Offers. Subject to GTC Article 6, whenever Seller learns of a material development in the Litigation or the Claims, including but not limited to any offer of Settlement (including any offer or proposal by Defendant to provide a benefit to Seller, the State of Nevada or another third party for the benefit of Seller as an inducement to withdraw from the Litigation or to voluntarily withdraw the Claims) ("*Settlement Offer*"), Seller shall promptly communicate the fact and substance of the Settlement Offer and, except as otherwise required by applicable law or prohibited by any confidentiality or similar agreement to which Seller is bound, provide to Purchaser all written documents in its possession or control that relate to such Settlement Offer and promptly thereafter consult and cooperate in good faith with Purchaser regarding any material decision that Seller makes with respect to such Settlement Offer. For the avoidance of doubt, all Settlement Offers, demands or proposals shall constitute Confidential Information under this Agreement. If a Settlement Offer, demand or proposal is made to or received orally, rather than in writing, by Seller, Seller shall promptly (but in no event later than five (5) business day after Seller's receipt of the Settlement Offer, demand or proposal, provide Purchaser with a written summary of all material provisions of the Settlement Offer, demand or proposal.

5.4 Contingent Purchase Right.

5.4.1 If Seller determines a Settlement Offer (whether or not first solicited by Seller) is acceptable, it shall promptly notify Purchaser of such acceptability in accordance with GTC Section 5.3 (an "*Acceptable Settlement Offer*") and the Claims Proceeds which would be received by Seller under the Acceptable Settlement Offer (the "*Acceptable Settlement Proceeds*"). Purchaser shall have ten (10) business days from such notification to elect to purchase an additional interest in the Claims Proceeds (the "*Contingent Purchase Right*") consisting of the right (in the order of priority set forth in TS Section 4.3) to receive additional Claims Proceeds as set forth below in lieu of the percentages set forth in TS Section 4.2.

5.4.2 If Seller notifies Purchaser that it has incurred Litigation Expense equal to or exceeding the Fee Cap and it no longer intends to pursue the Claim, Purchaser shall have ten (10) business days from such notification to exercise the Contingent Purchase Right.

5.4.3 If Purchaser elects to exercise the Contingent Purchase Right following a notification pursuant to GTC Section 5.4.1, Purchaser shall pay Seller, within ten (10) business days of such election, an amount equal to the Acceptable Settlement Proceeds less the Investment Return that would be due to Purchaser under TS Section 4.2 (the "*Contingent Purchase Price*"), with such payment made on the same terms as if the Acceptable Settlement Offer was accepted and paid. The date payment is received from Purchaser shall be deemed to be the "*Transfer Date*". If Purchaser elects to exercise the Contingent Purchase Right following a notification pursuant to GTC Section 5.4.2, the Contingent Purchase Price shall be \$1.00 and the Transfer Date shall be the date on which Purchaser notifies Seller of such election.

5.4.4 After the Transfer Date, (i) the Investment Return in TS Section 4.2 shall be calculated as 100% of all Claims Proceeds less than or equal to the Acceptable Settlement Proceeds and 99% of any Claims Proceeds in excess of the Acceptable Settlement

Proceeds, and (ii) Purchaser shall assume all fees, costs and expenses incurred with respect to the continued pursuit of the Litigation or the Claims.

5.4.5 Seller shall remain at all times the plaintiff of record in the Litigation and Seller shall use reasonable commercial efforts to pursue the Claims and the Litigation in order to maximize the Claims Proceeds. In the event that Purchaser believes that Seller is frustrating the purpose of this Agreement by failing to pursue the Claims and the Litigation to maximize the Claims Proceeds, Seller agrees that Purchaser shall have standing to seek a resolution of the disagreement in the Receivership Court.

5.5 Seller Put Option. If at any time Seller decides to cease funding and/or pursuing the Claims or the Litigation, because Seller's Litigation Expenses have exceeded the Fee Cap or for any other reason, Seller will notify Purchaser of its election to transfer the funding obligation for the Claims and Litigation to Purchaser, which shall be treated as the notification of Seller of an opportunity to exercise the Contingent Purchase Right with a Contingent Purchase Price and Acceptable Settlement Proceeds of \$1.00. If Purchaser elects to exercise the Contingent Purchase Right, with a Contingent Purchase Price and Acceptable Settlement Proceeds of \$1.00, all other provisions of GTC Section 5.4 shall apply.

5.6 No Attorney-Client Relationship. Seller and Lawyers are not serving as Purchaser's counsel with respect to the Litigation or the Claims or with respect to any other matter and no attorney-client relationship exists by and among Sellers and Lawyers, on the one hand, and Purchaser, on the other hand.

## **6. CONFIDENTIALITY AND PROVISION OF DOCUMENTS**

6.1 No Waiver of Privilege. In providing to Purchaser any documents or information about the Claims or the Litigation, Seller does not waive any privilege that may attach to the documents or information. Seller has not provided, and Purchaser has not requested, privileged material.

6.2 Entitled to Documents and Information. Subject to Purchaser's confidentiality obligations under this Agreement, the Lawyers' reasonable judgment with respect to preservation of all legal privileges of Seller, and compliance with protective orders or similar legal restrictions on sharing information, Seller shall:

6.2.1 authorize the Lawyers to promptly provide to Purchaser a copy of any material, non-confidential document filed, served, produced or obtained in the course of the Litigation;

6.2.2 authorize the Lawyers to keep Purchaser fully and continually informed of all material developments with respect to the Claims and the Litigation; and

6.2.3 notify Purchaser of receipt of any Claims Proceeds received by Seller or the Lawyers.

This Section does not in any way obligate Seller to disclose any attorney-client privileged information or attorney work product.



- 6.3 Exclusive Ownership of Information by Disclosing Party. All Confidential Information provided to the Recipient is and shall remain at all times the exclusive property of and owned by the Disclosing Party (or its Affiliates or contract counterparties, as the case may be). Recipient's use or awareness of such Confidential Information shall create no rights, at law or in equity, in the Recipient in or to such Information, or any aspect or embodiment thereof. The furnishing of any Confidential Information shall not constitute: (a) a grant, whether express or by implication, estoppel or otherwise, of any ownership interest in or license of any patent, trademark, service mark, business and trade secret or other proprietary right to such Confidential Information, or of any right to use such Confidential Information for any purpose other than as specified in this Agreement; or (b) a waiver of any attorney-client privilege or work product protection or any other applicable or available similar privilege or protection.
- 6.4 Non-Disclosure of Information. Subject to GTC Section 6.5, the Recipient shall not for any reason, during the term of this Agreement and for a period of two (2) years following Early Termination or Final Resolution, disclose, use, reveal, report, publish, transfer, or make available, directly or indirectly, to any Person other than its representatives, directors, officers, employees, agents, advisors, partners, Affiliates, and its or their current or potential investors, any Confidential Information provided to it in connection with the performance of its obligations or rights under this Agreement, except for (1) the enforcement of its rights under this Agreement, (2) as useful or necessary for the prosecution of litigation including those concerning the Claims, (3) as permitted by the Disclosing Party, (4) as required by law or (5) as allowed herein.

Notwithstanding the foregoing, the parties contemplate and agree that Seller and the Lawyers may file a full copy of this Agreement with the Receivership Court in connection with filing a motion to obtain judicial approval of the Agreement, and notice of the Seller's motion to obtain an Agreement approval will be provided to all parties on the Receivership Court's service list and to those parties in the Litigation and Asset Recovery Action; provided that (i) promptly upon the occurrence of the Final Approval Order, Seller and the Lawyers shall file a motion to have the Agreement sealed, and (ii) at no time shall Seller affirmatively post the Agreement, or the material terms of the same, to the internet or make the Agreement available through a website that Seller controls or maintains, unless necessary for the administration of the Receivership Action or Litigation.

Notwithstanding anything to the contrary contained in this Agreement, nothing contained herein shall preclude Seller from (1) performing any duties required in connection with her responsibilities as Receiver for NHC, (2) performing any duties as the Nevada Commissioner of Insurance, (3) responding fully and completely to discovery requests or deposition questions, otherwise complying with Seller's discovery obligations in the Litigation or otherwise or (4) taking any action as otherwise required by law.

- 6.5 Public Notices. Except as otherwise provided in this Agreement, including, without limitation, GTC Section 6.4, Seller shall not initiate any press release or other public announcement concerning the existence of this Agreement, the funding provided under this Agreement, or the identity of the Parties or their respective Affiliates, unless reasonably necessary for the administration of the Receivership Action or Litigation, or it has obtained the prior written consent of Purchaser. Purchaser, its Affiliates and their respective partners, members, officers, trustees, advisors, attorneys and agents shall have the limited right to

describe the nature of the funding provided under this Agreement with investors, prospective investors or third parties, provided that such investors, prospective investors or third parties will not be provided a copy of this Agreement or any other agreement related to the funding or Purchaser's rights, economic or otherwise, with respect to the Claims Proceeds or the Investor Return except in accordance with the terms of GTC Section 6.4.

- 6.6 **Confidentiality Procedures.** At Purchaser's reasonable request, Seller agrees to provide, and authorizes Lawyers to provide, copies of non-privileged materials to Purchaser, such as (a) pleadings, notices, orders, motions, briefs or other documents filed in the Litigation by any person or party; (b) correspondence, agreements, or written proposals, or written summaries or any oral agreements or proposals, from or to Seller or Lawyers with respect to the Litigation for risk corridor receivables; and (c) documents relating to any other material developments with respect to the Litigation for risk corridor receivables, the Claims or the Claims Proceeds. Notwithstanding the foregoing, the Purchaser will execute a mutually agreeable confidentiality or common interest agreement with Seller that assures the confidentiality of all communications concerning the Litigation for the risk corridor claims. If, at any time, any documents or records containing or derived from Confidential Information are subpoenaed by any court, governmental, administrative or legislative body, or are requested by another person or entity purporting to have authority to require production of such information, the Party from whom the Confidential Information is being sought shall, to the extent legally permitted and practicable, give written notice, by electronic mail, to the other Party. The Parties shall cooperate in seeking any protective order or other judicial or administrative relief deemed necessary by not producing any Confidential Information until the later of the return date on the subpoena or request, if any, or the final resolution of any judicial or administrative relief sought by either of the Parties. Further, Confidential Information may be disclosed without notice in connection with an inspection by or request from any regulatory or self-regulatory (e.g. the National Futures Association or the Financial Industry Regulatory Authority) body who has specific oversight of this type of transaction.

## **7. COVENANTS OF SELLER**

- 7.1 **Cooperation of Seller and Duty to Maximize the Recovery.** Seller acknowledges that executing this Agreement establishes a common purpose between Purchaser and Seller to pursue the Claims to a Final Resolution and maximize the Claims Proceeds; provided that, with respect to any amounts set-off by Defendant that reduce the amount of the Claims Proceeds, Seller shall pursue recovery of such set-off with commercially reasonable efforts.
- 7.2 Seller further agrees that Seller's obligation to cooperate with Purchaser is consistent with this common purpose. At all times during the term of this Agreement,
- 7.2.1 Seller shall reasonably cooperate with the Lawyers and Purchaser in all material matters pertaining to this Agreement, the Claims and the Litigation and devote sufficient time and attention as is necessary to reasonably maximize the Claims Proceeds;
- 7.2.2 Seller shall use commercially reasonable efforts to pursue the Claims in a manner that maximizes the Claims Proceeds; provided however that in no case shall Seller be obligated to expend more than \$1 million (the "*Fee Cap*") in Litigation Expenses.

- 7.2.3 Seller shall cooperate with Purchaser by being available and allowing Seller's Lawyers and other counsel to be available at Purchaser's reasonable request to discuss this Agreement, the Claims or the Litigation to the extent relating to the Claims by phone, email, or with reasonable advance notice, in person;
- 7.2.4 Upon a Settlement, final judgment or other award made with respect to the Litigation or the Claims, Seller shall use reasonable commercial efforts to enforce and collect all sums due pursuant to such Settlement, judgment or other award, including, if necessary, litigation in all appropriate jurisdictions, subject to the Fee Cap;
- 7.2.5 Without limiting the generality of the foregoing, Seller agrees that, by virtue of this Agreement, Purchaser has an interest in the Claims Proceeds and is situated such that disposal or distribution of the Claims or the Claims Proceeds in a manner inconsistent with the terms of this Agreement would impede its rights under the Agreement, and Seller further agrees that Purchaser's interest will not be adequately protected by Seller or other Party to the Litigation in the event any Person seeks to cause Seller or other Person to take action in a manner that is inconsistent with this Agreement;
- 7.2.6 Seller shall provide Purchaser with prompt notice if Seller learns of any competing claim (including, without limitation, any mortgage, pledge, lien, charge, hypothecation, right of set-off or counterclaim, security interest or other encumbrance) on the Claims or the Claims Proceeds or any payment (or attempted payment) of any portion of the Claims Proceeds in any manner inconsistent with the intent of the Agreement;
- 7.2.7 Attached hereto as Exhibit 7.2.7 is a true and correct copy of CMS's allowance of the risk corridor claim amounts provided to Seller, and such claims are held directly by Seller and not through any subsidiaries or affiliates;
- 7.2.8 Seller shall not dispose of, by way of assignment, participation, or otherwise, any part of its economic interest in or title to the Claims or the Claims Proceeds except as provided herein to Purchaser;
- 7.2.9 Seller shall not enter into any agreement with any Person (including any Person affiliated with Seller) that obligates Seller to make any payment of Claims Proceeds to such Person or otherwise is intended in whole or part to cause Seller to become economically disinterested in the outcome of the Claims or the Litigation except as provided herein to Purchaser; and
- 7.2.10 Except as contemplated or set forth herein, Seller shall notify Purchaser and obtain approval from the Receivership Court prior to taking any substantive action to dismiss the Litigation, cede or waive any rights related to the Litigation or the Claims or forgo opportunities to pursue the Claims.

## **8. REPRESENTATIONS AND WARRANTIES**

### **8.1 Mutual Representations and Warranties.** Seller and Purchaser each represent and warrant to the other, as of the date hereof, that:

- 8.1.1 It has full right, power and authority, and has taken all action necessary, to execute and deliver this Agreement, and to perform its obligations hereunder;
- 8.1.2 The making and performance by it of this Agreement does not and will not violate any charter, bylaw or other organizational agreement of it;
- 8.1.3 It will not raise champerty as an argument or defense in any dispute regarding this Agreement, and will not assert in any proceeding that the transaction hereunder is void as against public policy pursuant to Nevada law;
- 8.1.4 It will not assert in any proceeding that this Agreement violates of 31 USCS § 3727 (the federal Anti-Assignment Act);
- 8.1.5 Subject to the entry of the Approval Order, this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- 8.1.6 It has had this Agreement reviewed by competent counsel and has received advice regarding the execution and delivery of this Agreement and the performance of its obligations under this Agreement;
- 8.1.7 The other Party has not given any investment advice or rendered any opinion to it as to the viability, value, or legality of the Claims or whether entering into this Agreement in exchange for the rights received is prudent;
- 8.1.8 It has received independent and appropriate Tax advice in connection with this Agreement, or has knowingly waived same, and, on the basis of that advice, or at the risk of such waiver, is entering into this Agreement; and
- 8.1.9 It has received independent advice as to the viability, value and legality of the Claim.

### **8.2 Seller's Additional Representations, Warranties and Covenants.** Seller represents and warrants to Purchaser that as of the date of this Agreement:

- 8.2.1 Seller is the sole legal and beneficial owner of, and has good title to, the Claims free and clear of, any interest of any Person of any kind, including, without limitation, any mortgage, pledge, lien, charge, hypothecation, right of set-off or counterclaim, security interest or other encumbrance, except for the setoff asserted by the Defendant, which is a contested issue in the Litigation and the Receivership Action;
- 8.2.2 Seller, having been advised by its own counsel, believes that the transaction hereunder is both consistent with its authority granted by the orders of the Receivership Court and NRS Chapter 696B, and is in the best interests of the Receivership estate.

- 8.2.3 Seller has not made or entered into and shall not make or enter into any assignment, trust arrangement, security, sale, transfer or sub-participation or local law equivalent of its right, title or interest in the Claims or the Claims Proceeds, and there are no agreements (whether in writing or oral) between Seller and another Person granting or agreeing to grant a contingent interest in, or granting or agreeing to grant a right to payment determined by reference to, the Claims Proceeds other than this Agreement;
- 8.2.4 Seller will not cause, permit or assert over or otherwise attach to its interest in the Claims or the Claims Proceeds any (a) mortgage, pledge, lien, charge, hypothecation, right of set-off or counterclaim, security interest or other encumbrance, security agreement or trust securing any obligation of any Person or arrangement of any kind; (b) purchase or option agreement or arrangement; (c) subordination agreement or arrangement; (d) agreements to create or effect any of the foregoing or which have a similar or analogous nature or effect;
- 8.2.5 Seller has not taken (except as may be described or disclosed in written information regarding the Claims and Litigation disclosed by Seller to Purchaser) and shall not take any action or execute any documents which would materially or adversely affect the Claims or the recoverability of the Claims Proceeds. Notwithstanding the foregoing, any theories of recovery or defense claims filed by Seller in good faith in the Federal Court of Claims in pursuit of recovery for the Claims shall not be deemed to be a breach of this representation;
- 8.2.6 Seller has not engaged (except as may be described or disclosed in written information regarding the Claims and Litigation disclosed by Seller to Purchaser), and shall not engage, in any acts or conduct or make any material omissions, agreements or arrangements that would result in Purchaser receiving less payment or less favorable treatment in respect of the Claims or the Claims Proceeds than as set forth in this Agreement. Notwithstanding the foregoing, any theories of recovery or defense claims filed by Seller in good faith in the Federal Court of Claims in pursuit of recovery for the Claims shall not be deemed to be a breach of this representation;
- 8.2.7 Seller has not recouped or set off or agreed to recoup or set off any amounts against the Claims or the Litigation;
- 8.2.8 Seller shall not seek to terminate the Receivership absent a complete discharge of all its obligations under this Agreement, including, without limitation, its obligation to use reasonable commercial efforts to pursue the Claims and the Litigation in order to maximize the Claims Proceeds and its obligation to make payment of all Claims Proceeds, absent order of the Receivership Court or advance written consent of Purchaser;
- 8.2.9 Seller shall use good faith efforts to obtain judicial approval in the form of the Proposed Court Order to enter into this Agreement and the transactions contemplated hereby;
- 8.2.10 Seller has provided Purchaser with the balance information for amounts due Seller for risk corridor claims, as well as any correspondence from Defendant concerning settlement offers made to Seller, of which there are none as of the date of this

Agreement, and Seller holds complete title to the risk corridor claims and has not sold or encumbered them to other parties;

8.2.11 Except as disclosed in Schedule 8.2.12 hereto, Seller is not aware of any claims of set off by the Defendant;

8.2.12 Except for the actions relating to the Claims, (including the Litigation, the Receivership Action and the Asset Recovery Action,) no litigation has been commenced by or against or, to the best of its knowledge, is threatened against Seller which could materially adversely affect the Claims or the recoverability of the Claims Proceeds;

8.2.13 Seller has the full power and authority to bring the Claims, pursue the Litigation, direct the Lawyers, and resolve the Claims, subject to the oversight of the Receivership Court;

8.2.14 All representations, warranties, covenants and certifications of Seller set forth in this Agreement, including the Seller's Certificate, are true and correct in all respects; and

8.2.15 Seller shall not enter into any financing, contingency or other arrangement that would alter in any way the Investment Return or adversely impact Purchaser's rights under this Agreement.

8.3 Purchaser's Additional Representations, Warranties and Covenants. Purchaser represents and warrants to Seller that as of the date of this Agreement:

8.3.1 Purchaser has performed its own due diligence and is not relying on any representations or warranties of Seller concerning the collectability of the Claims, other than Seller's representations or warranties set forth in this Agreement;

8.3.2 Purchaser has obtained and independently analyzed all documents filed in the Litigation, the Receivership Action and the Asset Recovery Action;

8.3.3 Purchaser has obtained and independently analyzed all documents it deems necessary to enter into the transaction hereunder;

8.3.4 Purchaser recognizes and agrees that there is a risk of litigation, among other risks, associated with the prosecution and collection of the Claims, and that it is possible that Purchaser will not receive recovery on the full amount of the Claims or any portion thereof as a result of such risks; and

8.3.5 Seller has disclosed to Purchaser that the Defendant seeks in the Litigation, and by filing a claim in the Receivership Action, to offset any amounts owed under the Risk Corridor program against loans owed by NHC to the United States including the Start-Up loan. Seller has disclosed to Purchaser that Defendant may seek to further offset any amounts owed under the Risk Corridor Program against other loans or amounts due to the United States and that such actions are beyond the control of Seller.

## 9. DURATION OF AGREEMENT

Subject to GTC Article 10, this Agreement commences on the date hereof and, absent Early Termination, continues in effect until:

- (a) Final Resolution, *provided that* the obligation of Seller to pay the Investment Return upon receipt of any Claims Proceeds shall survive Final Resolution;
- (b) Seller has complied with all of Seller's obligations pursuant to this Agreement;
- (c) Purchaser has complied with all of Purchaser's obligations pursuant to this Agreement; and
- (d) All Claims Proceeds (if any) have been fully disbursed in accordance with this Agreement.

Notwithstanding the foregoing, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Claims Proceeds is rescinded or must otherwise be returned by Purchaser.

## 10. EARLY TERMINATION RIGHTS

- 10.1 Automatic Early Termination. If the Receivership Court refuses to approve the Agreement or does not enter the Approval Order or if an appellate court reverses the Approval Order, then the Agreement shall be deemed immediately null and void ab initio, the Parties shall have no obligations under the Agreement, and the Parties shall be restored to their positions, rights and interests the same as they had maintained immediately prior to the execution of the Agreement. Any payments (including the Purchaser's payment of the Purchase Price) made under the Agreement before an Automatic Early Termination will be returned within five (5) business days of the termination. This Agreement may also be terminated early for other reasons as set forth herein.
- 10.2 Early Termination By Purchaser. Purchaser shall have the right, but not the obligation, to terminate this Agreement:
  - 10.2.1 Immediately, upon written notice to Seller, if the Receivership Court has not entered the notice of entry of the Approval Order by October 31, 2019; or
  - 10.2.2 Upon written notice to Seller, if, on or prior to the Funding Date, a Material Change has occurred; or
  - 10.2.3 In the event that any appeal or request for rehearing of the Approval Order is timely made, then Purchaser may, within five (5) calendar days of such appeal or request and assuming that such appeal has not been dismissed or request for rehearing denied by the applicable court, terminate this Agreement upon written notice.
- 10.3 Early Termination By Seller. Seller shall have the right, but not the obligation, to terminate this Agreement:

10.3.1 Immediately, upon written notice to Purchaser, if the Receivership Court has not entered the notice of entry of the Approval Order by October 31, 2019; or

10.3.2 Immediately, upon written notice to Purchaser, if the Purchase Price has not been received by Seller by the date that is five (5) business days after the Funding Date.

10.4 Early Termination by Either Party: Either party shall have the right, but not the obligation, to terminate this Agreement immediately, upon written notice to the other party within three (3) business days after December 2, 2019, if the Funding Date has not occurred and Seller has not received the Purchase Price on or before December 2, 2019.

10.5 Consequences of Early Termination.

10.5.1 If this Agreement is terminated by Purchaser or Seller in accordance with GTC Section 10.1, 10.2, 10.3, or 10.4, then the Agreement shall be deemed immediately null and void ab initio, the Parties shall have no obligations under the Agreement, and the Parties shall be restored to their positions, rights and interests the same as they had maintained immediately prior to the execution of the Agreement except as provided in GTC Section 10.5.2 or 10.5.3.

10.5.2 The obligations set forth in GTC Articles 6 and 11 are continuing obligations and survive Early Termination pursuant to GTC Section 10.2, 10.3, or 10.4.

10.5.3 In the event that the Agreement is terminated pursuant to GTC Section 10.2.3 or 10.4, then the obligation to repay any payments previously made under this Agreement shall survive such termination.

10.6 Continued Performance. Unless and until this Agreement is terminated under this GTC Article 10, each Party shall continue to perform its obligations under this Agreement notwithstanding the existence of any dispute among the Parties and without prejudice to any adjustment to any Party's rights or obligations.

10.7 Written Notice. For any termination rights in this GTC Article 10 that require written notice, such written notice shall be provided by personal service, recognized overnight service carrier, or email communications, as follows:

**If to Seller:**

Patrick H. Cantilo  
Mark F. Bennett  
11401 Century Oaks Terrace, #300  
Austin, Texas 78758

**EMAILS:**

phcantilo@cb-firm.com  
mfbennett@cb-firm.com

**With a copy to (which shall not constitute notice):**

Mark E. Ferrario, Esq.  
Donald L. Prunty, Esq.



Greenberg Traurig, LLP  
10845 Griffith Peak Drive, Suite 600  
Las Vegas, Nevada 89135

**EMAILS:**

ferrariom@gtlaw.com

PruntyD@gtlaw.com

**If to Purchaser:**

CM Squared RC IV LLC  
16 Madison Square West, 10th Floor  
New York, NY 10010  
Attention: President  
E-mail: partners@cmsquaredpartners.com

**with a copy to *(which shall not constitute notice):***

Richards Kibbe & Orbe LLP  
200 Liberty Street  
New York, NY 10281  
Attention: Greg Plotko  
E-mail: gplotko@rkollp.com

**11. GOVERNING LAW; JURISDICTION**

- 11.1 **Governing Law.** This Agreement is entered into in the State of Nevada and shall be governed by and construed in accordance with the laws of the State of Nevada applicable to contracts entered into and fully to be performed in such jurisdiction. Conflict of laws rules that would require the application of the law of any other jurisdiction shall not apply.
- 11.2 **Waiver and Release.** Purchaser forever waives and releases any claims it or its Affiliates may have against Barbara D. Richardson in her personal capacity, and agents, representatives, and advisors (including attorneys) of Ms. Richardson in their personal capacities, and any other individuals or entities other than the estate of NHC. Purchaser understands that Seller enters into this Agreement only in her capacity as the Receiver of NHC. Seller is entitled to all rights, privileges, and immunities provided for under Nevada law. Seller forever waives and releases any claims it or its Affiliates may have against the partners, agents, and advisors (including attorneys) of Purchaser and their respective principals in their personal capacities.
- 11.3 **Jurisdiction.** Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Receivership Court, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
- 11.4 **Venue.** Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement

exclusively in the Receivership Court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

- 11.5 **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS GTC SECTION 11.5.

## **12. NOTICES**

- 12.1 **Method.** All notices given under this Agreement shall be in writing and may be served personally or by recognized overnight courier such as FedEx to the respective party's address for service set forth in the heading of this Agreement (or to such party's alternate address provided to the other party by effective notice), or by email.
- 12.2 **Receipt.** A notice shall be considered to have been received on the second business day after it is sent by overnight courier for next business day delivery or on the first business day after it is transmitted by email.

## **13. ACKNOWLEDGEMENT**

By executing this Agreement, Seller acknowledges that Purchaser is not a law firm and Purchaser is not engaged in the practice of law. Purchaser is not providing any legal advice to Seller, and Seller has not and shall not rely on Purchaser or its Affiliates for legal, tax, accounting or other professional advice.

By executing this Agreement, Purchaser acknowledges that Seller is not a law firm and Seller is not engaged in the practice of law. Seller is not providing any legal advice to Purchaser, and Purchaser has not and shall not rely on Seller or its Affiliates for legal, tax, accounting or other professional advice.

## **14. GENERAL**

- 14.1 **Interpretation.** Section headings in this Agreement are for convenient reference only and shall not affect the interpretation or construction of this Agreement. The singular includes the plural in this Agreement and vice versa. Examples and words like "including" are deemed to mean "without limitation". All references in this Agreement to Articles, Sections, Paragraphs and Exhibits are references to the relevant provisions of this Agreement.
- 14.2 **Merger Clause.** This Agreement shall constitute the entire agreement between the parties, and shall supersede all prior agreements, understandings and negotiations between the

parties with respect to the subject matter hereof. If the parties entered into any earlier agreements relating to the Claims or the Litigation, those agreements are hereby terminated, and this Agreement shall be the sole agreement governing the parties' relationship. This Agreement shall be deemed to have been jointly drafted by the Parties, and no provision shall be interpreted or construed for or against either Party because such Party actually or purportedly prepared or requested such provision.

- 14.3 Assignment. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective successors and assigns. All representations, warranties, covenants and indemnities made herein shall survive the execution and delivery of this Agreement. Neither this Agreement, nor any rights, interests, obligations and duties arising hereunder, may be assigned or otherwise conveyed by Seller without the express written consent of Purchaser. The replacement of Commissioner Richardson as the Receiver, if any, shall not be considered an assignment or conveyance; any subsequent Receiver shall be considered a successor to Commissioner Richardson, and this Agreement shall inure to the benefit of, and shall be binding upon, the successor Receiver. Upon Seller's written consent, which will not be unreasonably withheld or delayed, Purchaser may assign its rights and obligations under this Agreement. For the avoidance of doubt, Purchaser may, without the prior consent of or notice to Seller, grant participation(s) in or to all or a portion of its rights under this Agreement; provided, however, Purchaser shall remain solely responsible for its obligations under this Agreement and Seller shall continue to deal solely and directly with Purchaser in connection with Purchaser's obligations hereunder.
- 14.4 Independent Parties. Seller and Purchaser are independent entities from one another with respect to this Agreement, and neither Seller nor Purchaser is an agent, employee or joint venturer of the other by virtue of this Agreement. Nothing in this Agreement shall constitute Seller and Purchaser as partners or fiduciaries of one another. Neither Seller nor Purchaser shall have any power, right or authority to bind the other to any obligation or liability, to assume or create any obligation or liability or transact any business in the name or on behalf of the other, or make any promises or representations on behalf of the other, except as expressly set forth herein.
- 14.5 Amendment; Waiver. This Agreement may not be amended, and no term or provision of this Agreement may be waived, except in writing signed by a duly authorized representative of each party. No delay on the part of a party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, and no single or partial exercise of any right, power or remedy by a party shall preclude any further exercise thereof.
- 14.6 Consistent Tax Treatment. The parties hereto shall treat this Agreement and all payments hereunder, for all United States federal, state and local income and franchise Tax purposes, as a prepaid forward contract to purchase an economic interest in the Claims, and not as a debt instrument or a partnership, and all amounts received by Purchaser on account of the Investment Return shall be treated as the acquisition by Purchaser from Seller, at the time of such receipt, of property the purchase price of which has been prepaid by Purchaser pursuant to this Agreement, unless there is a change in United States federal, state or local law after the date hereof (a "*Change in Law*") or one of the parties hereto delivers to the other party a written opinion from a nationally recognized law firm that there is no reasonable basis for reporting the transactions herein (a "*Tax Opinion*") or unless otherwise required pursuant to a

determination within the meaning of Section 1313(a)(1) or (2) of the Internal Revenue Code of 1986 that is binding on the affected party hereto (a "*Determination*"). For the avoidance of doubt, and without limitation (unless otherwise necessitated by a Change in Law and pursuant to a Tax Opinion or unless otherwise required pursuant to a Determination), the parties agree not to treat the arrangement contemplated by this document as a debt instrument for money borrowed or as a partnership between Purchaser and Seller. No party shall take any position on any Tax filing (including without limitation by reporting any such payments as an item of miscellaneous income on any information return or statement issued to Purchaser or filed with a taxing authority), submission to any Tax authority, in any Tax audit, claim, investigation or proceeding, or otherwise that is inconsistent with this intended Tax treatment, unless otherwise necessitated by a Change in Law and pursuant to a Tax Opinion or unless otherwise required pursuant to a Determination. Each party shall promptly notify the other of any challenge by any Tax authority to the Tax treatment of any payment pursuant to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is agreed that the tax treatment, in Seller's sole discretion, of risk corridor receivables on Seller's prior returns or future treatment by Seller, which Seller deems necessary because of prior tax filings, will not be a violation of this provision. A true and correct copy of Seller's 2014 tax return has been provided to the Purchaser.

- 14.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Agreement and the execution thereof may be delivered by any party by facsimile, scanning, or other electronic means and any copy so delivered shall be deemed to be an original.
- 14.8 Severability. If any provision of this Agreement, or the application thereof to any Person or circumstances, is or becomes invalid or unenforceable, the remaining provisions will not be affected, and each remaining provision shall remain valid and be enforceable to the full extent permitted by applicable law.
- 14.9 Further Assurances. Each Party will promptly execute all documents and do all things that another Party from time to time reasonably requires to effect, perfect or complete the provisions of this Agreement and the Transaction.

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**Payables - CMS to NHC**

Program Payable to NHC	Invoice Number	Invoice Date	Payment Date	Invoice Amount	Amount Netted (Against other CMS Programs)	Offset v Loan	Amount Paid
RC	K1511A297001001	7-Dec-15	9-Dec-15	\$ 1,158,961.89	\$ -	\$ -	\$ 1,158,961.89
RC	K1601A297001001	7-Jan-16	12-Jan-16	\$ 4,910.27	\$ -	\$ -	\$ 4,910.27
RC	K1603A297001001	5-Feb-16	10-Feb-16	\$ 135,513.58	\$ -	\$ -	\$ 135,513.58
RC	K1603A297001002	11-Mar-16	9-Aug-16	\$ 12,541.79	\$ 12,541.79	\$ -	\$ -
RC	K1610A297001001	5-Oct-16	9-Jan-17	\$ 22,608.03	\$ -	\$ 22,608.03	\$ -
RC	K1612A297001001	7-Dec-16	9-Jan-17	\$ 257,427.89	\$ -	\$ 257,427.89	\$ -
RC	K1701A297001001	5-Jan-17	9-Jan-17	\$ 19,133.48	\$ -	\$ 19,133.48	\$ -
RC	K1702A297001001	6-Feb-17	8-Feb-17	\$ 9,874.95	\$ -	\$ 9,874.95	\$ -
RC	K1704A297001001	6-Apr-17	10-Apr-17	\$ 30,480.68	\$ -	\$ 30,480.68	\$ -
RC	K1708A297001002	8-Aug-17	9-Aug-17	\$ 46,808.50	\$ -	\$ 46,808.50	\$ -
RC	K1801A297001001	5-Jan-18	9-Jan-18	\$ 79,074.20	\$ -	\$ 79,074.20	\$ -
RC	K1802A297001001	5-Feb-18	7-Feb-18	\$ 43.02	\$ -	\$ 43.02	\$ -
RC	K1805A297001002	8-May-18	10-May-18	\$ 14,425.17	\$ -	\$ 14,425.17	\$ -
				\$ 1,791,803.45	\$ 12,541.79	\$ 479,875.92	\$ 1,299,385.74

## Department of Health & Human Services

Centers for Medicare & Medicaid Services  
Center for Consumer Information & Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



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**Date:** November 19, 2015

**Subject:** Risk Corridors Payment and Charge Amounts for Benefit Year 2014

### **Background:**

Section 1342 of the Affordable Care Act directs the Secretary of the Department of Health and Human Services (HHS) to establish a temporary risk corridors program that provides issuers of qualified health plans (QHPs) in the individual and small group markets additional protection against uncertainty in claims costs during the first three years of the Marketplace. The program, which was modeled after a similar program implemented as part of the Medicare Part D prescription drug benefit program, encourages issuers to keep their rates stable as they adjust to the new health insurance reforms in the early years of the Marketplaces.

HHS has previously stated that if risk corridors collections for a particular year are insufficient to make full risk corridors payments for that year, risk corridors payments for the year will be reduced pro rata to the extent of any shortfall.<sup>1</sup> On October 1, 2015, HHS announced the payment proration rate for 2014 will be approximately 12.6 percent, reflecting risk corridors charges of \$362 million and payments of \$2.87 billion requested by issuers.<sup>2</sup> This proration rate was based on the most current risk corridors data submitted by issuers and assumes full collection of charges from issuers.

Today, HHS is releasing issuer-level risk corridors payments and charges based on the most current risk corridors data submitted by issuers and assuming full collection of charges from issuers, by market and state, for the 2014 benefit year. The tables below include the risk corridors payment or charge amounts for the individual and small group markets, respectively, and the prorated risk corridors payment, if applicable. **Risk corridors charges payable to HHS are not prorated, and the full risk corridors charge amounts are noted in the chart below. Only risk corridors payment amounts are prorated.** HHS will begin collection of risk corridors charges in November 2015 and will begin remitting risk corridors payments to issuers starting in December 2015.<sup>3</sup>

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<sup>1</sup> "Risk Corridors and Budget Neutrality", published April 11, 2014 and posted at <https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/faq-risk-corridors-04-11-2014.pdf>

<sup>2</sup> The exact proration rate for 2014 is 12.6178665287897%.

<sup>3</sup> We note that the risk corridor payment and charge amounts published in this bulletin do not reflect any payment or charge adjustments due to resubmissions after September 15, 2015 or any amount held back for appeals.

**Table 1 – Alabama**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
AL	44580	Humana Insurance Company	\$ 947,116.86	\$ -	\$ 119,505.94	\$ -
AL	46944	Blue Cross and Blue Shield of Alabama	\$ 354,762.84	\$ -	\$ 44,763.50	\$ -
AL	59809	UnitedHealthcare Life Insurance Company	\$ -	\$ (4,761.86)	\$ -	\$ (4,761.86)

**Table 2 – Alaska**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
AK	38344	Premiera Blue Cross Blue Shield of Alaska	\$ 8,126,435.92	\$ 122,178.45	\$ 1,025,382.84	\$ 15,416.31
AK	73836	Moda Health Plan, Inc.	\$ 1,237,418.79	\$ 448,597.16	\$ 156,135.85	\$ 56,603.39

**Table 3 – Arizona**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
AZ	23307	Humana Health Plan, Inc.	\$ 1,851,728.19	\$ -	\$ 233,648.59	\$ -
AZ	51485	Health Net Life Insurance Company	\$ 38,309,878.15	\$ 6,528,368.90	\$ 4,833,889.29	\$ 823,740.87
AZ	53901	Blue Cross Blue Shield of Arizona, Inc.	\$ 11,688,096.55	\$ (216,623.22)	\$ 1,474,788.42	\$ (216,623.22)
AZ	60761	Meritus Health Partners	\$ 3,401,552.97	\$ 88,126.95	\$ 429,203.41	\$ 11,119.74



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
AZ	70239	Health Choice Insurance Company	\$ 1,258,219.04	\$ -	\$ 158,760.40	\$ -
AZ	84251	Aetna Life Insurance Company	\$ 60,071.04	\$ -	\$ 7,579.68	\$ -
AZ	86830	Cigna Health and Life Insurance Company	\$ 173,356.66	\$ -	\$ 21,873.91	\$ -
AZ	88925	University of Arizona Health Plans-University Healthcare, Inc.	\$ 645,097.22	\$ -	\$ 81,397.51	\$ -
AZ	91450	Health Net of Arizona, Inc.	\$ 44,674,893.78	\$ 1,189,199.69	\$ 5,637,018.47	\$ 150,051.63
AZ	92045	Meritus Mutual Health Partners	\$ 1,546,274.44	\$ 327,316.81	\$ 195,106.85	\$ 41,300.40

**Table 4 – Arkansas**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
AR	62141	Celtic Insurance Company	\$ (15,850,813.36)	\$ -	\$ (15,850,813.36)	\$ -
AR	70525	QCA Health Plan, Inc.	\$ 4,181,163.09	\$ -	\$ 527,573.58	\$ -
AR	75293	USAbile Mutual Insurance Company	\$ -	\$ -	\$ -	\$ -

**Table 5 – California**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
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STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
CA	18126	Molina Healthcare of California	\$ -	\$ -	\$ -	\$ -
CA	27603	Blue Cross of California	\$ (8,679,121.40)	\$ -	\$ (8,679,121.40)	\$ -
CA	40513	Kaiser Foundation Health Plan, Inc.	\$ (65,768,044.51)	\$ 36,933,195.21	\$ (65,768,044.51)	\$ 4,660,181.28
CA	47579	Chinese Community Health Plan	\$ -	\$ 712,789.33	\$ -	\$ 89,938.81
CA	67138	Health Net of California, Inc.	\$ -	\$ -	\$ -	\$ -
CA	70285	CA Physician's Service dba Blue Shield of CA	\$ (106,990,058.09)	\$ (136,577.80)	\$ (106,990,058.09)	\$ (136,577.80)
CA	84014	County of Santa Clara	\$ -	\$ -	\$ -	\$ -
CA	92499	Sharp Health Plan	\$ -	\$ 7,775.72	\$ -	\$ 981.13
CA	92815	Local Initiative Health Authority for Los Angeles County	\$ 13,561,651.72	\$ -	\$ 1,711,191.11	\$ -
CA	93689	Western Health Advantage	\$ (228,695.71)	\$ 138.73	\$ (228,695.71)	\$ 17.50
CA	99110	Health Net Life Insurance Company	\$ -	\$ 5,058,867.84	\$ -	\$ 638,321.19
CA	99483	Contra Costa Health Plan	\$ -	\$ -	\$ -	\$ -

**Table 6 – Colorado**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
CO	11555	New Health Ventures, Inc.	\$ 106,520.81	\$ -	\$ 13,440.65	\$ -
CO	20472	Colorado Health Insurance Cooperative, Inc.	\$ 14,137,039.31	\$ 163,367.72	\$ 1,783,792.75	\$ 20,613.52

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
CO	21032	Kaiser Foundation Health Plan of Colorado	\$ 14,160,790.95	\$ -	\$ 1,786,789.70	\$ -
CO	49375	Cigna Health and Life Insurance Company	\$ (632,444.16)	\$ -	\$ (632,444.16)	\$ -
CO	63312	Colorado Choice Health Plans	\$ 5,893,514.24	\$ 114,299.01	\$ 743,635.76	\$ 14,422.10
CO	66699	Denver Health Medical Plan, Inc.	\$ 287,542.11	\$ -	\$ 36,281.68	\$ -
CO	74320	Humana Health Plan	\$ 3,183,617.97	\$ -	\$ 401,704.67	\$ -
CO	76680	HMO Colorado, Inc., dba HMO Nevada	\$ 1,479,675.14	\$ (21,811.05)	\$ 186,703.43	\$ (21,811.05)
CO	80208	Rocky Mountain Health Care Options	\$ -	\$ 440,553.54	\$ -	\$ 55,588.46
CO	92137	All Savers Insurance Company	\$ (107,467.82)	\$ -	\$ (107,467.82)	\$ -
CO	97879	Rocky Mountain HMO	\$ 1,470,136.36	\$ 578,003.29	\$ 185,499.84	\$ 72,931.68

**Table 7 – Connecticut**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
CT	49650	UnitedHealthcare Insurance Company	\$ -	\$ 11,299.51	\$ -	\$ 1,425.76
CT	76962	ConnectiCare Benefits, Inc.	\$ (717,037.34)	\$ -	\$ (717,037.34)	\$ -
CT	86545	Anthem Health Plans, Inc. (Anthem BCBS)	\$ (863,733.24)	\$ (26,699.38)	\$ (863,733.24)	\$ (26,699.38)
CT	91069	HealthyCT, Inc.	\$ 1,561,247.18	\$ 272,638.90	\$ 196,996.09	\$ 34,401.21

**Table 8 - DC**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
DC	41842	UnitedHealthcare Insurance Company	\$ -	\$ (991,539.08)	\$ -	\$ (991,539.08)
DC	73987	Aetna Health, Inc. (a PA corp.)	\$ -	\$ (64,837.39)	\$ -	\$ (64,837.39)
DC	75753	Optimum Choice, Inc.	\$ -	\$ (254,567.86)	\$ -	\$ (254,567.86)
DC	77422	Aetna Life Insurance Company	\$ (85,707.77)	\$ (599,078.47)	\$ (85,707.77)	\$ (599,078.47)
DC	78079	Group Hospitalization and Medical Services, Inc.	\$ -	\$ -	\$ -	\$ -
DC	86052	CareFirst BlueChoice, Inc.	\$ -	\$ -	\$ -	\$ -
DC	94506	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$ 668,656.18	\$ 592,476.32	\$ 84,370.14	\$ 74,757.87

**Table 9 – Delaware**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
DE	13537	Coventry Health and Life	\$ (98,081.56)	\$ -	\$ (98,081.56)	\$ -
DE	76168	Highmark BCBSD, Inc.	\$ 6,075,398.71	\$ (90,018.42)	\$ 766,585.70	\$ (90,018.42)
DE	81914	Coventry Health Care of Delaware, Inc.	\$ -	\$ (83,436.61)	\$ -	\$ (83,436.61)

**Table 10 – Florida**

<b>STATE</b>	<b>HIOS ID</b>	<b>HIOS INPUTTED INSURANCE COMPANY NAME</b>	<b>HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)</b>	<b>HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)</b>	<b>PRORATED AMOUNT (INDIVIDUAL MARKET)</b>	<b>PRORATED AMOUNT (SMALL GROUP MARKET)</b>
FL	16842	Blue Cross and Blue Shield of Florida	\$ 14,407,419.27	\$ 28,169.07	\$ 1,817,908.93	\$ 3,554.34
FL	23841	Aetna Life Insurance Company	\$ -	\$ -	\$ -	\$ -
FL	27357	Health First Health Plans, Inc.	\$ -	\$ 102,999.55	\$ -	\$ 12,996.35
FL	30252	Health Options, Inc.	\$ 11,363,630.16	\$ 18,103.08	\$ 1,433,847.69	\$ 2,284.22
FL	35783	Humana Medical Plan, Inc.	\$ 41,231,083.98	\$ -	\$ 5,202,483.14	\$ -
FL	48121	Cigna Health and Life Insurance Company	\$ 4,068,246.94	\$ -	\$ 513,325.97	\$ -
FL	51398	Preferred Medical Plan, Inc.	\$ 34,777,521.17	\$ -	\$ 4,388,181.20	\$ -
FL	54172	Molina Healthcare of Florida, Inc.	\$ 39,035.74	\$ -	\$ 4,925.48	\$ -
FL	56503	Florida Health Care Plan, Inc.	\$ (1,687,550.49)	\$ (123,177.85)	\$ (1,687,550.49)	\$ (123,177.85)
FL	57451	Coventry Health Care of Florida, Inc.	\$ 30,600,508.00	\$ -	\$ 3,861,131.26	\$ -
FL	77150	Health First Insurance, Inc.	\$ 1,549,229.65	\$ 303,120.12	\$ 195,479.73	\$ 38,247.29
FL	86382	Sunshine State Health Plan	\$ (420,664.88)	\$ -	\$ (420,664.88)	\$ -



**Table 11 - Georgia**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
GA	45495	Peach State Health Plan	\$ (675,263.76)	\$ -	\$ (675,263.76)	\$ -
GA	49046	Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	\$ (5,981,961.36)	\$ (3,041.08)	\$ (5,981,961.36)	\$ (3,041.08)
GA	83761	Alliant Health Plans	\$ -	\$ 125.18	\$ -	\$ 15.80
GA	89942	Kaiser Foundation Health Plan of Georgia	\$ -	\$ 2,003,716.30	\$ -	\$ 252,826.25
GA	93332	Humana Employers Health Plan of Georgia, Inc.	\$ 83,973,253.40	\$ -	\$ 10,595,633.03	\$ -

**Table 12 – Hawaii**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
HI	18350	Hawaii Medical Service Association	\$ -	\$ -	\$ -	\$ -
HI	60612	Kaiser Foundation Health Plan, Inc.	\$ 12,727,673.62	\$ 6,060,129.80	\$ 1,605,960.87	\$ 764,659.09

**Table 13 - Idaho**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
ID	26002	SelectHealth	\$ 24,386,583.14	\$ 1,574,917.17	\$ 3,077,066.51	\$ 198,720.95
ID	44648	Regence Blue Shield of Idaho	\$ -	\$ -	\$ -	\$ -
ID	59765	BridgeSpan Health Company	\$ 27,918.21	\$ -	\$ 3,522.68	\$ -
ID	60597	PacificSource Health Plans	\$ 2,242,712.26	\$ -	\$ 282,982.44	\$ -
ID	61589	Blue Cross of Idaho Health Service, Inc.	\$ 39,437,313.04	\$ 600,529.29	\$ 4,976,147.52	\$ 75,773.98

**Table 14 – Illinois**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
IL	20129	Health Alliance Medical Plans, Inc.	\$ 2,759,245.94	\$ 14,837.77	\$ 348,157.97	\$ 1,872.21
IL	35670	Coventry Health & Life Company	\$ 338,246.81	\$ -	\$ 42,679.53	\$ -
IL	36096	Blue Cross Blue Shield of Illinois	\$ 193,846,813.95	\$ 3,325,244.33	\$ 24,459,332.25	\$ 419,574.89
IL	58288	Humana Health Plan, Inc.	\$ 800,982.85	\$ -	\$ 101,066.95	\$ -
IL	68303	Humana Insurance Company	\$ 4,801,295.28	\$ -	\$ 605,821.03	\$ -
IL	72547	Aetna Life Insurance Company	\$ 156,532.35	\$ -	\$ 19,751.04	\$ -
IL	79763	Land of Lincoln Mutual Health Insurance Company	\$ 4,165,273.75	\$ 326,970.05	\$ 525,568.68	\$ 41,256.64
IL	96601	Coventry Health Care of Illinois, Inc.	\$ 3,177,608.98	\$ -	\$ 400,946.46	\$ -

Table 15 – Indiana

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
IN	17575	Anthem Insurance Companies, Inc. (Anthem BCBS)	\$ 812,580.18	\$ (319.45)	\$ 102,530.28	\$ (319.45)
IN	35065	Coordinated Care Corporation Indiana	\$ (263,623.41)	\$ -	\$ (263,623.41)	\$ -
IN	50816	Physicians Health Plan of Northern Indiana, Inc.	\$ 2,918,313.81	\$ 386,940.55	\$ 368,228.94	\$ 48,823.64
IN	85320	MDwise, Inc.	\$ (14,303,011.22)	\$ -	\$ (14,303,011.22)	\$ -

Table 16 – Iowa

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
IA	18973	Aetna Health, Inc. (an IA corp.)	\$ 2,707,707.64	\$ -	\$ 341,654.94	\$ -
IA	27651	Gundersen Health Plan, Inc.	\$ 105,688.49	\$ 8,152.09	\$ 13,335.63	\$ 1,028.62
IA	71268	CoOpportunity Health	\$ 40,166,052.95	\$ 15,838,758.46	\$ 5,068,098.95	\$ 1,998,513.40
IA	74980	Avera Health Plans, Inc.	\$ 96,106.84	\$ 4,805.45	\$ 12,126.63	\$ 606.35
IA	77638	Health Alliance Midwest, Inc.	\$ -	\$ -	\$ -	\$ -
IA	85930	Sanford Health Plan	\$ -	\$ 129,136.07	\$ -	\$ <b>1073</b> 1.22



**Table 17 – Kansas**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
KS	18558	Blue Cross and Blue Shield of Kansas, Inc.	\$ 13,740,981.12	\$ 298,179.85	\$ 1,733,818.66	\$ 37,623.94
KS	61430	Coventry Health and Life	\$ 22,889,994.47	\$ -	\$ 2,888,228.95	\$ -
KS	65598	Coventry Health Care Of Kansas, Inc.	\$ 9,497,537.20	\$ -	\$ 1,198,386.57	\$ -
KS	94248	Blue Cross and Blue Shield of Kansas City	\$ 1,261,531.48	\$ (265,838.16)	\$ 159,178.36	\$ (265,838.16)

**Table 18 - Kentucky**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
KY	15411	Humana Health Plan, Inc.	\$ 6,029,009.18	\$ -	\$ 760,732.33	\$ -
KY	23671	UnitedHealthcare of Kentucky, Ltd.	\$ -	\$ (26,994.08)	\$ -	\$ (26,994.08)
KY	36239	Anthem Health Plans of KY(Anthem BCBS)	\$ (620,075.73)	\$ (12,523.99)	\$ (620,075.73)	\$ (12,523.99)
KY	40586	Bluegrass Family Health, Inc.	\$ -	\$ 1,472,085.68	\$ -	\$ 185,745.81
KY	77894	Kentucky Health Cooperative	\$ 77,074,941.10	\$ (69,347.11)	\$ 9,725,213.20	\$ (69,347.11)

**Table 19 - Louisiana**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
LA	19636	HMO Louisiana, Inc.	\$ 2,638,100.44	\$ 540,123.96	\$ 332,871.99	\$ 68,152.12
LA	44965	Humana Health Benefit Plan of Louisiana, Inc.	\$ 414,666.60	\$ -	\$ 52,322.08	\$ -
LA	67202	Louisiana Health Cooperative, Inc.	\$ 11,945,268.95	\$ 13,935.30	\$ 1,507,238.09	\$ 1,758.34
LA	67243	Vantage Health Plan, Inc.	\$ -	\$ 24,218.07	\$ -	\$ 3,055.80
LA	97176	Louisiana Health Service & Indemnity Company	\$ 27,386,455.30	\$ 7,951,249.65	\$ 3,455,586.38	\$ 1,003,278.07

**Table 20- Maine**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
ME	33653	Maine Community Health Options	\$ (2,045,819.48)	\$ 241,717.00	\$ (2,045,819.48)	\$ 30,499.53
ME	48396	Anthem Health Plans of ME (Anthem BCBS)	\$ -	\$ (4,426.93)	\$ -	\$ (4,426.93)

**Table 21 – Maryland**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MD	14468	Coventry Health Care of Delaware, Inc.	\$ -	\$ (3,504.62)	\$ -	\$ (3,504.62)
MD	23620	UnitedHealthcare Insurance Company	\$ -	\$ (2,371,783.62)	\$ -	\$ (2,371,783.62)

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MD	28137	CareFirst BlueChoice, Inc.	\$ 17,927,378.59	\$ (200,100.92)	\$ 2,262,052.70	\$ (200,100.92)
MD	31112	UnitedHealthcare of the Mid-Atlantic, Inc.	\$ -	\$ (552,561.24)	\$ -	\$ (552,561.24)
MD	36677	All Savers Insurance Company	\$ 138,564.85	\$ -	\$ 17,483.93	\$ -
MD	45532	CareFirst of Maryland, Inc.	\$ 5,442,263.96	\$ (52,255.73)	\$ 686,697.60	\$ (52,255.73)
MD	65635	MAMSI Life and Health Insurance Company	\$ -	\$ (1,511,616.91)	\$ -	\$ (1,511,616.91)
MD	68541	Coventry Health and Life	\$ -	\$ (3,959.56)	\$ -	\$ (3,959.56)
MD	72375	Optimum Choice, Inc.	\$ -	\$ (1,635,883.00)	\$ -	\$ (1,635,883.00)
MD	72564	Evergreen Health Cooperative, Inc.	\$ 902,808.54	\$ 3,232,843.21	\$ 113,915.18	\$ 407,915.84
MD	90296	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$ 220,063.25	\$ 347,036.82	\$ 27,767.29	\$ 43,788.64
MD	94084	Group Hospitalization and Medical Services, Inc.	\$ 1,021,545.92	\$ (133,466.80)	\$ 128,897.30	\$ (133,466.80)

**Table 22 – Massachusetts**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MA	29125	Tufts Associated HMO	\$ -	\$ -	\$ -	\$ -
MA	31234	CeltiCare Health Plan of MA	\$ 191,649.92	\$ -	\$ 24,182.13	\$ -
MA	34484	Health New England, Inc.	\$ -	\$ -	\$ -	\$ -
MA	36046	Harvard Pilgrim Health Care, Inc.	\$ -	\$ -	\$ -	\$ <b>1076</b>
MA	41304	Neighborhood Health Plan	\$ 7,389,737.55	\$ 10,543,621.21	\$ 932,427.22	\$ 1,330,380.05

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MA	42690	Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.	\$ -	\$ -	\$ -	\$ -
MA	59763	Tufts Health Public Plans Inc.	\$ -	\$ -	\$ -	\$ -
MA	73331	Minuteman Health, Inc.	\$ 1,138,642.67	\$ -	\$ 143,672.41	\$ -
MA	82569	Boston Medical Center Health Plan, Inc.	\$ 1,736,581.18	\$ -	\$ 219,119.50	\$ -
MA	88806	Fallon Community Health Plan, Inc.	\$ 200,285.65	\$ 435,622.91	\$ 25,271.78	\$ 54,966.32
MA	95878	HPHC Insurance Company, Inc.	\$ 255,319.27	\$ 959,303.93	\$ 32,215.84	\$ 121,043.69

**Table 23 – Michigan**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MI	15560	Blue Cross Blue Shield of Michigan Mutual Insurance Company	\$ -	\$ (676,390.04)	\$ -	\$ (676,390.04)
MI	20393	McLaren Health Plan	\$ 532,813.30	\$ -	\$ 67,229.67	\$ -
MI	29241	Priority Health Insurance Company (PHIC)	\$ 1,049,112.59	\$ 50,769.62	\$ 132,375.63	\$ 6,406.04
MI	29698	Priority Health	\$ 452,162.74	\$ 12,391.43	\$ 57,053.29	\$ 1,563.53
MI	37651	Health Alliance Plan (HAP)	\$ (617,846.91)	\$ (461,796.54)	\$ (617,846.91)	\$ (461,796.54)
MI	40047	Molina Healthcare of Michigan, Inc.	\$ (33,005.69)	\$ -	\$ (33,005.69)	\$ -
MI	41895	Consumers Mutual	\$ 198,351.34	\$ 1,442,311.90	\$ 25,027.71	\$ 181,988.99



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
		Insurance of Michigan				
MI	45002	UnitedHealthcare Life Insurance Company	\$ -	\$ 32.68	\$ -	\$ 4.12
MI	46275	Humana Medical Plan of Michigan, Inc.	\$ 8,102,093.26	\$ -	\$ 1,022,311.31	\$ -
MI	58594	Meridian Health Plan of Michigan, Inc.	\$ (11,519.73)	\$ -	\$ (11,519.73)	\$ -
MI	67183	Total Health Care USA, Inc.	\$ -	\$ -	\$ -	\$ -
MI	67577	Alliance Health and Life Insurance Company	\$ 64,626.98	\$ (176,039.32)	\$ 8,154.55	\$ (176,039.32)
MI	98185	Blue Care Network of Michigan	\$ 17,193,568.72	\$ (47,526.91)	\$ 2,169,461.55	\$ (47,526.91)

**Table 24 – Minnesota**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MN	31616	Medica Insurance Company	\$ -	\$ 316,966.63	\$ -	\$ 39,994.43
MN	34102	Group Health Plan, Inc.	\$ 2,612,104.28	\$ -	\$ 329,591.83	\$ -
MN	49316	BCBSM, Inc.	\$ 6,955,635.49	\$ -	\$ 877,652.80	\$ -
MN	65847	Medica Health Plans of Wisconsin	\$ -	\$ -	\$ -	\$ -
MN	85736	UCare Minnesota	\$ -	\$ -	\$ -	\$ -
MN	88102	PreferredOne Insurance Company	\$ 53,344,373.74	\$ 176,995.83	\$ 6,730,921.88	\$ 22,333.10

**Table 25 - Mississippi**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MS	48963	Humana Insurance Company	\$ (900,401.14)	\$ -	\$ (900,401.14)	\$ -
MS	61794	UnitedHealthcare Life Insurance Company	\$ -	\$ (1,130.50)	\$ -	\$ (1,130.50)
MS	94237	Magnolia Health Plan	\$ (13,190,322.25)	\$ -	\$ (13,190,322.25)	\$ -

**Table 26 - Missouri**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MO	32753	Healthy Alliance Life Company (Anthem BCBS)	\$ -	\$ 22,591.92	\$ -	\$ 2,850.62
MO	34762	Blue Cross and Blue Shield of Kansas City	\$ 2,807,773.67	\$ (183,601.01)	\$ 354,281.13	\$ (183,601.01)
MO	44240	Coventry Health and Life	\$ 29,076,804.73	\$ -	\$ 3,668,872.41	\$ -

**Table 27 – Montana**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
MT	23603	PacificSource Health Plans	\$ 1,938,055.47	\$ -	\$ 244,541.25	\$ -
MT	30751	Blue Cross and Blue Shield of Montana	\$ 23,457,847.95	\$ 554,107.74	\$ 2,959,879.94	\$ 69,916.58
MT	32225	Montana Health Cooperative	\$ 6,754,127.62	\$ 62,383.51	\$ 852,226.81	\$ 7,871.47

**Table 28 – Nebraska**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NE	15438	Coventry Health Care of Nebraska, Inc.	\$ -	\$ -	\$ -	\$ -
NE	29678	Blue Cross and Blue Shield of Nebraska	\$ 14,143,024.12	\$ (267,402.83)	\$ 1,784,547.91	\$ (267,402.83)
NE	43198	CoOpportunity Health	\$ 51,080,793.04	\$ 22,870,010.14	\$ 6,445,306.29	\$ 2,885,707.35
NE	77931	Health Alliance Midwest, Inc.	\$ (53,340.12)	\$ 7,317.35	\$ (53,340.12)	\$ 923.29

**Table 29 – Nevada**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NV	16698	Prominence HealthFirst	\$ (71,742.47)	\$ -	\$ (71,742.47)	\$ -
NV	34996	Nevada Health CO-OP	\$ 10,388,059.14	\$ 312,181.20	\$ 1,310,751.44	\$ 39,390.61
NV	60156	HMO Colorado, Inc., dba HMO Nevada	\$ (53,370.48)	\$ 2,715.74	\$ (53,370.48)	\$ 342.67
NV	95865	Health Plan of Nevada, Inc.	\$ -	\$ -	\$ -	\$ -

**Table 30 – New Hampshire**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NH	96751	Matthew Thornton Health Plan (Anthem BCBS)	\$ (2,966,744.60)	\$ -	\$ (2,966,744.60)	\$ -

**Table 31 – New Jersey**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NJ	10191	Freelancers CO-OP of New Jersey, Inc.	\$ (2,895,760.17)	\$ 150,164.60	\$ (2,895,760.17)	\$ 18,947.57
NJ	77606	AmeriHealth HMO, Inc.	\$ 3,360,296.37	\$ 138,744.96	\$ 423,997.71	\$ 17,506.65
NJ	91661	Horizon Healthcare Services, Inc.	\$ (27,523,171.51)	\$ 3,185,432.61	\$ (27,523,171.51)	\$ 401,933.64
NJ	91762	AmeriHealth Insurance Company of New Jersey	\$ (2,318,123.55)	\$ 1,157,648.85	\$ (2,318,123.55)	\$ 146,070.59

**Table 32 – New Mexico**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NM	19722	Molina Health Care of New Mexico, Inc.	\$ (628,432.85)	\$ -	\$ (628,432.85)	\$ -
NM	52744	Presbyterian Insurance Company, Inc.	\$ -	\$ -	\$ -	\$ -
NM	57173	Presbyterian Health Plan, Inc.	\$ 2,478,787.11	\$ (82,897.17)	\$ 312,770.05	\$ (82,897.17)
NM	75605	Blue Cross Blue Shield of New Mexico	\$ 6,563,110.63	\$ 3,789.97	\$ 828,124.54	\$ 478.21



NM	93091	New Mexico Health Connections	\$ 4,211,650.62	\$ -	\$ 531,420.45	\$ -
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**Table 33 – New York**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NY	11177	MetroPlus Health Plan	\$ 8,754,733.06	\$ -	\$ 1,104,660.53	\$ -
NY	18029	Independent Health Benefits Corporation	\$ (2,870,470.22)	\$ (530,639.45)	\$ (2,870,470.22)	\$ (530,639.45)
NY	25303	New York State Catholic Health Plan, Inc.	\$ (3,499,761.14)	\$ -	\$ (3,499,761.14)	\$ -
NY	31808	American Progressive Life & Health Insurance Company of New York	\$ (344,586.33)	\$ -	\$ (344,586.33)	\$ -
NY	40064	HealthNow New York	\$ (4,020,217.24)	\$ (1,216,594.18)	\$ (4,020,217.24)	\$ (1,216,594.18)
NY	54235	UnitedHealthcare of New York, Inc.	\$ (626,658.79)	\$ -	\$ (626,658.79)	\$ -
NY	56184	MVP Health Plan, Inc.	\$ (3,547,343.87)	\$ 1,550,702.41	\$ (3,547,343.87)	\$ 195,665.56
NY	57165	Affinity Health Plan, Inc.	\$ 1,179,368.76	\$ -	\$ 148,811.18	\$ -
NY	71644	Freelancers Health Service Corporation d/b/a Health Republic Insurance of New York	\$ 89,568,960.58	\$ 59,765,898.72	\$ 11,301,691.90	\$ 7,541,181.33
NY	74289	Oscar Insurance Corporation	\$ 9,342,723.93	\$ -	\$ 1,178,852.44	\$ -
NY	78124	Excellus Health Plan, Inc.	\$ (5,505,909.10)	\$ 7,526,489.35	\$ (5,505,909.10)	\$ 949,682.38
NY	80519	Empire HealthChoice HMO, Inc.	\$ -	\$ -	\$ -	\$ <b>1082 -</b>

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NY	82483	North Shore-LIJ Insurance Company, Inc.	\$ 3,109,088.97	\$ 407,827.19	\$ 392,300.70	\$ 51,459.09
NY	85629	Oxford Health Insurance, Inc.	\$ -	\$ -	\$ -	\$ -
NY	88582	Health Insurance Plan of Greater New York	\$ -	\$ -	\$ -	\$ -
NY	91237	Healthfirst PHSP, Inc.	\$ 75,523.98	\$ -	\$ 9,529.51	\$ -
NY	92551	CDPHP Universal Benefits, Inc.	\$ -	\$ 14,607,068.85	\$ -	\$ 1,843,100.45
NY	94788	CDPHP	\$ (1,382,551.74)	\$ -	\$ (1,382,551.74)	\$ -
NY	95456	Atlantis Health Plan	\$ -	\$ -	\$ -	\$ -

**Table 34 – North Carolina**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
NC	11512	Blue Cross and Blue Shield of NC	\$ 147,421,876.38	\$ 53,091.97	\$ 18,601,495.60	\$ 6,699.07
NC	56346	Coventry Health Care of the Carolinas, Inc.	\$ 10,188,775.76	\$ -	\$ 1,285,606.13	\$ -

**Table 35 – North Dakota**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
ND	37160	Blue Cross Blue Shield of North Dakota	\$ 458,378.00	\$ -	\$ 57,837.52	\$ -
ND	73751	Medica Health Plans	\$ 135,903.29	\$ 104,395.86	\$ 17,148.10	\$ 13,172.53
ND	89364	Sanford Health Plan	\$ (36,822.51)	\$ (525,477.50)	\$ (36,822.51)	\$ (525,477.50)

**Table 36 – Ohio**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
OH	20126	HealthSpan Integrated Care	\$ 11,010,446.61	\$ 192,005.52	\$ 1,389,283.46	\$ 24,227.00
OH	28162	AultCare Insurance Company	\$ (352,697.76)	\$ 653,633.59	\$ (352,697.76)	\$ 82,474.61
OH	29276	Community Insurance Company (Anthem BCBS)	\$ (1,827,325.84)	\$ 16,036.90	\$ (1,827,325.84)	\$ 2,023.51
OH	41047	Buckeye Community Health Plan	\$ (138,688.52)	\$ -	\$ (138,688.52)	\$ -
OH	52664	Summa Insurance Company, Inc.	\$ 1,029,971.11	\$ 1,126,100.28	\$ 129,960.38	\$ 142,089.83
OH	64353	Molina Healthcare of Ohio	\$ (59,275.67)	\$ -	\$ (59,275.67)	\$ -
OH	66083	Humana Health Plan of Ohio, Inc.	\$ 9,268,399.33	\$ -	\$ 1,169,474.26	\$ -
OH	74313	Paramount Insurance Company	\$ -	\$ -	\$ -	\$ -
OH	77552	CareSource	\$ (2,330,396.51)	\$ -	\$ (2,330,396.51)	\$ -
OH	92036	HealthSpan	\$ 4,984,820.40	\$ 82,913.27	\$ 628,977.98	\$ 10,461.89
OH	98894	Coventry Health and Life	\$ 572,626.39	\$ -	\$ 72,253.23	\$ -
OH	99969	Medical Health Insuring Corporation of Ohio	\$ 4,162,818.87	\$ 814,705.62	\$ 525,258.93	\$ <del>102,798.47</del> <b>1084</b>

Table 37 – Oklahoma

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
OK	53524	Coventry Health and Life	\$ 160,301.63	\$ -	\$ 20,226.65	\$ -
OK	66946	Aetna Life Insurance Company	\$ 430,044.89	\$ -	\$ 54,262.49	\$ -
OK	76668	Coventry Health Care of Kansas, Inc.	\$ 1,263,023.77	\$ -	\$ 159,366.65	\$ -
OK	85408	GlobalHealth, Inc.	\$ 2,789,907.94	\$ 15,603.96	\$ 352,026.86	\$ 1,968.89
OK	87571	Blue Cross Blue Shield of Oklahoma	\$ 51,750,597.82	\$ 2,141,587.80	\$ 6,529,821.36	\$ 270,222.69
OK	87698	CommunityCare Life & Health Insurance Company	\$ -	\$ 153,238.12	\$ -	\$ 19,335.38
OK	98905	CommunityCare HMO, Inc.	\$ (89,579.39)	\$ 324,873.59	\$ (89,579.39)	\$ 40,992.12

Table 38 – Oregon

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
OR	10091	PacificSource Health Plans	\$ 3,007,808.62	\$ -	\$ 379,521.28	\$ -
OR	10940	Health Net Health Plan of Oregon, Inc.	\$ 2,355,054.51	\$ -	\$ 297,157.63	\$ -
OR	32536	ATRIO Health Plans	\$ 79,569.24	\$ 38,865.04	\$ 10,039.94	\$ 4,903.94
OR	39424	Moda Health Plan, Inc.	\$ 86,224,498.21	\$ 1,515,915.79	\$ 10,879,692.10	\$ 191,276.23
OR	56707	Providence Health Plan	\$ (884,714.62)	\$ (14,562.34)	\$ (884,714.62)	\$ (14,562.34)
OR	63474	BridgeSpan Health Company	\$ (10,125.33)	\$ -	\$ (10,125.33)	\$ -
OR	71287	Kaiser Foundation Healthplan of the NW	\$ -	\$ (103,672.86)	\$ -	\$ (103,672.86)



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
OR	85804	LifeWise Health Plan of Oregon	\$ 4,825,921.49	\$ -	\$ 608,928.33	\$ -
OR	95417	Trillium Community Health Plan	\$ (4,991.57)	\$ -	\$ (4,991.57)	\$ -
OR	96383	Health Republic Insurance Company	\$ 4,206,407.40	\$ 3,678,478.75	\$ 530,758.87	\$ 464,145.54
OR	99389	Community Care of Oregon, Inc.	\$ 1,528,717.06	\$ (53,520.17)	\$ 192,891.48	\$ (53,520.17)

**Table 39 – Pennsylvania**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
PA	16481	UPMC Health Network, Inc.	\$ -	\$ 222,263.08	\$ -	\$ 28,044.86
PA	22444	Geisinger Health Plan	\$ 17,817,403.51	\$ 5,080,960.02	\$ 2,248,176.19	\$ 641,108.75
PA	31609	Independence Blue Cross (QCC Ins. Co.)	\$ (1,308,105.69)	\$ 10,769,563.46	\$ (1,308,105.69)	\$ 1,358,889.14
PA	33709	Highmark, Inc.	\$ 158,255,675.15	\$ 1,561,432.70	\$ 19,968,489.86	\$ 197,019.49
PA	33871	Keystone Health Plan East, Inc.	\$ 14,274,873.45	\$ 14,996,681.97	\$ 1,801,184.48	\$ 1,892,261.31
PA	33906	Aetna Life Insurance	\$ 305,303.92	\$ -	\$ 38,522.84	\$ -

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
		Company				
PA	52899	UPMC Health Plan, Inc.	\$ -	\$ 13,607.91	\$ -	\$ 1,717.03
PA	53789	Keystone Health Plan Central	\$ 116,511.72	\$ (10,554.40)	\$ 14,701.29	\$ (10,554.40)
PA	55957	First Priority Life Insurance Company, Inc.	\$ 10,933,783.20	\$ -	\$ 1,379,610.17	\$ -
PA	64844	Aetna Health Inc. (a PA corp.)	\$ (345,573.38)	\$ -	\$ (345,573.38)	\$ -
PA	70194	Highmark Health Insurance Company	\$ 31,690,007.63	\$ -	\$ 3,998,602.87	\$ -
PA	75729	Geisinger Quality Options	\$ 3,707,248.35	\$ 3,991,516.95	\$ 467,775.65	\$ 503,644.28
PA	82795	Capital Advantage Insurance Company CAIC	\$ 235,466.09	\$ 54,647.55	\$ 29,710.80	\$ 6,895.35
PA	91303	HealthAmerica Pennsylvania, Inc.	\$ 2,042,302.79	\$ -	\$ 257,695.04	\$ -

**Table 40 – Rhode Island**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
RI	15287	Blue Cross & Blue Shield of Rhode Island	\$ -	\$ -	\$ -	\$ -
RI	77514	Neighborhood Health Plan of Rhode Island	\$ (211,788.19)	\$ (4,014.40)	\$ (211,788.19)	\$ (4,014.40)
RI	79881	UnitedHealthcare of New England, Inc.	\$ -	\$ 762.71	\$ -	\$ 96.24

**Table 41 – South Carolina**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
SC	26065	Blue Cross and Blue Shield of South Carolina	\$ (5,288,866.75)	\$ (529,578.40)	\$ (5,288,866.75)	\$ (529,578.40)
SC	41614	Coventry Health Care of the Carolinas, Inc.	\$ 5,095,926.05	\$ -	\$ 642,997.15	\$ -
SC	49532	BlueChoice HealthPlan of South Carolina, Inc.	\$ (2,329,264.72)	\$ (21,230.33)	\$ (2,329,264.72)	\$ (21,230.33)
SC	65122	Consumers' Choice Health Insurance Company	\$ 12,425,229.72	\$ (1,019.57)	\$ 1,567,798.90	\$ (1,019.57)

**Table 42 – South Dakota**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
SD	31195	Sanford Health Plan	\$ 2,970,388.46	\$ 566,171.13	\$ 374,799.65	\$ 71,438.72
SD	60536	Avera Health Plans, Inc.	\$ 7,572,477.64	\$ 394,223.31	\$ 955,485.12	\$ 49,742.57
SD	62210	South Dakota State Medical Holding Company, Inc.	\$ 66,565.39	\$ 12,552.90	\$ 8,399.13	\$ 1,583.91

**Table 43 – Tennessee**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
TN	14002	BlueCross BlueShield of Tennessee	\$ 78,721,051.43	\$ -	\$ 9,932,917.20	\$ -
TN	66842	Community Health Alliance Mutual Insurance Company	\$ 212,418.39	\$ 155,095.17	\$ 26,802.67	\$ 19,569.70
TN	82120	Humana Insurance Company	\$ 7,292,392.28	\$ -	\$ 920,144.32	\$ -
TN	99248	Cigna Health and Life Insurance Company	\$ (31,703.92)	\$ -	\$ (31,703.92)	\$ -

**Table 44 – Texas**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
TX	26539	SHA, LLC DBA FirstCare Health Plans	\$ 1,675,416.16	\$ 359,876.56	\$ 211,401.77	\$ 45,408.74
TX	27248	Community Health Choice, Inc.	\$ (4,628.30)	\$ -	\$ (4,628.30)	\$ -
TX	32673	Humana Health Plan of Texas, Inc.	\$ 61,229,555.45	\$ -	\$ 7,725,863.58	\$ -
TX	33602	Blue Cross Blue Shield of Texas	\$ 275,081,527.88	\$ 19,226,824.55	\$ 34,709,420.03	\$ 2,426,015.06
TX	40788	Scott and White Health Plan	\$ 770,409.24	\$ -	\$ 97,209.21	\$ -
TX	45786	Molina Healthcare of	\$ (421,460.88)	\$ -	\$ (421,460.88)	\$ -



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
		Texas				
TX	46224	Community First Health Plans, Inc.	\$ 10,771.93	\$ -	\$ 1,359.19	\$ -
TX	55409	Cigna Health and Life Insurance Company	\$ 12,881,279.86	\$ -	\$ 1,625,342.70	\$ -
TX	63141	Humana Insurance Company	\$ 5,073,997.06	\$ -	\$ 640,230.18	\$ -
TX	71837	Sendero Health Plans, Inc.	\$ -	\$ -	\$ -	\$ -
TX	87226	Superior Health Plan	\$ (141,809.67)	\$ -	\$ (141,809.67)	\$ -
TX	91716	Aetna Life Insurance Company	\$ 1,101,457.25	\$ -	\$ 138,980.41	\$ -

**Table 45 – Utah**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
UT	18167	Molina Healthcare of Utah	\$ (34,983.73)	\$ -	\$ (34,983.73)	\$ -
UT	27619	Arches Mutual Insurance Company	\$ 11,541,794.74	\$ 475,006.15	\$ 1,456,328.26	\$ 59,935.64
UT	34541	BridgeSpan Health Company	\$ 2,017,051.99	\$ -	\$ 254,508.93	\$ -
UT	38927	Aetna Health of Utah, Inc.	\$ 2,007,972.57	\$ -	\$ 253,363.30	\$ -
UT	56764	Humana Medical Plan of Utah, Inc.	\$ 9,670,212.71	\$ -	\$ 1,220,174.53	\$ -
UT	66413	UnitedHealthcare of Utah, Inc.	\$ -	\$ (83,844.54)	\$ -	\$ (83,844.54)
UT	68781	SelectHealth	\$ 62,294,564.39	\$ 21,242,298.51	\$ 7,860,244.99	\$ 2,680,324.87

**Table 46 – Vermont**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
VT	13627	Blue Cross Blue Shield of Vermont	\$ (30,650.56)	\$ (36,128.73)	\$ (30,650.56)	\$ (36,128.73)
VT	77566	MVP Health Plan, Inc.	\$ 918,153.01	\$ 644,843.45	\$ 115,851.32	\$ 81,365.49

**Table 47 – Virginia**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
VA	10207	CareFirst BlueChoice, Inc.	\$ 730,771.62	\$ -	\$ 92,207.79	\$ -
VA	12028	Innovation Health Insurance Company	\$ 426,857.46	\$ -	\$ 53,860.30	\$ -
VA	20507	Optima Health Plan	\$ -	\$ -	\$ -	\$ -
VA	38234	Aetna Life Insurance Company	\$ (659,270.22)	\$ -	\$ (659,270.22)	\$ -
VA	40308	Group Hospitalization and Medical Services, Inc.	\$ (64,661.14)	\$ (1,025,296.29)	\$ (64,661.14)	\$ (1,025,296.29)
VA	88380	HealthKeepers, Inc.	\$ -	\$ (2,548.51)	\$ -	\$ (2,548.51)
VA	95185	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$ -	\$ 178,089.11	\$ -	\$ 22,471.05
VA	99663	Coventry Health Care of Virginia, Inc.	\$ -	\$ -	\$ -	\$ -

**Table 48 – Washington**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
WA	18581	Community Health Plan of Washington	\$ (753,546.87)	\$ -	\$ (753,546.87)	\$ -
WA	23371	Kaiser Foundation Healthplan of the NW	\$ (3,394,261.77)	\$ (369,811.39)	\$ (3,394,261.77)	\$ (369,811.39)
WA	38498	LifeWise Health Plan of WA	\$ (1,919,519.31)	\$ -	\$ (1,919,519.31)	\$ -
WA	49831	Premera Blue Cross	\$ (5,476,090.21)	\$ -	\$ (5,476,090.21)	\$ -
WA	53732	BridgeSpan Health Company	\$ (2,033,720.54)	\$ -	\$ (2,033,720.54)	\$ -
WA	61836	Coordinated Care Corporation	\$ -	\$ -	\$ -	\$ -
WA	80473	Group Health Cooperative	\$ (6,356,225.50)	\$ -	\$ (6,356,225.50)	\$ -
WA	84481	Molina Healthcare of Washington, Inc.	\$ (1,376,733.58)	\$ -	\$ (1,376,733.58)	\$ -

**Table 49 – West Virginia**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
WV	31274	Highmark Blue Cross Blue Shield West Virginia	\$ 14,385,457.00	\$ 38,227.31	\$ 1,815,137.76	\$ 4,823.47

**Table 50 – Wisconsin**

<b>STATE</b>	<b>HIOS ID</b>	<b>HIOS INPUTTED INSURANCE COMPANY NAME</b>	<b>HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)</b>	<b>HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)</b>	<b>PRORATED AMOUNT (INDIVIDUAL MARKET)</b>	<b>PRORATED AMOUNT (SMALL GROUP MARKET)</b>
WI	35334	MercyCare Insurance Company	\$ -	\$ 355,607.79	\$ -	\$ 44,870.12
WI	37833	Unity Health Plans Insurance Corporation	\$ -	\$ -	\$ -	\$ -
WI	38166	Security Health Plan of Wisconsin, Inc.	\$ -	\$ 875,656.06	\$ -	\$ 110,489.11
WI	38345	Dean Health Plan	\$ 15,750,038.55	\$ -	\$ 1,987,318.84	\$ -
WI	47342	Health Tradition Health Plan	\$ 297,680.24	\$ 282,631.37	\$ 37,560.90	\$ 35,662.05
WI	52697	Molina Healthcare of Wisconsin, Inc.	\$ (2,294,384.22)	\$ -	\$ (2,294,384.22)	\$ -
WI	57637	Medica Insurance Company	\$ -	\$ 481,277.84	\$ -	\$ 60,727.00
WI	57845	Medica Health Plans of Wisconsin	\$ (1,883,070.63)	\$ -	\$ (1,883,070.63)	\$ -
WI	58326	MercyCare HMO, Inc.	\$ 628,033.47	\$ 555,110.94	\$ 79,244.43	\$ 70,043.16
WI	58564	Physicians Plus Insurance Corporation	\$ (400,853.60)	\$ -	\$ (400,853.60)	\$ -
WI	79475	Compcare Health Services Insurance Company (Anthem BCBS)	\$ 4,931,489.14	\$ -	\$ 622,248.72	\$ -
WI	84670	WPS Health Plan, Inc.	\$ 6,415,135.24	\$ -	\$ 809,453.20	\$ -
WI	87416	Common Ground Healthcare Cooperative	\$ 44,457,568.86	\$ 784,154.58	\$ 5,609,596.70	\$ 98,943.58
WI	91058	Gundersen Health Plan, Inc.	\$ -	\$ 2,074,673.03	\$ -	\$ 261,779.47
WI	94529	Group Health Cooperative-SCW	\$ (214,772.33)	\$ (487,586.65)	\$ (214,772.33)	\$ (487,586.65)

**Table 51 – Wyoming**

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	PRORATED AMOUNT (INDIVIDUAL MARKET)	PRORATED AMOUNT (SMALL GROUP MARKET)
WY	11269	Blue Cross Blue Shield of Wyoming	\$ (3,909,210.30)	\$ 607,415.77	\$ (3,909,210.30)	\$ 76,642.91
WY	53189	WINhealth Partners	\$ 4,996,309.90	\$ 70,330.08	\$ 630,427.71	\$ 8,874.16

**Department of Health & Human Services**

Centers for Medicare & Medicaid Services

Center for Consumer Information & Insurance Oversight 200

Independence Avenue SW

Washington, DC 20201



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**Date:** November 18, 2016

**Subject:** Risk Corridors Payment and Charge Amounts for the 2015 Benefit Year

**Background:**

Section 1342 of the Affordable Care Act directs the Secretary of the Department of Health and Human Services (HHS) to establish a temporary risk corridors program that provides issuers of qualified health plans (QHPs) in the individual and small group markets additional protection against uncertainty in claims costs during the first three years of the Marketplace.

HHS established a three-year payment framework for the risk corridors program and outlined the details of this payment framework in our April 11, 2014 guidance on *Risk Corridors and Budget Neutrality*.<sup>1</sup> As set forth in that guidance, if risk corridors collections for a particular year are insufficient to make full risk corridors payments for that year, risk corridors payments for the year will be reduced pro rata to the extent of any shortfall. Because risk corridors payments for the 2014 benefit year exceeded risk corridors collections for that benefit year, risk corridors collections for the 2015 benefit year will be used first towards remaining balances on 2014 benefit year risk corridors payments.

On September 9, 2016, HHS published guidance on *Risk Corridors Payments for 2015*, stating that we anticipated that all 2015 benefit year collections would be used toward remaining 2014 benefit year risk corridors payments, and that no funds would be available at this time for 2015 benefit year risk corridors payments.<sup>2</sup> Today, we are confirming that all 2015 benefit year risk corridors collections will be used to pay a portion of balances on 2014 benefit year risk corridors payments.

We are also announcing issuer-level risk corridors payments and charges for the 2015 benefit year. The tables below show risk corridors payments and charges calculated for the 2015 benefit year, by State and issuer, and the additional amount based on anticipated 2015 risk corridors collections that HHS expects to pay towards the calculated 2014 benefit year payments.<sup>3</sup> Pursuant to 45 CFR

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<sup>1</sup> *Risk Corridors and Budget Neutrality*, available at: <https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/faq-risk-corridors-04-11-2014.pdf>

<sup>2</sup> *Risk Corridors Payments for 2015*, available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-for-2015-FINAL.PDF>

<sup>3</sup> Risk corridor payment and charge amounts published in this bulletin do not reflect any payment or charge adjustments due to resubmissions after September 30, 2016 or any amount held back for appeals.



153.510(g), the 2015 benefit year risk corridors amounts listed in this report include the direct adjustment for issuers that reported certified estimates of the cost-sharing reduction portion of advance payments that were lower than the actual CSRs provided for the 2014 benefit year (as calculated under CSR reconciliation for the 2014 benefit year). On November 17, 2016, HHS notified issuers subject to the direct adjustment to 2015 benefit year risk corridors amounts of the calculated adjustment amount, consistent with guidance issued on September 15, 2016.<sup>4</sup>

Risk corridors payments are reduced pro rata based on risk corridors collections received. HHS intends to collect the full 2015 risk corridors charge amounts indicated in the tables below. HHS is collecting 2015 risk corridor charges in November 2016, and will begin remitting risk corridors payments to issuers in December 2016, as collections are received.

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
AK	38344	Premiera Blue Cross Blue Shield of Alaska	\$7,479,997.83	\$716,228.92	\$274,005.10
AK	73836	Moda Health Plan, Inc.	\$28,630,662.11	\$2,900,481.02	\$56,006.61
AL	44580	Humana Insurance Company	\$2,935,440.73	\$0.00	\$31,461.63
AL	46944	Blue Cross and Blue Shield of Alabama	\$79,476,154.29	\$10,341,860.76	\$11,784.62
AL	59809	UnitedHealthcare Life Insurance Company	\$0.00	\$6,577.07	\$0.00
AL	68259	UnitedHealthcare of Alabama, Inc.	\$8,688,275.81	\$0.00	N/A
AR	62141	Celtic Insurance Company	\$1,812,823.37	\$0.00	\$0.00
AR	70525	QCA Health Plan, Inc.	\$476,592.83	\$0.00	\$138,891.20
AR	75293	USABLE Mutual Insurance Company	\$15,919,592.28	-\$7,883.38	\$0.00
AR	37903	QualChoice Life & Health Insurance Company, Inc.	\$4,524,487.98	\$0.00	N/A
AZ	23307	Humana Health Plan, Inc.	\$202,481.41	\$0.00	\$61,511.29
AZ	51485	Health Net Life Insurance Company	\$95,219,226.99	\$17,249,722.49	\$1,489,451.17
AZ	53901	Blue Cross and Blue Shield of Arizona, Inc.	\$51,990,665.22	\$0.00	\$388,258.91
AZ	60761	Meritus Health Partners	\$54,694,644.83	\$702,732.99	\$115,921.29
AZ	70239	Health Choice Insurance Co.	\$4,444,184.06	\$0.00	\$41,795.92
AZ	84251	Aetna Life Insurance Company	-\$389,753.48	\$0.00	\$1,995.46
AZ	86830	Cigna Health and Life Insurance Company	\$1,023,204.62	\$0.00	\$5,758.61
AZ	88925	University of Arizona Health Plans-University Healthcare, Inc.	\$1,213,077.74	\$0.00	\$21,429.04
AZ	91450	Health Net of Arizona, Inc.	\$38,681,654.46	\$5,438,853.29	\$1,523,528.06
AZ	92045	Meritus Mutual Health Partners	\$11,438,590.03	\$1,437,229.12	\$62,237.55

<sup>4</sup> Reporting of Risk Corridors Amounts Reflecting Certified Estimates of 2014 Cost-Sharing Reduction Amounts in Part 3, Line 1.7 of the Medical Loss Ratio Annual Reporting Form for the 2015 Benefit Year, available at: [https://www.regtaf.info/uploads/library/RC\\_CSRandMLR\\_091516\\_v1\\_SCR\\_091516.pdf](https://www.regtaf.info/uploads/library/RC_CSRandMLR_091516_v1_SCR_091516.pdf)

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
AZ	65441	Phoenix Health Plans, Inc.	\$34,931.14	\$0.00	N/A
AZ	80863	Time Insurance Company	\$7,624,448.10	\$0.00	N/A
AZ	98971	All Savers Insurance Company	\$7,002,813.66	\$0.00	N/A
CA	18126	MOLINA HEALTHCARE OF CALIFORNIA	\$1,784,227.07	\$0.00	\$0.00
CA	27603	Blue Cross of California(Anthem BC)	-5808,605.43	\$0.00	\$0.00
CA	40513	Kaiser Foundation Health Plan, Inc.	\$39,758,493.83	\$47,233,593.74	\$1,226,858.64
CA	47579	Chinese Community Health Plan	-\$25,303.31	\$0.00	\$23,677.66
CA	67138	Health Net of California, Inc	\$24,828,036.37	\$0.00	\$0.00
CA	70285	CA Physician's Service dba Blue Shield of CA	\$29,839,109.20	-\$217,494.36	\$0.00
CA	84014	County of Santa Clara	\$151,037.85	\$0.00	\$0.00
CA	92499	Sharp Health Plan	\$0.00	\$31,033.86	\$258.29
CA	92815	Local Initiative Health Authority for Los Angeles County	\$8,255,198.64	\$0.00	\$450,495.26
CA	93689	Western Health Advantage	\$0.00	\$171,678.94	\$193.15
CA	99110	Health Net Life Insurance Company	\$130,379,454.51	\$10,868,970.44	\$168,047.08
CA	99483	CONTRA COSTA HEALTH PLAN	\$0.00	\$0.00	\$0.00
CO	11555	New Health Ventures Inc	\$88,645.17	\$0.00	\$3,538.44
CO	20472	Colorado Health Insurance Cooperative, Inc.	\$97,136,652.48	\$1,558,715.85	\$475,035.47
CO	21032	Kaiser Foundation Health Plan of Colo.	\$52,928,909.77	\$0.00	\$470,397.66
CO	49375	Cigna Health and Life Insurance Company	\$2,017,361.36	\$0.00	\$0.00
CO	63312	Colorado Choice Health Plans	\$1,597,077.24	\$60,789.09	\$199,569.45
CO	66699	Denver Health Medical Plan, Inc	\$141,372.24	\$0.00	\$9,551.66
CO	74320	Humana Health Plan	\$2,856,524.81	\$0.00	\$105,754.43
CO	76680	HMO Colorado, Inc., dba HMO Nevada	\$3,002,631.67	\$38,482.92	\$49,152.32
CO	80208	Rocky Mountain Health Care Options	\$0.00	\$0.00	\$14,634.44
CO	92137	All Savers Insurance Company	\$184,407.92	\$0.00	\$0.00
CO	97879	Rocky Mountain HMO	\$32,345,160.48	\$780,733.56	\$68,035.75
CT	49650	UnitedHealthcare Insurance Company	\$222,890.06	\$265,020.43	\$375.35
CT	76962	ConnectiCare Benefits, Inc.	\$0.00	\$0.00	\$0.00
CT	86545	Anthem Health Plans Inc(Anthem BCBS)	-\$691,198.86	\$0.00	\$0.00
CT	91069	HealthyCT, Inc.	\$12,859,364.54	\$1,723,783.09	\$60,918.61
DC	41842	UnitedHealthcare Insurance Company	\$0.00	\$0.00	\$0.00
DC	73987	Aetna Health Inc. (a PA corp.)	\$0.00	\$220,036.68	\$0.00
DC	75753	Optimum Choice, Inc.	\$0.00	-\$240,089.45	\$0.00
DC	77422	Aetna Life Insurance Company	\$42,898.21	\$112,048.45	\$0.00



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DC	78079	GHMSI	\$0.00	\$0.00	\$0.00
DC	86052	CareFirst BlueChoice, Inc.	-\$3,513.64	\$0.00	\$0.00
DC	94506	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$1,054,566.82	\$1,802,662.82	\$41,761.59
DC	21066	UnitedHealthcare of the Mid-Atlantic Inc	\$0.00	\$14,598.52	N/A
DE	13537	Coventry Health and Life	-\$61,257.16	\$0.00	\$0.00
DE	76168	Highmark BCBS D Inc.	\$21,566,965.70	\$0.00	\$201,814.53
DE	81914	Coventry Health Care of Delaware, Inc.	-\$6,863.38	\$0.00	\$0.00
DE	29497	Aetna Life Insurance Company	\$965,123.20	\$0.00	N/A
DE	67190	Aetna Health Inc. (a PA corp.)	\$528,909.73	-\$12,042.12	N/A
FL	16842	Blue Cross and Blue Shield of Florida	\$0.00	\$0.00	\$479,525.97
FL	23841	Aetna Life Insurance Company	-\$7,303,625.54	\$0.00	\$0.00
FL	27357	Health First Health Plans, Inc.	\$0.00	\$0.00	\$3,421.47
FL	30252	Health Options, Inc.	\$0.00	\$0.00	\$378,082.04
FL	35783	Humana Medical Plan, Inc.	\$45,750,026.92	\$0.00	\$1,369,627.28
FL	48121	Cigna Health and Life Insurance Company	\$43,174,253.76	\$0.00	\$135,140.32
FL	51398	Preferred Medical Plan, Inc.	-\$5,243,952.57	\$0.00	\$1,155,250.77
FL	54172	Molina Healthcare of Florida, Inc	\$25,417,985.09	\$0.00	\$1,296.70
FL	56503	Florida Health Care Plan, Inc.	\$719,021.99	-\$114,905.82	\$0.00
FL	57451	Coventry Health Care of Florida, Inc.	-\$19,865,425.63	\$0.00	\$1,016,497.42
FL	77150	Health First Insurance, Inc.	-\$142,937.08	\$165,954.93	\$61,531.94
FL	86382	Sunshine State Health Plan	\$0.00	\$0.00	\$0.00
FL	18628	Aetna Health Inc. (a FL corp.)	\$11,484,155.02	\$0.00	N/A
FL	62662	Time Insurance Company	\$61,174,353.15	\$0.00	N/A
FL	68398	UnitedHealthcare of Florida, Inc.	\$42,781,167.93	\$39,290.23	N/A
GA	45495	Peach State Health Plan	\$0.00	\$0.00	\$0.00
GA	49046	Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	\$2,761,214.17	\$0.00	\$0.00
GA	83761	Alliant Health Plans	\$10,736,274.64	\$0.00	\$4.15
GA	89942	Kaiser Foundation Health Plan of Georgia	\$9,263,922.53	\$0.00	\$65,821.65
GA	93332	Humana Employers Health Plan of Georgia, Inc.	\$113,127,699.47	\$0.00	\$2,789,450.27
GA	20544	Time Insurance Company	\$7,352,482.72	\$0.00	N/A
GA	43802	UnitedHealthcare of Georgia, Inc.	\$12,145,393.47	\$0.00	N/A
GA	47783	Aetna Health Inc., a Georgia Corp	\$18,355,167.74	\$0.00	N/A
GA	50491	Cigna Health and Life Insurance Company	\$560,890.22	\$0.00	N/A
HI	18350	Hawaii Medical Service Association	\$17,759,344.35	\$0.00	\$0.00
HI	60612	Kaiser Foundation Health Plan, Inc.	\$18,747,151.44	\$83,687.07	\$618,200.26
IA	18973	Aetna Health of Iowa Inc.	\$705,180.40	\$0.00	\$89,945.49
IA	27651	Gundersen Health Plan, Inc.	\$110,467.33	\$189,148.64	\$3,781.59

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IA	71268	CoOpportunity Health	\$2,863,639.96	\$3,779,496.69	\$1,860,385.66
IA	74980	Avera Health Plans, Inc.	-\$345,059.90	\$829,146.07	\$3,352.13
IA	77638	Health Alliance Midwest, Inc.	\$0.00	\$0.00	\$0.00
IA	85930	Sanford Health Plan	\$0.00	\$0.00	\$4,289.68
ID	26002	SelectHealth	\$36,856,890.10	\$2,127,750.55	\$862,397.38
ID	44648	Regence Blue Shield of Idaho	\$0.00	\$0.00	\$0.00
ID	59765	BridgeSpan Health Company	\$939,702.69	\$0.00	\$927.39
ID	60597	PacificSource Health Plans	\$2,063,613.63	\$0.00	\$74,499.13
ID	61589	Blue Cross of Idaho Health Service, Inc.	\$43,056,603.68	\$0.00	\$1,329,989.79
ID	38128	Montana Health Cooperative	\$22,795,348.35	\$129,413.38	N/A
IL	20129	Health Alliance Medical Plans, Inc.	\$8,788,291.05	\$3,260.79	\$92,150.39
IL	35670	Coventry Health & Life Co.	-\$654,220.63	\$0.00	\$11,235.99
IL	36096	Blue Cross Blue Shield of Illinois	\$288,419,830.50	\$3,075,700.10	\$6,549,724.23
IL	58288	Humana Health Plan, Inc.	\$0.00	\$0.00	\$26,607.30
IL	68303	Humana Insurance Company	\$3,149,288.79	\$0.00	\$159,490.95
IL	72547	Aetna Life Insurance Company	-\$11,538.40	\$0.00	\$5,199.74
IL	79763	Land of Lincoln Mutual Health Insurance Company	\$59,546,957.17	\$12,286,293.83	\$149,224.78
IL	96601	Coventry Health Care of Illinois, Inc.	\$2,643,435.82	\$0.00	\$105,554.82
IL	16724	UnitedHealthcare of the Midwest, Inc.	\$115,915.27	\$0.00	N/A
IL	67807	Time Insurance Company	\$1,111,551.75	\$0.00	N/A
IL	68432	IlliniCare Health Plan, Inc.	-\$4,500.83	\$0.00	N/A
IN	17575	Anthem Ins Companies Inc(Anthem BCBS)	-\$691,308.47	-\$10,160.00	\$26,992.54
IN	35065	Coordinated Care Corporation Indiana	\$0.00	\$0.00	\$0.00
IN	50816	Physicians Health Plan of Northern Indiana, Inc.	\$3,583,336.00	\$35,701.79	\$109,794.99
IN	85320	MDwise, Inc.	\$0.00	\$0.00	\$0.00
IN	20855	Advantage Health Solutions, Inc.	\$0.00	\$0.00	N/A
IN	33380	Indiana University Health Plans, Inc.	\$66,286.64	\$88.16	N/A
IN	36373	All Savers Insurance Company	\$11,449,513.89	\$0.00	N/A
IN	54192	CareSource Indiana, Inc.	\$1,293,422.26	\$0.00	N/A
IN	62033	MDwise Marketplace, Inc.	\$0.00	\$0.00	N/A
IN	67920	Southeastern Indiana Health Organization	\$21,739.31	\$0.00	N/A
IN	76179	Celtic Insurance Company	-\$1,443,802.06	\$0.00	N/A
IN	91842	Time Insurance Company	\$4,618,815.85	\$0.00	N/A
KS	18558	Blue Cross and Blue Shield of Kansas, Inc.	\$25,619,644.74	\$910,894.46	\$466,357.32
KS	61430	Coventry Health and Life	\$22,585,325.23	\$0.00	\$760,367.12
KS	65598	Coventry Health Care Of Kansas Inc	\$2,312,993.98	\$0.00	\$315,492.21

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KS	94248	Blue Cross and Blue Shield of Kansas City	\$6,371,297.95	\$408,600.97	\$41,905.95
KS	27811	BlueCross BlueShield Kansas Solutions, Inc.	\$12,789,305.41	\$179,041.01	N/A
KY	15411	Humana Health Plan, Inc.	\$2,482,523.85	\$0.00	\$200,273.54
KY	23671	UnitedHealthcare of Kentucky, Ltd.	\$0.00	\$13,606.24	\$0.00
KY	36239	Anthem Health Plans of KY(Anthem BCBS)	\$730,766.76	\$0.00	\$0.00
KY	40586	Baptist Health Plan, Inc.	\$0.00	\$3,214,861.78	\$48,900.21
KY	47949	Golden Rule Insurance Company	\$0.00	\$0.00	\$0.00
KY	77894	Kentucky Health Cooperative	\$77,311,836.24	\$0.00	\$2,560,299.94
KY	45636	CareSource Kentucky Co.	\$3,577,396.03	\$0.00	N/A
KY	72001	WELLCARE HEALTH PLANS OF KENTUCKY, INC	\$50,484.02	\$0.00	N/A
LA	19636	HMO Louisiana, Inc.	\$13,994,336.60	\$1,372,994.63	\$105,575.27
LA	44965	Humana Health Benefit Plan of Louisiana, Inc.	\$3,073,966.60	\$0.00	\$13,774.52
LA	67202	Louisiana Health Cooperative, Inc.	\$52,680,919.15	\$693,646.35	\$397,264.65
LA	67243	Vantage Health Plan, Inc.	-\$2,699,673.78	-\$22,641.24	\$804.48
LA	97176	Louisiana Health Service & Indemnity Company	\$37,710,617.93	\$6,165,160.07	\$1,173,859.13
LA	38499	UnitedHealthcare of Louisiana, Inc.	\$4,251,825.74	\$0.00	N/A
MA	29125	Tufts Associated Health Maintenance Org	\$209,387.13	\$76,520.57	\$0.00
MA	31234	CeltiCare Health Plan of MA	-\$192,735.20	\$0.00	\$6,669.56
MA	34484	Health New England, Inc.	-\$7,531.80	\$0.00	\$0.00
MA	36046	Harvard Pilgrim Health Care Inc.	\$0.00	\$0.00	\$0.00
MA	41304	Neighborhood Health Plan	\$7,881,196.72	\$6,922,012.85	\$595,716.02
MA	42690	Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.	\$1,943,171.80	\$1,332,625.82	\$0.00
MA	59763	Tufts Health Public Plans Inc.	\$0.00	\$0.00	\$0.00
MA	73331	Minuteman Health, Inc	\$1,903,857.27	\$142,595.46	\$37,823.79
MA	82569	Boston Medical Center Health Plan, Inc.	\$0.00	\$0.00	\$57,686.30
MA	88806	Fallon Community Health Plan, Inc.	\$295,987.67	\$456,174.22	\$18,616.80
MA	95878	HPHC Insurance Company Inc.	\$8,829,688.42	\$9,254,420.81	\$40,347.74
MA	31779	UnitedHealthcare Insurance Company	\$166,087.58	\$0.00	N/A
MD	14468	Coventry Health Care of Delaware, Inc.	\$0.00	\$245,541.73	\$0.00
MD	23620	UnitedHealthcare Insurance Company	\$0.00	\$0.00	\$0.00
MD	28137	CareFirst BlueChoice, Inc.	\$22,163,894.49	-\$118,405.17	\$595,517.37
MD	31112	UnitedHealthcare of the Mid-Atlantic Inc	\$128,553.76	\$0.00	\$0.00

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MD	36677	All Savers Insurance Company	\$179,551.18	\$0.00	\$4,602.89
MD	45532	CareFirst of Maryland, Inc.	\$7,565,373.57	-\$79,109.81	\$180,782.85
MD	65635	MAMSI Life and Health Insurance Company	\$0.00	\$0.00	\$0.00
MD	68541	Coventry Health and Life	\$0.00	\$83,456.08	\$0.00
MD	72375	Optimum Choice, Inc.	\$0.00	-\$839,733.33	\$0.00
MD	72564	Evergreen Health Cooperative, Inc.	\$6,952,208.46	\$14,571,500.47	\$137,379.39
MD	90296	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$17,161,594.80	\$0.00	\$18,697.89
MD	94084	GHMSI	\$3,594,558.80	-\$62,678.93	\$33,934.03
MD	32812	Cigna Health and Life Insurance Company	\$256,315.80	\$0.00	N/A
MD	66516	Aetna Health Inc. (a PA corp.)	\$0.00	-\$538.75	N/A
MD	70767	Aetna Life Insurance Company	\$0.00	\$0.00	N/A
ME	33653	Maine Community Health Options	\$19,331,299.03	\$301,696.58	\$8,029.43
ME	48396	Anthem Health Plans of ME(Anthem BCBS)	-\$31,628.48	\$0.00	\$0.00
ME	96667	Harvard Pilgrim Health Care Inc.	\$0.00	\$0.00	N/A
MI	15560	Blue Cross Blue Shield of Michigan Mutual Insurance Company	\$22,247,616.11	\$0.00	\$0.00
MI	20393	McLaren Health Plan	\$2,272,716.02	\$3,253,857.07	\$17,699.16
MI	29241	Priority Health Insurance Company (PHIC)	\$4,777,255.18	\$0.00	\$35,939.76
MI	29698	Priority Health	\$14,345,881.64	\$0.00	\$13,671.67
MI	37651	Health Alliance Plan (HAP)	\$0.00	-\$127,798.78	\$0.00
MI	40047	Molina Healthcare of Michigan, Inc.	-\$239,138.47	\$0.00	\$0.00
MI	41895	Consumers Mutual Insurance of Michigan	\$12,524,722.48	\$11,795,165.19	\$60,797.86
MI	45002	UnitedHealthcare Life Insurance Company	\$0.00	-\$1,088.34	\$1.08
MI	46275	Humana Medical Plan of Michigan, Inc.	\$0.00	\$0.00	\$269,137.91
MI	58594	Meridian Health Plan of Michigan, Inc.	-\$59,167.75	\$0.00	\$0.00
MI	67183	Total Health Care USA, Inc.	-\$152,456.94	-\$1,165,705.95	\$0.00
MI	67577	Alliance Health and Life Insurance Company	\$316,075.05	-\$214,568.98	\$2,146.80
MI	98185	Blue Care Network of Michigan	\$4,131,999.44	-\$981,975.51	\$571,141.44
MI	34620	Harbor Health Plan, Inc.	-\$8,559.18	\$0.00	N/A
MI	60829	Physicians Health Plan	\$0.00	\$0.00	N/A
MI	71667	UnitedHealthcare Community Plan, Inc.	\$144,054.47	\$0.00	N/A
MI	89029	Time Insurance Company	\$431,897.82	\$0.00	N/A
MN	31616	Medica Insurance Company	\$0.00	\$0.00	\$10,529.09
MN	34102	Group Health Plan, Inc.	\$9,221,388.74	\$0.00	\$86,769.71
MN	49316	BCBSM, INC.	\$174,955,826.46	\$0.00	\$231,054.51



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MN	65847	Medica Health Plans of Wisconsin	\$5,655,753.07	\$0.00	\$0.00
MN	85736	UCare Minnesota	\$10,464,932.43	\$0.00	\$0.00
MN	88102	PreferredOne Insurance Company	\$0.00	\$1,550,363.48	\$1,762,670.15
MN	57129	HMO Minnesota	\$5,872,656.21	\$20,610.90	N/A
MO	32753	Healthy Alliance Life Co(Anthem BCBS)	-\$1,003,114.69	\$0.00	\$750.46
MO	34762	Blue Cross and Blue Shield of Kansas City	\$11,344,959.57	\$157,134.97	\$93,269.52
MO	44240	Coventry Health and Life	\$7,567,905.73	\$0.00	\$965,882.56
MO	16049	All Savers Insurance Company	\$6,697,668.39	\$0.00	N/A
MO	30613	Humana Insurance Company	\$2,475,780.80	\$0.00	N/A
MO	74483	Cigna Health and Life Insurance Company	\$0.00	\$0.00	N/A
MS	48963	Humana Insurance Company	\$0.00	\$0.00	\$0.00
MS	61794	UnitedHealthcare Life Insurance Company	\$0.00	-\$4,883.84	\$0.00
MS	94237	Magnolia Health Plan	\$0.00	\$0.00	\$0.00
MS	90714	Ambetter of Magnolia Inc.	-\$2,810,643.19	\$0.00	N/A
MS	97560	UnitedHealthcare of Mississippi, Inc.	\$809,174.17	\$0.00	N/A
MT	23603	PacificSource Health Plans	\$11,649,353.31	\$4,210,514.48	\$64,378.94
MT	30751	Blue Cross and Blue Shield of Montana	\$39,917,958.84	\$3,150,150.04	\$797,636.79
MT	32225	Montana Health Cooperative	\$14,345,841.40	\$410,809.41	\$206,975.90
MT	24867	Time Insurance Company	\$253,920.36	\$0.00	N/A
NC	11512	Blue Cross and Blue Shield of NC	\$214,485,108.80	\$827,984.90	\$4,898,870.47
NC	56346	Coventry Health Care of the Carolinas, Inc.	\$16,459,753.99	\$0.00	\$338,453.99
NC	54332	UnitedHealthcare of North Carolina, Inc	\$18,401,376.06	\$0.00	N/A
ND	37160	Blue Cross Blue Shield of North Dakota	\$0.00	\$0.00	\$15,226.54
ND	73751	Medica Health Plans	-\$293,487.97	-\$96,938.69	\$7,982.33
ND	89364	Sanford Health Plan	\$987,406.20	\$0.00	\$0.00
ND	39364	Medica Insurance Company	\$0.00	\$0.00	N/A
NE	15438	Coventry Health Care of Nebraska Inc.	\$18,035,629.21	\$0.00	\$0.00
NE	29678	Blue Cross and Blue Shield of Nebraska	\$24,733,023.87	\$0.00	\$469,807.48
NE	43198	CoOpportunity Health	\$12,853,762.71	\$7,498,009.00	\$2,456,521.33
NE	77931	Health Alliance Midwest Inc.	\$0.00	\$0.00	\$243.07
NE	19524	Time Insurance Company	\$4,045,974.64	\$0.00	N/A
NH	96751	Matthew Thornton Hlth Plan(Anthem BCBS)	-\$9,685,908.73	-\$19,762.95	\$0.00
NH	19304	Maine Community Health Options	\$432,666.71	\$2,673,543.16	N/A
NH	42260	Time Insurance Company	\$925,446.08	\$0.00	N/A
NH	59025	Harvard Pilgrim Health Care of NE	\$0.00	\$0.00	N/A
NH	61163	Minuteman Health, Inc	\$3,131,228.08	\$27,084.63	N/A

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NJ	10191	Freelancers CO-OP of New Jersey, Inc.	\$21,700,609.51	\$1,475,511.90	\$4,988.21
NJ	77606	AmeriHealth HMO, Inc.	\$5,486,703.07	\$1,333,811.00	\$116,232.27
NJ	91661	Horizon Healthcare Services, Inc.	-\$3,703,866.20	\$0.00	\$105,814.71
NJ	91762	AmeriHealth Ins Company of New Jersey	\$12,445,206.11	\$2,462,716.68	\$38,455.14
NJ	48834	Oxford Health Plans (NJ), Inc.	\$1,357,526.59	\$0.00	N/A
NJ	50221	Oscar Insurance Corporation of New Jersey	\$2,132,615.32	\$0.00	N/A
NM	19722	Molina Healthcare of New Mexico, Inc.	-\$107,005.94	\$0.00	\$0.00
NM	52744	Presbyterian Insurance Company, Inc.	\$0.00	\$0.00	\$0.00
NM	57173	Presbyterian Health Plan, Inc.	-\$499,336.69	-\$60,281.72	\$82,341.14
NM	75605	Blue Cross Blue Shield of New Mexico	\$18,627,474.95	\$0.00	\$218,141.39
NM	93091	New Mexico Health Connections	\$14,280,094.79	\$4,706,916.14	\$139,903.95
NM	72034	CHRISTUS Health Plan	\$134,369.02	\$0.00	N/A
NV	16698	Prominence HealthFirst	\$501,439.74	\$0.00	\$0.00
NV	34996	Nevada Health CO-OP	\$29,901,096.25	\$3,753,264.74	\$355,443.99
NV	60156	HMO Colorado, Inc., dba HMO Nevada	\$3,155,927.89	\$0.00	\$90.21
NV	95865	Health Plan of Nevada, Inc.	\$643,589.93	\$0.00	\$0.00
NV	29211	Time Insurance Company	\$7,321,151.53	\$0.00	N/A
NY	11177	MetroPlus Health Plan	\$8,797,440.70	\$338,440.65	\$290,817.51
NY	18029	Independent Health Benefits Corporation	\$0.00	\$868,523.25	\$0.00
NY	25303	New York State Catholic Health Plan, Inc.	\$0.00	\$0.00	\$0.00
NY	31808	American Progressive Life & Health Insurance Company of New York	\$0.00	\$0.00	\$0.00
NY	40064	HealthNow New York	\$1,448,976.32	\$8,170,408.69	\$0.00
NY	54235	UnitedHealthcare of New York, Inc.	\$909,112.89	\$0.00	\$0.00
NY	56184	MVP Health Plan, Inc.	-\$2,414,553.41	\$1,447,961.39	\$51,511.72
NY	57165	Affinity Health Plan, Inc.	\$0.00	\$0.00	\$39,176.64
NY	71644	Freelancers Health Service Corporation d/b/a Health Republic Insurance of New York	\$180,865,046.61	\$133,175,392.41	\$4,960,652.92
NY	74289	Oscar Insurance Corporation	\$50,645,914.29	\$0.00	\$310,349.58
NY	78124	Excellus Health Plan, Inc.	\$1,024,558.12	\$23,738,013.87	\$250,017.32
NY	80519	Empire HealthChoice HMO, Inc.	-\$297,726.69	\$0.00	\$0.00
NY	82483	North Shore-LIJ Insurance Company Inc	\$10,162,882.20	\$4,911,774.19	\$116,826.04
NY	85629	Oxford Health Insurance, Inc.	\$0.00	\$0.00	\$0.00
NY	88582	Health Insurance Plan of Greater New York	\$3,645,672.92	\$17,504,832.79	\$0.00
NY	91237	Healthfirst PHSP, Inc.	\$697,039.60	\$0.00	\$2,508.78

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
NY	92551	CDPHP Universal Benefits Inc.	\$0.00	\$35,536,715.61	\$485,222.26
NY	94788	CDPHP	-\$1,282,843.60	\$0.00	\$0.00
NY	95456	Atlantis Health Plan	\$0.00	\$0.00	\$0.00
NY	39595	WellCare of New York	\$162,701.86	\$0.00	N/A
OH	20126	HealthSpan Integrated Care	\$7,797,117.69	\$4,745,409.18	\$372,126.62
OH	28162	AultCare Insurance Company	-\$9,718.54	\$139,327.35	\$21,712.60
OH	29276	Community Insurance Company(Anthem BCBS)	-\$4,249,438.31	\$0.00	\$532.71
OH	41047	Buckeye Community Health Plan	\$0.00	\$0.00	\$0.00
OH	52664	Summa Insurance Company, Inc.	-\$463,101.73	\$296,546.81	\$71,621.06
OH	64353	Molina Healthcare of Ohio, Inc.	-\$508,729.76	\$0.00	\$0.00
OH	66083	Humana Health Plan of Ohio, Inc.	\$225,079.88	\$0.00	\$307,880.64
OH	74313	Paramount Insurance Company	\$0.00	\$0.00	\$0.00
OH	77552	CareSource	\$0.00	\$0.00	\$0.00
OH	92036	HealthSpan	\$8,014,533.10	\$644,630.91	\$168,341.59
OH	98894	Coventry Health and Life	-\$623,281.14	\$0.00	\$19,021.68
OH	99969	Medical Health Insuring Corp. of Ohio	\$4,279,010.69	\$0.00	\$165,344.99
OH	14650	Time Insurance Company	\$494,806.51	\$0.00	N/A
OH	16204	Coordinated Health Mutual, Inc.	\$37,187,153.00	\$678,737.94	N/A
OH	26734	Premier Health Plan, Inc.	\$2,572,926.75	\$0.00	N/A
OH	33931	UnitedHealthcare of Ohio, Inc.	\$902,297.30	\$0.00	N/A
OH	67129	Aetna Life Insurance Company	\$0.00	\$0.00	N/A
OK	53524	Coventry Health and Life	-\$502,544.02	\$0.00	\$5,324.95
OK	66946	Aetna Life Insurance Company	-\$135,795.55	\$0.00	\$14,285.36
OK	76668	Coventry Health Care of Kansas, Inc.	\$0.00	\$0.00	\$41,955.52
OK	85408	GlobalHealth, Inc.	\$3,852,896.40	\$13,731.93	\$93,194.38
OK	87571	Blue Cross Blue Shield of Oklahoma	\$115,115,001.13	\$4,316,218.67	\$1,790,207.78
OK	87698	CommunityCare Life & Health Insurance Co	\$0.00	\$634,317.06	\$5,090.31
OK	98905	CommunityCare HMO Inc.	\$0.00	\$2,151,744.75	\$10,791.75
OK	29176	Time Insurance Company	\$568,168.32	\$0.00	N/A
OR	10091	PacificSource Health Plans	\$12,895,564.84	\$1,492,522.43	\$99,914.34
OR	10940	Health Net Health Plan of Oregon, Inc.	\$0.00	\$0.00	\$78,230.95
OR	32536	ATRIO Health Plans	\$491,055.00	-\$7,359.48	\$3,934.18
OR	39424	Moda Health Plan, Inc.	\$88,433,164.06	\$2,626,396.05	\$2,914,589.01
OR	56707	Providence Health Plan	\$5,718,501.21	\$0.00	\$63,203.86
OR	63474	BridgeSpan Health Company	\$88,117.39	\$0.00	\$0.00
OR	71287	Kaiser Foundation Healthplan of the NW	\$9,821,230.13	-\$523,898.26	\$0.00
OR	85804	LifeWise Health Plan of Oregon	\$28,911,006.31	\$0.00	\$160,308.99
OR	95417	Trillium Community Health Plan	\$0.00	-\$418.63	\$0.00
OR	96383	Health Republic Insurance Company	\$8,052,058.67	\$4,948,434.63	\$261,922.66
OR	99389	Oregon's Health CO-OP	\$12,246,711.70	\$883,407.48	\$50,781.41
PA	16481	UPMC Health Network, Inc.	-\$38,755.23	\$0.00	\$7,383.20



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
PA	22444	Geisinger Health Plan	\$11,751,693.87	\$6,179,883.41	\$760,645.13
PA	31609	Independence Blue Cross (QCC Ins. Co.)	\$7,891,991.13	\$11,108,682.39	\$357,746.79
PA	33709	Highmark Inc.	\$168,580,028.14	\$5,879,605.39	\$5,308,855.59
PA	33871	Keystone Health Plan East, Inc.	\$17,725,832.87	\$22,879,073.98	\$972,351.85
PA	33906	Aetna Life Insurance Company	\$1,872,197.90	\$0.00	\$10,141.68
PA	52899	UPMC Health Plan, Inc.	-\$623,294.78	\$679,452.52	\$452.03
PA	53789	Keystone Health Plan Central	\$431,670.61	\$0.00	\$3,870.32
PA	55957	First Priority Life Insurance Company, Inc.	\$40,107,921.26	\$263,953.76	\$363,201.89
PA	64844	Aetna Health Inc. (a PA corp.)	\$5,258,434.34	\$0.00	\$0.00
PA	70194	Highmark Health Insurance Company	\$38,670,122.39	\$406,775.20	\$1,052,688.76
PA	75729	Geisinger Quality Options	\$1,273,439.08	\$689,409.22	\$255,740.03
PA	82795	Capital Advantage Insurance Company CAIC	\$0.00	\$0.00	\$9,637.08
PA	91303	HealthAmerica Pennsylvania, Inc.	\$1,046,556.94	\$0.00	\$67,841.86
PA	16322	UPMC Health Options, Inc.	\$24,615,139.76	\$0.00	N/A
PA	19068	Time Insurance Company	\$1,450,728.94	\$0.00	N/A
PA	24872	UnitedHealthcare of Pennsylvania, Inc.	\$5,937,531.25	\$0.00	N/A
PA	45127	Capital Advantage Assurance Company	\$2,500,772.16	\$4,770.49	N/A
PA	62560	UPMC Health Coverage, Inc.	\$0.00	\$682,713.46	N/A
RI	15287	Blue Cross & Blue Shield of Rhode Island	\$381,639.63	\$0.00	\$0.00
RI	77514	Neighborhood Health Plan of Rhode Island	-\$5,233,486.30	-\$138,066.87	\$0.00
RI	79881	UnitedHealthcare of New England, Inc.	-\$94,105.37	\$0.00	\$25.33
RI	70760	Guardian Life Insurance Company of America	\$0.00	\$0.00	N/A
SC	26065	Blue Cross and Blue Shield of South Carolina	\$11,205,576.67	\$0.00	\$0.00
SC	41614	Coventry Health Care of the Carolinas, Inc.	\$2,975,127.19	\$0.00	\$169,278.09
SC	49532	BlueChoice HealthPlan of South Carolina, Inc.	\$6,375,309.45	\$1,462,098.16	\$0.00
SC	65122	Consumers' Choice Health Insurance Company	\$81,078,167.44	\$44,111.42	\$412,745.23
SC	39996	Time Insurance Company	\$1,451,025.54	\$0.00	N/A
SD	31195	Sanford Health Plan	\$3,972,231.55	\$909,904.23	\$117,478.56
SD	60536	Avera Health Plans, Inc.	\$17,177,873.59	\$2,309,953.60	\$264,640.41
SD	62210	South Dakota State Medical Holding Company, Inc.	\$12,926,212.21	\$277,466.87	\$2,628.17
TN	14002	BlueCross BlueShield of Tennessee	\$83,199,959.16	\$0.00	\$2,614,980.96
TN	66842	Community Health Alliance Mutual Insurance Company	\$29,930,892.43	\$252,120.24	\$12,208.18



STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
TN	82120	Humana Insurance Company	\$1,354,405.83	\$0.00	\$242,241.01
TN	99248	Cigna Health and Life Insurance Company	\$121,369.67	\$0.00	\$0.00
TN	60299	Time Insurance Company	\$234,775.92	\$0.00	N/A
TX	26539	SHA, LLC DBA FirstCare Health Plans	\$4,623,491.00	\$958,620.40	\$70,795.54
TX	27248	Community Health Choice, Inc.	\$2,042,945.29	\$0.00	\$0.00
TX	32673	Humana Health Plan of Texas, Inc.	\$20,835,819.27	\$0.00	\$2,033,942.87
TX	33602	Blue Cross Blue Shield of Texas	\$596,692,787.32	\$25,767,249.27	\$9,776,428.58
TX	40788	Scott and White Health Plan	\$22,204,375.02	\$0.00	\$25,591.70
TX	45786	Molina Healthcare of Texas, Inc.	-\$672,399.95	\$0.00	\$0.00
TX	46224	Community First Health Plans, Inc.	-\$17,727.14	\$0.00	\$324.66
TX	55409	Cigna Health and Life Insurance Company	\$25,063,932.77	\$0.00	\$427,894.45
TX	63141	Humana Insurance Company	\$7,347,250.49	\$0.00	\$168,549.65
TX	71837	Sendero Health Plans, inc.	\$2,200,617.89	\$0.00	\$22,751.14
TX	87226	Superior Health Plan	\$0.00	\$0.00	\$0.00
TX	91716	Aetna Life Insurance Company	\$8,680,426.35	\$0.00	\$36,588.55
TX	28020	Time Insurance Company	\$7,661,197.18	\$0.00	N/A
TX	63509	Allegian Insurance Company	\$0.00	\$0.00	N/A
TX	66252	CHRISTUS Health Plan	\$0.00	\$0.00	N/A
TX	85947	All Savers Insurance Company	\$62,422,090.52	-\$11,540.15	N/A
UT	18167	Molina Healthcare of Utah	\$3,557,849.34	\$0.00	\$0.00
UT	27619	Arches Mutual Insurance Company	\$43,467,274.22	\$2,943,893.04	\$399,177.92
UT	34541	BridgeSpan Health Company	\$7,713,827.87	\$0.00	\$67,003.07
UT	38927	Aetna Health of Utah Inc.	\$3,061,829.64	\$0.00	\$66,701.47
UT	56764	Humana Medical Plan of Utah, Inc.	\$489,707.31	\$0.00	\$321,228.20
UT	66413	UnitedHealthcare of Utah, Inc.	\$0.00	\$6,697.41	\$0.00
UT	68781	SelectHealth	\$85,912,175.23	\$25,143,079.57	\$2,774,954.11
UT	40335	Educators Health Plans Life, Accident, and Health, Inc	\$0.00	\$0.00	N/A
VA	10207	CareFirst BlueChoice, Inc.	\$1,952,573.46	\$0.00	\$24,275.00
VA	12028	Innovation Health Insurance Company	-\$5,300,607.23	\$0.00	\$14,179.48
VA	20507	Optima Health Plan	\$2,229,495.98	\$0.00	\$0.00
VA	38234	Aetna Life Insurance Company	-\$2,260,494.69	\$0.00	\$0.00
VA	40308	Group Hospitalization and Medical Services Inc.	\$155,508.63	\$0.00	\$0.00
VA	88380	HealthKeepers, Inc.	\$0.00	\$0.00	\$0.00
VA	95185	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	\$33,418,222.77	\$1,037,808.40	\$5,672.26
VA	99663	Coventry Health Care of Virginia, Inc	-\$4,505,742.80	\$0.00	\$0.00
VA	15668	Piedmont Community HealthCare, Inc.	\$112,913.30	\$11,151.45	N/A

STATE	HIOS ID	HIOS INPUTTED INSURANCE COMPANY NAME	HHS 2015 RISK CORRIDOR AMOUNT (INDIVIDUAL MARKET)	HHS 2015 RISK CORRIDOR AMOUNT (SMALL GROUP MARKET)	EXPECTED PAYMENT TOWARD 2014 AMOUNTS
VT	13627	Blue Cross Blue Shield of Vermont	\$2,096,136.84	\$2,661,673.15	\$0.00
VT	77566	MVP Health Plan, Inc.	\$0.00	\$0.00	\$51,920.11
WA	18581	Community Health Plan of Washington	\$1,187,131.21	\$0.00	\$0.00
WA	23371	Kaiser Foundation Healthplan of the NW	\$0.00	-\$152,819.47	\$0.00
WA	38498	LifeWise Health Plan of WA	\$11,748,045.56	\$0.00	\$0.00
WA	49831	Premiera Blue Cross	\$15,553,285.66	\$0.00	\$0.00
WA	53732	BridgeSpan Health Company	\$3,849,576.58	\$0.00	\$0.00
WA	61836	Coordinated Care Corporation	\$0.00	\$0.00	\$0.00
WA	80473	Group Health Cooperative	\$521,384.24	\$0.00	\$0.00
WA	84481	Molina Healthcare of Washington, Inc.	\$238,552.08	\$0.00	\$0.00
WA	65907	Moda Health Plan, Inc.	\$11,360,459.83	\$0.00	N/A
WI	35334	MercyCare Insurance Company	\$0.00	\$874,654.10	\$11,812.69
WI	37833	Unity Health Plans Insurance Corporation	\$11,131,237.20	\$0.00	\$0.00
WI	38166	Security Health Plan of Wisconsin, Inc.	\$34,959,297.51	\$1,198,009.90	\$29,087.82
WI	38345	Dean Health Plan	\$11,814,347.27	\$0.00	\$468,016.65
WI	47342	Health Tradition Health Plan	\$0.00	\$902,750.69	\$19,276.97
WI	52697	Molina Healthcare of Wisconsin, Inc.	\$21,340,461.88	\$0.00	\$0.00
WI	57637	Medica Insurance Company	\$0.00	\$1,140,492.00	\$15,987.24
WI	57845	Medica Health Plans of Wisconsin	-\$651,625.20	\$0.00	\$0.00
WI	58326	MercyCare HMO, Inc.	\$888,775.53	\$540,373.91	\$39,302.06
WI	58564	Physicians Plus Insurance Corporation	\$171,543.34	\$0.00	\$0.00
WI	79475	Compcare Health Serv Ins Co(Anthem BCBS)	-\$93,143.86	\$0.00	\$163,815.77
WI	84670	WPS Health Plan, Inc.	\$13,564,987.77	\$220,591.15	\$213,100.00
WI	87416	Common Ground Healthcare Cooperative	\$27,770,382.35	\$1,889,058.25	\$1,502,853.97
WI	91058	Gundersen Health Plan, Inc.	\$1,107,462.46	\$3,261,542.62	\$68,917.14
WI	94529	Group Health Cooperative of South Central Wisconsin	\$0.00	-\$758,698.27	\$0.00
WI	32754	Managed Health Services Insurance Corporation	-\$18,556.78	\$0.00	N/A
WI	39924	All Savers Insurance Company	\$7,972,985.11	-\$182,309.24	N/A
WV	31274	Highmark Blue Cross Blue Shield West Virginia	\$17,059,483.59	\$0.00	\$479,130.54
WY	11269	Blue Cross Blue Shield of Wyoming	\$3,314,544.94	\$0.00	\$20,177.33
WY	53189	WINhealth Partners	\$13,475,140.86	\$108,220.90	\$168,305.26

**Disclosure of Offsets of Which Seller is Aware**

Seller is aware and discloses claims of set off as set forth in the Litigation, the Litigation's related motion practice, and as filed by the Defendant's proof of claim in the Receivership Action.

**SELLER'S CERTIFICATE**

Reference is made to that certain prepaid forward purchase agreement entered into on September \_\_, 2019 (the "Agreement"), between CM Squared RC IV LLC, a Delaware limited liability company ("*Purchaser*") and Barbara D. Richardson, acting only in her capacity as the statutory and court-affirmed Receiver of Nevada Health Co-Op., a *Nevada domestic health maintenance organization and non-profit Consumer Operated and Oriented Plan under Section 1322 of the Patient Protection and Affordable Care Act (42 U.S.C. § 18001 (2010))* ("*Seller*"). Capitalized terms used by not defined herein shall have the meaning given such terms in the Agreement.

The undersigned hereby certifies that she is the statutory and court-affirmed Receiver of Nevada Health Co-Op., and is familiar with Nevada Health Co-Op. and its properties, affairs and records. This certificate is delivered pursuant to the requirements set forth in Transaction Summary Section 3.5 of the Agreement. The undersigned does hereby further certify as follows:

- (1) All of the representations and warranties of Seller set forth in the Agreement are true and correct on the date hereof.
- (2) Seller has not defaulted on any of its obligations under the Agreement as of the date hereof and no default will result from the consummation of the transaction and the execution, delivery and performance by Seller of the Agreement.

IN WITNESS WHEREOF, I have signed this Certificate as of the date set forth below.

---

Name: Barbara D. Richardson  
Title: Receiver of Nevada Health Co-Op.  
Dated:

**PURCHASER'S CERTIFICATE**

Reference is made to that certain prepaid forward purchase agreement entered into on September \_\_, 2019 (the "Agreement"), between CM Squared RC IV LLC, a Delaware limited liability company ("*Purchaser*") and Barbara D. Richardson, acting only in her capacity as the statutory and court-affirmed Receiver of Nevada Health Co-Op., a Nevada domestic health maintenance organization and non-profit Consumer Operated and Oriented Plan under Section 1322 of the Patient Protection and Affordable Care Act (42 U.S.C. § 18001 (2010)) ("*Seller*"). Capitalized terms used by not defined herein shall have the meaning given such terms in the Agreement.

The undersigned hereby certifies that he is a representative of Purchaser, has full right, power, and authority to execute this Agreement and bind Purchaser to perform its obligations under the Agreement, and is familiar with Purchaser and its properties, affairs, and records. This certificate is delivered pursuant to the requirements set forth in Transaction Summary Section 3.5 of the Agreement. The undersigned does hereby further certify as follows:

- (1) All of the representations and warranties of Purchaser set forth in the Agreement are true and correct on the date hereof.
- (2) Purchaser has not defaulted on any of its obligations under the Agreement as of the date hereof and no default will result from the consummation of the transaction and the execution, delivery, and performance by Purchaser of the Agreement.

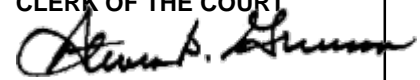
IN WITNESS WHEREOF, I have signed this Certificate as of the date first set forth below.

---

Name: Carlo Mattoni  
Title: President of CM Squared RC IV LLC  
Dated:

**TAB 29**

**TAB 29**



**SR**  
MARK E. FERRARIO, ESQ.  
Nevada Bar No. 1625  
ERIC W. SWANIS, ESQ.  
Nevada Bar No. 6840  
GREENBERG TRAURIG, LLP  
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[swanise@gtlaw.com](mailto: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. COMMISSIONER  
OF INSURANCE, IN HER OFFICIAL CAPACITY  
AS STATUTORY RECEIVER FOR DELINQUENT  
DOMESTIC INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

Case No. A-15-725244-C

Dept. No. 1

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

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

22           Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev informed  
23 interested parties of the substitution of Commissioner Barbara D. Richardson, in place and stead of  
24 former Acting Commissioner Amy L. Parks, as the Receiver of NHC. This substitution of Receiver was  
25 subsequent to Commissioner Richardson’s appointment as Commissioner of Insurance for the State of  
26 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 was 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, 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 Sixteenth Status Report, of the invoices either deferred or paid to the SDR and other receivership consultants since the last status report to this Court.<sup>1</sup>

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<sup>1</sup> The *in camera* materials are being submitted in a separate envelope that reflect paid or deferred invoices. The Receiver has elected to defer certain administrative expenses until a later date when further assets become available to the Receiver. The Receiver has included copies of all invoices that have been approved but deferred as to the payment of fee amounts only.

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 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,

## Resolution of Outstanding Receivership Matters

### *Claims Adjudications*

As the SDR reported in its Fifteenth Status Report to this Court, Notices of Claim Determination (“NCDs”) have been finalized and mailed for healthcare claims previously submitted by providers to NHC’s Javelina Claims Processing Database. The total allowed amount of these approved claims is approximately \$33.7 million.

The SDR has also mailed the majority of the NCDs for those proofs of claim submitted to the SDR relating to Policy Claims (*i.e.*, Class B claims pursuant to NRS 696B.420(1)(b)). As of the prior status report, the total allowed amount for these claims was approximately \$20,836.91. However, this amount is subject to a potential small change as NCDs have not yet been sent for four (4) of these claims, and twenty (20) of the NCDs that have been mailed are still subject to potential appeal. The SDR will keep the Court apprised of the resolution of these matters, and a resolution of these remaining claims is expected very soon. The Receiver has included as Exhibit 2 to this Sixteenth Status Report, an updated report showing the determinations of the Receiver on each claim approved in whole or in part to date.<sup>2</sup>

The SDR is continuing to evaluate outstanding appeals and anticipates that such appeals will be resolved soon. Once all appeal deadlines have run, and all appeals have been reviewed by the SDR, the SDR will inform the Receivership Court of any unresolved appeals so that a hearing or hearings may be set.

There are approximately \$3.36M in outstanding proofs of claim which have been assigned to a priority Class ‘C’ (*i.e.*, NRS 696B.420(1)(c)) or lower.<sup>3</sup> The SDR has not reached the merits of these

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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)).

<sup>2</sup> The *in camera* Exhibit 2 claim report is being submitted in a separate envelope. The Receiver has elected, out of an abundance of caution, to keep confidential the names of the individual claimants (including NHC plan members) and the amounts that have been approved for their claims.

<sup>3</sup> This does not include a claim by the U.S. Department of Health and Human Services, which the SDR has previously reported to this Court. That claim was denied in full by the SDR, and the government did not file an appeal of the SDR’s determination. This determination is now final and non-appealable.

claims, and may not do so until it appears that there may be assets available for distribution to these classes of claims, per NRS 696B.330(4).

### ***CMS Receivables***

As explained in prior status reports, and throughout the pendency of the receivership, the Receiver is working to resolve certain outstanding matters relating to the collection of amounts due under the various federal receivables programs, of which the CO-OP was a participant, and which are administered primarily by CMS. Considering the size of these federal receivables in relation to the CO-OP's potential total liabilities, the receipt of these funds by the receivership estate represents a key component of the largest expected portion of future claim payments by NHC – as is the legal determination of the government's asserted right to be paid ahead of all other creditors in the estate (including providers and members). CMS has maintained the position that any monies deemed owed to NHC (and thus the receivership estate) are to be offset against the amounts CMS asserts it is owed under the start-up loan awarded to NHC. To date, CMS has offset approximately \$12.9 million against the start-up loan that, the Receiver maintains, should have instead been paid to NHC. When the full amount of 2014 - 2015 Risk Corridors payments (*i.e.*, not just the prorated amount<sup>4</sup>) are included in the total, NHC is owed over \$55 million by CMS.

As of the date of filing of this Sixteenth Status Report, the Receiver asserts that the CO-OP, according to the various formulae applicable to Qualified Health Plans under the ACA, and notwithstanding prior attempts by CMS to offset these receivables against start-up loan funds in contravention of Nevada's laws relating to the regulation of insurer solvency, is owed over \$12.9M more in promised payments under various other CMS programs. The Receiver reserves the right to revise,

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<sup>4</sup> Due to a shortfall in risk corridor collections, CMS asserts it can only pay a prorated percentage of issuers' 2014 Risk Corridors payments and it will use all collections in subsequent years towards the 2014 payments (*i.e.*, they are unable to make payments for the subsequent years at all). DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES ("CMS"), CCHIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2015 BENEFIT YEAR (November 18, 2016) (available at <https://www.cms.gov/CCHIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>); CMS, CCHIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE AMOUNTS FOR THE 2016 BENEFIT YEAR (November 15, 2017) (available at <https://www.cms.gov/CCHIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

1 adjust, or otherwise restate her basis for the CMS receivables claims as new information is received and  
2 litigation progresses with CMS.

### 3 **Use of Third-Party Contractors as Part of Business Operations**

4 The Receiver utilized the services of several third-party contractors that had been engaged before  
5 commencement of the receivership, and some that were engaged after the receivership commenced to  
6 assist in management of NHC's affairs. As part of its efforts to wind-down the operations of the company  
7 and reduce administrative expenses of the estate, the Receiver has now terminated the services of all  
8 remaining third-party vendors.

### 9 **Internal Administrative Matters Related to Wind Down**

10 Based on the current needs of the receivership, the Receiver has trimmed existing staff to one  
11 part-time staff member who now works on a contract basis. The Receiver may contract to use the  
12 services of certain former employees for specific, limited-term receivership projects. The Receiver  
13 completed the wind down and closure of NHC's administrative office this spring. The Receiver has  
14 reduced the Information Technology needs of the CO-OP to reduce estate expenses, and will continue  
15 to do so as ongoing receivership responsibilities permit.

### 16 **Continuation of Action Against Various Professionals and Other Firms Who Performed Services 17 for and on Behalf of NHC**

18 On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a complaint  
19 (Case No. A-17-760558-C in Department No. 18) against various persons, third-party vendors, and  
20 professional service firms which are alleged to have contributed to NHC's losses by, among other things,  
21 failing to adhere to applicable standards of professional care and requirements imposed by law,  
22 misrepresentation concerning quality and standard of care for services performed, and breaches of  
23 contract, duty, and implied covenants of good faith and fair dealing. The complaint names, among  
24 others, NHC's former actuaries, accountants, auditors, and providers of certain business operations and  
25 utilization review services, as well as those individuals who specifically performed, or who were in the  
26 role of supervising the performance of, those services. The complaint also names several NHC former  
27 directors and executive management.

1 Via Plaintiff's Motion to Amend Complaint, filed on July 17, 2018, the Receiver sought an order  
2 granting leave to amend the August 25, 2017, complaint against certain of NHC's various directors,  
3 officers, and third-party contractors, citing the discovery of additional facts in support of assertions made  
4 in the first complaint, as well as the need to add a new defendant to the existing proceedings. This  
5 Motion to Amend Complaint was filed in judicial department number 16, in line with the terms of  
6 contemporaneous Notice of Department Reassignment assigning the proceedings to Judge Timothy C.  
7 Williams. The Motion to Amend Complaint was approved via an order entered on September 18, 2018.

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

19 Via an Opposition to Plaintiff's Motion for Reconsideration filed April 16, 2018, Milliman  
20 sought to challenge the Receiver's effort to avoid compelled arbitration, largely restating the grounds set  
21 forth in Milliman's original November 6, 2017, Motion to Compel Arbitration. The Receiver filed her  
22 Reply in Support of Motion for Reconsideration on April 24, 2018. On May 1, 2018, argument on the  
23 Motion for Reconsideration was heard by Judge Delaney, who subsequently ordered the proceedings  
24 continued to May 29, 2018, and requested more briefing from the parties on the most relevant legal  
25 questions underlying the Motion for Reconsideration. The Receiver filed her Sur-Reply in Support of  
26 Motion for Reconsideration on June 29, 2018, elaborating on the relevant choice-of-law and forum  
27 selection questions at issue in the dispute. Hearing was held on the Motion for Reconsideration before  
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Judge Delaney on July 24, 2018. Through an order dated August 7, 2018, Judge Delaney denied Plaintiff's Motion for Reconsideration of that Court's March 12, 2018, order granting Milliman's Motion to Compel Arbitration.

The Receiver then determined it was necessary to file, and did file on December 17, 2018, a Petition under Nevada Rule of Appellate Procedure 21 for Writ of Mandamus in the Supreme Court of the State of Nevada (the "Petition for Writ"). The Petition for Writ requests that the Supreme Court of Nevada "issue a writ of mandamus directing the District Court to exercise subject matter jurisdiction over the claims raised by Petitioner against Real Parties in Interest." In response, and on March 20, 2019, Milliman filed its Response of Real Parties in Interest to Petition for Writ of Mandamus, asserting *inter alia* its rights to compel arbitration in this action. The Receiver filed her Reply in Support of Petition for Writ of Mandamus on May 1, 2019, after having received an earlier extension of filing deadlines. The Petition for Writ remains pending.

The Receiver's claims are ongoing against Milliman, Inc. (and individually named Milliman defendants), NHC's former directors and officers, InsureMonkey and Alex Rivlin, Larson & Company (and individually named Larson defendants), Nevada Health Solutions, LLC, and Unite Here Health. Discovery is underway, and the following deadlines have been set by Judge Timothy C. Williams, per the May 1, 2019, 2<sup>nd</sup> Amended Order Setting Civil Jury Trial, Pre-Trial, Calendar Call, and Deadlines Motions; Amended Discovery Scheduling Order:

1. **July 30, 2019:** Motions to Amend Pleadings or add parties; and Designation of Experts Pursuant to NRCP 16.1(a)(2)
2. **August 29, 2019:** Designation of Rebuttal Experts Pursuant to NRCP 16.1(a)(2) is due
3. **October 28, 2019:** Discovery Cut-Off
4. **November 27, 2019:** Motions in Limine or other Dispositive Motions
5. **January 8, 2019:** Pre-Trial Memorandum filing deadline
6. **January 9, 2020:** Pre-trial conference/calendar call
7. **January 27, 2020:** Case is set to be tried to a jury on a five-week stack

1 As of the date of filing of this Status Report, no new scheduling orders have been issued  
2 extending these deadlines, although such an extension may yet be formally granted by the court in this  
3 matter in line with the court's decision made in the related August 27, 2019, hearing to extend certain  
4 expert designation deadlines to December 2, 2019, which will likely be moved to December 5, 2019, by  
5 agreement of the parties.

6 Through the filing on July 18, 2019, of a Stipulation and Order Regarding Expert Disclosure  
7 Deadlines, the counsel for the Receiver, the NHC former directors and officers, Larson, Unite Here  
8 Health, and Nevada Health Solutions sought to extend the deadline for Defendants' designation of initial  
9 witnesses from July 30, 2019, to August 29, 2019, and Plaintiff's designation of rebuttal witnesses from  
10 August 29, 2019, to September 30, 2019. This Stipulation was approved via entry of an order the  
11 following Monday.

12 The Receiver has settled its claims against Millennium, and the settlement agreement was  
13 approved by the Court. Millennium has made two of the required settlement progress payments, and all  
14 payments to date were timely made.

15 Defendants Unite Here Health and Nevada Health Solutions filed, on August 21, 2019, their  
16 Motion to Stay on Order Shortening Time (the "Motion to Stay"), requesting that the court in Case No.  
17 A-17-760558-C stay all pending proceedings on the basis, as described below, of the decision of the  
18 Supreme Court of the United States to grant certiorari to review decisions rendered by the United States  
19 Court of Federal Claims ("CFC") in *Moda Health Plan, Inc. v. United States*, *Land of Lincoln Mutual*  
20 *Insurance Company v. United States*, and *Maine Community Health Options v. United States*  
21 (collectively, "Supreme Court Appeal Cases"). The Supreme Court Appeal Cases all concern lawsuits  
22 against the federal government for amounts owed to ACA-compliant CO-OPs under the "Risk Corridor"  
23 federal receivables program, of which this Court has been noticed throughout the term of this  
24 receivership.

25 The Motion to Stay's primary argument is that the damages model articulated in the Receiver's  
26 instant suit against NHC's former directors, officers, vendors, and others depends in part upon  
27 establishing that the United States was required to make full "Risk Corridors" payments, and therefore  
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1 the decision in the Supreme Court Appeal Cases would therefore substantially affect the Defendants’  
2 overall extent of liability by tens of millions of dollars. As Defendants’ arguments in the Motion to Stay  
3 assert, if the United States were not liable to NHC, for one reason or another, to make Risk Corridors  
4 payments, then Defendants cannot be liable for damaging NHC’s right to collect such amounts.

5 The Receiver filed her Plaintiff’s Opposition to the Motion to Stay on August 26, 2019, on the  
6 basis that delay of the proceedings in the instant litigation sought by the Defendants represented an  
7 unwarranted attempt to forestall other aspects of the litigation not directly tied to the legal questions  
8 being considered on appeal. The Opposition to the Motion to Stay asserts that none of the Receiver’s  
9 claims and state-law causes of action against the Defendants in the instant litigation are bound up in the  
10 United States Supreme Court’s review of the decision in the Supreme Court Appeal Cases, and that the  
11 outcome of these cases will not seriously affect how the parties in the instant litigation will prepare for  
12 trial.

13 The Motion to Stay and the Opposition to same were heard by Judge Timothy C. Williams on  
14 August 27, 2019, and were continued on that date to permit for additional supplemental briefing on  
15 essential questions of law. On September 10, 2019, Defendants Unite Here Health and Nevada Health  
16 Solutions filed their Supplemental Brief in support of their Motion to Stay, providing additional legal  
17 authorities. The Receiver responded with her own Supplemental Brief in Response to the Motion to  
18 Stay on September 24, 2019. The matter was heard again before Judge Williams on October 1, 2019,  
19 and the matter has been continued for another hearing until November 6, 2019.

20 Defendants Unite Here Health and Nevada Health Solutions also filed, on August 21, 2019, a  
21 Motion to Extend Expert Disclosure Deadlines on Order Shortening Time (the “Motion to Extend”),  
22 seeking to extend the (August 29, 2019) deadlines for designating initial and rebuttal expert reports. The  
23 Motion to Extend asserts that Defendants Unite Here Health and Nevada Health Solutions, joined by  
24 other defendants in the instant litigation, required more time to provide a competent rebuttal to the  
25 conclusions reached by the Receiver’s four designated expert reports, as well as the SDR’s report  
26 concerning NHC’s causation and damages theories. The Motion to Extend asserts both that the existing  
27 volume of records produced requires more time than would be available by the deadline, and that the  
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Receiver should be made to provide an even more extensive production of potentially relevant documents in order to allow Defendants to provide a more complete rebuttal. The Receiver filed her Opposition to the Motion to Extend on August 26, 2019, asserting that such Motion to Extend incorrectly alleged that relied-upon documents were not produced, that the reports alleged by Defendants as “improperly disclosed” were not in fact expert reports, and that the additional documents alleged by the Motion to Extend as being essential to Defendants’ provision of a complete defense were documents to which Defendants’ were not entitled. The discovery deadlines have been extended by the Court until December 2, 2019, and the parties have agreed by stipulation to extend the Defendants’ expert report deadline date until December 5, 2019.

#### **Pending Action Against the United States in the Court of Federal Claims**

On November 8, 2018, the Receiver filed a Complaint in the United States Court of Federal Claims (“CFC Complaint”) against the United States for monetary amounts owed to NHC under the Consumer Operated and Oriented Plan program organized pursuant to the ACA. The Receiver determined that such litigation was necessary in order to advance the interests of the receivership estate’s various creditors, and to protect and conserve assets that rightfully belong to the estate.

In Counts I through IV, the CFC Complaint prays for relief in the form of an award of damages and monetary relief equal to the difference between the amount NHC actually received in payments under Sections 1342, 1341, 1343, and 1401 of the ACA – the statutes which describe and enact the Risk Corridors, transitional reinsurance, risk adjustment, and cost sharing reduction programs respectively – and the amount NHC should have received under those laws. Count IV also seeks an award of damages and monetary relief equal to the difference between what NHC actually received in premium tax credits for 2015 under Section 1401 and the amount it should have received (however, subsequent communications with CMS have resulted in the Receiver determining that no premium tax credits are still owed, such that the Receiver will no longer pursue that particular claim).

The CFC Complaint’s Count V (breach of contract by offset) and Count VI (illegal exaction) plead alternate theories for recovery of money damages resulting from the United States, through its

agents at HHS and CMS, offsetting payments that CMS owed to NHC against funds NHC allegedly owed to the government pursuant to the terms of the CO-OP start-up loan.

On March 7, 2019, the United States filed a motion to dismiss the CFC Complaint's ("Motion to Dismiss") argument that none of Counts I through VI state claims upon which relief can be granted. NHC's deadline for responding to the Motion to Dismiss was July 9, 2019. However, on June 24, 2019, the United States Supreme Court granted certiorari in three Risk Corridors appeals, *i.e.*, the Supreme Court Appeal Cases.

Subsequent to a Motion for Enlargement of Time to Respond to Government's Motion to Dismiss, filed on June 28, 2019, the Receiver filed her Opposition to Motion to Dismiss, and Cross-Motion for Final Partial Summary Judgment on July 31, 2019, which sought from the CFC, *inter alia*, an adjudication in favor of the Receiver regarding that Counts II through IV of the CFC Complaint, the counts not taken up by the United States Supreme Court for review. The Cross-Motion for Partial Summary Judgment predicated its arguments on the basis that the United States had already admitted prior liability and damages concerning the amounts sought by the CFC Complaints under counts II-IV (*i.e.*, the Federal Transitional Reinsurance program, the Risk Adjustment program, and the Cost-Sharing Reduction programs provided for explicitly by ACA statutes), save for their affirmative defense of offset, and that the affirmative defense of offset must fail as a matter of law as the circumstances provided for in applicable federal law and regulation permitting an offset of amounts owed under the ACA receivables programs were not satisfied in this case.

On August 7, 2019, the United States filed with the CFC its Motion to Stay, or in the Alternative, for an Enlargement of Time, asserting that the interrelated issues of fact and law at the center of the CFC litigation, alongside countervailing concerns of judicial economy, justified a general suspension of proceedings during the pendency of the United States Supreme Court's review of the legal and constitutional questions in the Supreme Court Appeal Cases, notwithstanding the theoretical separability of the various federal receivables programs under which NHC presented its claims. The CFC granted the United States' Motion to Stay on August 12, 2019.

**Prospective Sale of Risk Corridors Receivable**

On September 16, 2019, the Receiver filed with the Receivership Court her Motion for Determination of Good Faith Sale of Interest in Receivables by Plaintiff, Order Approving Sale and Permitting Distribution of Certain Funds (the “Motion for Sale and Disbursement”) in connection with a contemplated sale transaction between NHC and CM Squared RC IV, LLC, a prospective purchaser of NHC’s interest in the aforementioned Risk Corridors receivable at issue in the litigation between the Receiver and the United States. The Motion for Sale and Disbursement, among other things, seeks judicial approval for NHC to sell most of its interest in any recoveries made against the United States in connection with the Risk Corridors receivable to the prospective purchaser in exchange for an initial payment of \$10,000,000, and certain subsequent funds retained as part of NHC retaining a minority interest in litigation recoveries as received. The exact nature of the transaction is more completely described in the proposed agreement documents attached as exhibits to that Motion. The Motion for Sale and Disbursement also seeks judicial authorization to disburse as much as \$5 million from the funds obtained from this sale to estate claimants in the order provided by law. On September 25, 2019, United Here Health filed an Opposition with the Receivership Court seeking to block the sale on the basis of insufficient evidence of due diligence by the Receiver, potential conflict of interest concerns, and the difference between the contemplated initial payment and the ultimate value of the receivable.

**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. 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 August 21, 2019, were approximately \$322,530. 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.

2. The financial information of NHC in this Sixteenth 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 or future appropriations, as well as the final disposition of CMS receivable balances in which CMS has placed an administrative hold and asserted rights to setoff, many of these matters are being litigated currently.

3. The Receiver is including, as Exhibit 3 attached hereto, a cash flow report for NHC for the period covering the inception of the receivership through August 31, 2019. 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 Sixteenth Status Report and the actions taken by the Receiver.

DATED this 7th day of October 2019.

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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as the Permanent Receiver for Nevada Health CO-OP*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on the 7th day of October 2019, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **SIXTEENTH 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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<b>Senior Deputy Attorney General</b>	
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Joanna N. Grigoriev	<a href="mailto:jgrigoriev@ag.nv.gov">jgrigoriev@ag.nv.gov</a>
<b>US Department of Health and Human Services</b>	
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Leslie Stafford	<a href="mailto:Leslie.Stafford@HHS.GOV">Leslie.Stafford@HHS.GOV</a>
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Terrance A. Mebane	<a href="mailto:Terrance.A.Mebane@usdoj.gov">Terrance.A.Mebane@usdoj.gov</a>

/s/ Andrea Lee Rosehill

An employee of Greenberg Traurig, LLP



# EXHIBIT “1”

# CANTILO & BENNETT, L.L.P.

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July 24, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

May 1 - May 31, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
May 2019	23534- 23544	\$90,481.25	\$1,365.53	\$91,846.78
<b>Totals (1)</b>		\$90,481.25	\$1,365.53	\$91,846.78

## Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
5/1/19 - 5/31/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>May 2019 Billing</b>
1	Timekeeper - Patrick H. Cantilo	0.00	\$450.00	\$0.00
2	Timekeeper - Mark F. Bennett	58.80	\$375.00	\$22,050.00
3	Timekeeper - Kristen W. Johnson	19.00	\$175.00	\$3,325.00
4	Timekeeper - Josh O. Lively	112.25	\$175.00	\$19,643.75
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	4.80	\$200.00	\$960.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	92.60	\$100.00	\$9,260.00
10	TimeKeeper - Pierre Riou	155.80	\$225.00	\$35,055.00
11	TimeKeeper - Jeffrey L. Collins	1.50	\$125.00	\$187.50
	<b>GRAND TOTAL</b>	<b>444.75</b>		<b>\$90,481.25</b>

Work Date 05/01/2019:05/31/2019  
Client ID 70750  
Bill Date 7/2/19

Staff ID	Cost Code	Units	Amount	Write Down	Total
	FD1A FEDERAL EXPRESS	0.00	78.73	0.00	78.73
	MT1A MISCELLANEOUS	0.00	191.75	0.00	191.75
	PO1E POSTAGE	0.00	8.15	0.00	8.15
	TL2E TELEPHONE	0.00	1,086.90	0.00	1,086.90
	Sub Total ( )	0.00	1,365.53	0.00	1,365.53
	Grand Total	0.00	1,365.53	0.00	1,365.53

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August 8, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

June 1 - June 30, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
June 2019	23636- 23645	\$45,578.75	\$3,393.59	\$48,972.34
<b>Totals (1)</b>		\$45,578.75	\$3,393.59	\$48,972.34

## Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
6/1/19 - 6/30/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>June 2019 Billing</b>
<b>1</b>	<b>Timekeeper - Patrick H. Cantilo</b>	2.00	\$450.00	\$900.00
<b>2</b>	<b>Timekeeper - Mark F. Bennett</b>	88.00	\$375.00	\$33,000.00
<b>3</b>	<b>Timekeeper - Kristen W. Johnson</b>	13.00	\$175.00	\$2,275.00
<b>4</b>	<b>Timekeeper - Josh O. Lively</b>	0.00	\$175.00	\$0.00
<b>5</b>	<b>Timekeeper - Douglas J. Coonfield</b>	0.00	\$150.00	\$0.00
<b>6</b>	<b>Timekeeper - Jose M. Rangel</b>	0.00	\$300.00	\$0.00
<b>7</b>	<b>Timekeeper - Arati Bhattacharya</b>	0.30	\$200.00	\$60.00
<b>8</b>	<b>Timekeeper - Law Clerks</b>	0.00	\$85.00	\$0.00
<b>9</b>	<b>Timekeeper - Isaiah Samaniego</b>	5.90	\$100.00	\$590.00
<b>10</b>	<b>TimeKeeper - Pierre Riou</b>	47.10	\$225.00	\$10,597.50
<b>11</b>	<b>TimeKeeper - Jeffrey L. Collins</b>	1.25	\$125.00	\$156.25
	<b>GRAND TOTAL</b>	<b>157.55</b>		<b>\$47,578.75</b>

Work Date 5/15/19:06/30/2019  
Client ID 70750  
Bill Date 8/8/19

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	350.75	0.00	350.75
	FD1A FEDERAL EXPRESS	0.00	36.44	0.00	36.44
	MT1A MISCELLANEOUS	0.00	910.27	0.00	910.27
	PK1A PARKING	0.00	120.00	0.00	120.00
	PO1E POSTAGE	0.00	4.00	0.00	4.00
	TA1A TRAVEL-AIRFARE	0.00	669.44	0.00	669.44
	TE1A TRANSPORTATION EXPENSE	0.00	287.11	0.00	287.11
	TH1A TRAVEL-HOTEL	0.00	468.64	0.00	468.64
	TL2E TELEPHONE	0.00	546.94	0.00	546.94
	Sub Total ( )	0.00	3,393.59	0.00	3,393.59
	Grand Total	0.00	3,393.59	0.00	3,393.59



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August 30, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

July 1 - July 31, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
July 2019	23686 - 23698	\$120,653.75	\$2,701.11	\$123,354.86
<b>Totals (1)</b>		\$120,653.75	\$2,701.11	\$123,354.86

Client ID 70750  
Work Date 7/1/2019:7/31/2019

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750002	Legal	1.50	562.50	0.00	0.00
70750004	Financial Matters	3.00	1,125.00	0.00	0.00
70750007	Member Issues	1.50	562.50	0.00	0.00
70750008	Company Administration	2.30	862.50	0.00	0.00
70750010	CMS	3.80	1,425.00	0.00	0.00
70750100	Asset Recovery	73.50	27,562.50	0.00	0.00
70750102	NHC vs. CMS Litigation	55.25	20,718.75	0.00	0.00
	Sub Total (MFB)	140.85	52,818.75	0.00	0.00*
ABS ARATI BHATTACHARYA					
70750100	Asset Recovery	1.40	280.00	0.00	0.00
	Sub Total (ABS)	1.40	280.00	0.00	0.00*
PHC PATRICK H. CANTILO					
70750102	NHC vs. CMS Litigation	17.00	7,650.00	0.00	0.00
	Sub Total (PHC)	8.50	3,825.00	0.00	0.00
		25.50	11,475.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
	Sub Total (JLC)	12.10	1,512.50	0.00	0.00
		12.10	1,512.50	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750000	General	6.50	1,137.50	0.00	0.00
70750002	Legal	6.90	1,207.50	0.00	0.00
70750003	Claims	0.50	87.50	0.00	0.00
70750100	Asset Recovery	26.90	4,707.50	0.00	0.00
	Sub Total (KWJ)	40.80	7,140.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750008	Company Administration	3.00	525.00	0.00	0.00
70750100	Asset Recovery	120.00	21,000.00	0.00	0.00
	Sub Total (JOL)	123.00	21,525.00	0.00	0.00*
PJR PIERRE J. RIOU					
70750102	NHC vs. CMS Litigation	109.50	24,637.50	0.00	0.00
	Sub Total (PJR)	109.50	24,637.50	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	12.65	1,265.00	0.00	0.00
	Sub Total (IXS)	12.65	1,265.00	0.00	0.00*
Grand Total		465.80	120,653.75	0.00	0.00

# Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
7/1/19 - 7/31/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>July 2019 Billing</b>
1	Timekeeper - Patrick H. Cantilo	25.50	\$450.00	\$11,475.00
2	Timekeeper - Mark F. Bennett	140.85	\$375.00	\$52,818.75
3	Timekeeper - Kristen W. Johnson	40.80	\$175.00	\$7,140.00
4	Timekeeper - Josh O. Lively	123.00	\$175.00	\$21,525.00
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	1.40	\$200.00	\$280.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	12.65	\$100.00	\$1,265.00
10	TimeKeeper - Pierre Riou	109.50	\$225.00	\$24,637.50
11	TimeKeeper - Jeffrey L. Collins	12.10	\$125.00	\$1,512.50
	<b>GRAND TOTAL</b>	<b>465.80</b>		<b>\$120,653.75</b>

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October 7, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

August 1 - August 31, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2019	23824 - 23842	\$ 49,461.25	\$1,158.12	\$ 50,619.37
<b>Totals (1)</b>		\$ 49,461.25	\$1,158.12	\$ 50,619.37

# Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
8/1/19 - 8/31/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>August 2019 Billing</b>
1	Timekeeper - Patrick H. Cantilo	11.00	\$450.00	\$4,950.00
2	Timekeeper - Mark F. Bennett	88.50	\$375.00	\$33,187.50
3	Timekeeper - Kristen W. Johnson	25.10	\$175.00	\$4,392.50
4	Timekeeper - Josh O. Lively	19.50	\$175.00	\$3,412.50
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	3.20	\$100.00	\$320.00
10	TimeKeeper - Pierre Riou	13.80	\$225.00	\$3,105.00
11	TimeKeeper - Jeffrey L. Collins	0.75	\$125.00	\$93.75
	<b>GRAND TOTAL</b>	<b>161.85</b>		<b>\$49,461.25</b>

Client ID 70750  
Work Date 8/1/19:08/31/2019

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB	MARK F. BENNETT				
70750002	Legal	0.75	281.25	0.00	0.00
70750004	Financial Matters	1.00	375.00	0.00	0.00
70750007	Member Issues	3.30	1,237.50	0.00	0.00
70750008	Company Administration	5.90	2,212.50	0.00	0.00
70750010	CMS	53.80	20,175.00	0.00	0.00
70750100	Asset Recovery	15.00	5,625.00	0.00	0.00
70750102	NHC vs. CMS Litigation	8.75	3,281.25	0.00	0.00
	Sub Total (MFB)	88.50	33,187.50	0.00	0.00*
PHC	PATRICK H. CANTILO				
70750100	Asset Recovery	11.00	4,950.00	0.00	0.00
	Sub Total (PHC)	11.00	4,950.00	0.00	0.00*
JLC	JEFFREY L. COLLINS				
70750102	NHC vs. CMS Litigation	0.75	93.75	0.00	0.00
	Sub Total (JLC)	0.75	93.75	0.00	0.00*
KWJ	KRISTEN W. JOHNSON				
70750000	General	0.60	105.00	0.00	0.00
70750003	Claims	1.60	280.00	0.00	0.00
70750008	Company Administration	3.50	612.50	0.00	0.00
70750100	Asset Recovery	19.40	3,395.00	0.00	0.00
	Sub Total (KWJ)	25.10	4,392.50	0.00	0.00*
JOL	JOSHUA O. LIVELY	19.50	3,412.50	0.00	0.00
	Sub Total (JOL)	19.50	3,412.50	0.00	0.00*
PJR	PIERRE J. RIOU				
70750102	NHC vs. CMS Litigation	13.80	3,105.00	0.00	0.00
	Sub Total (PJR)	13.80	3,105.00	0.00	0.00*
IXS	ISAIAH SAMANIEGO				
70750008	Company Administration	3.20	320.00	0.00	0.00
	Sub Total (IXS)	3.20	320.00	0.00	0.00*
Grand Total		161.85	49,461.25	0.00	0.00

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	76.25	0.00	76.25
	E124 Other	0.00	172.52	0.00	172.52
	FF1E FILING FEES	0.00	50.00	0.00	50.00
	PK1A PARKING	0.00	30.00	0.00	30.00
	PO1E POSTAGE	0.00	5.65	0.00	5.65
	TA1A TRAVEL-AIRFARE	0.00	75.99	0.00	75.99
	TE1A TRANSPORTATION EXPENSE	0.00	88.98	0.00	88.98
	TH1A TRAVEL-HOTEL	0.00	65.19	0.00	65.19
	TL2E TELEPHONE	0.00	593.54	0.00	593.54
	Sub Total ( )	0.00	1,158.12	0.00	1,158.12
Grand Total		0.00	1,158.12	0.00	1,158.12



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June 27, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

May 1, 2019 – May 31, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
May 2019 Non-IT Services	\$10,400.00	\$0.00	\$10,400.00
IT Services Flat Fee (05/13/19-05/31/19)	3,064.51	0.00	3,064.51
<b>Totals</b>	<b>\$13,464.51</b>	<b>\$0.00</b>	<b>\$13,464.51</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD MAY 2019

		Billable Hours	Billable Rate	May 2019 Billing
1	TIME KEEPER - Nicole Wilkins	10.70	\$250.00	\$2,675.00
2	TIME KEEPER - Robert Stebel	1.25	\$160.00	\$200.00
3	TIME KEEPER - Maria Wilder	20.00	\$150.00	\$3,000.00
4	TIME KEEPER - Neda Khalaf	21.25	\$160.00	\$3,400.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	7.50	\$150.00	\$1,125.00
	GRAND TOTAL	60.70		\$10,400.00

Palomar Financial, LC  
05/01/2019-05/31/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.70	\$ 675.00
		Payroll & Employee Benefits	2.80	\$ 700.00
		Accounts Payable and Receivable	2.40	\$ 600.00
		Bank Account Administration/Reconciliation	0.50	\$ 125.00
		Sub Total (NMW)	10.70	\$ 2,675.00
RNS	Robert Stebel	Regulatory Responses/Compliance	1.25	\$ 200.00
		Sub Total (RNS)	1.25	\$ 200.00
MW	Maria Wilder	General Ledger Accounting	13.50	\$ 2,025.00
		Payroll & Employee Benefits	6.50	\$ 975.00
		Sub Total (MW)	20.00	\$ 3,000.00
NK	Neda Khalaf	Accounts Payable and Receivable	21.25	\$ 3,400.00
		Sub Total (NK)	21.25	\$ 3,400.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Accounts Payable and Receivable	7.50	\$ 1,125.00
		Sub Total (GS)	7.50	\$ 1,125.00
Grand Total			60.70	\$ 10,400.00

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August 8, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op (“NHC”)

June 1, 2019 – June 30, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
June 2019 Non-IT Services	\$7,775.00	\$0.00	\$7,775.00
June 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$12,775.00</b>	<b>\$0.00</b>	<b>\$12,775.00</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD JUNE 2019

		Billable Hours	Billable Rate	June 2019 Billing
1	TIME KEEPER - Nicole Wilkins	9.25	\$250.00	\$2,312.50
2	TIME KEEPER - Robert Stebel	2.50	\$160.00	\$400.00
3	TIME KEEPER - Maria Wilder	2.75	\$150.00	\$412.50
4	TIME KEEPER - Neda Khalaf	22.50	\$160.00	\$3,600.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	7.00	\$150.00	\$1,050.00
	GRAND TOTAL	44.00		\$7,775.00

Palomar Financial, LC  
06/01/2019-06/30/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	4.05	\$ 1,012.50
		Payroll & Employee Benefits	2.10	\$ 525.00
		Investment Accounting/Support	0.20	\$ 50.00
		Accounts Payable and Receivable	1.90	\$ 475.00
		Bank Account Administration/Reconciliation	1.00	\$ 250.00
		Sub Total (NMW)	9.25	\$ 2,312.50
RNS	Robert Stebel	Investment Accounting/Support	1.50	\$ 240.00
		Regulatory Responses/Compliance	1.00	\$ 160.00
		Sub Total (RNS)	2.50	\$ 400.00
MW	Maria Wilder	Payroll & Employee Benefits	2.75	\$ 412.50
		Sub Total (MW)	2.75	\$ 412.50
NK	Neda Khalaf	Accounts Payable and Receivable	22.50	\$ 3,600.00
		Sub Total (NK)	22.50	\$ 3,600.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Accounts Payable and Receivable	7.00	\$ 1,050.00
		Sub Total (GS)	7.00	\$ 1,050.00
Grand Total			44.00	\$ 7,775.00

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August 23, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op (“NHC”)

July 1, 2019 – July 31, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
July 2019 Non-IT Services	\$6,082.50	\$0.00	\$6,082.50
July 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$11,082.50</b>	<b>\$0.00</b>	<b>\$11,082.50</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD JULY 2019

		Billable Hours	Billable Rate	July 2019 Billing
1	TIME KEEPER - Nicole Wilkins	12.45	\$250.00	\$3,112.50
2	TIME KEEPER - Robert Stebel	2.25	\$160.00	\$360.00
3	TIME KEEPER - Kelly Reed	2.00	\$150.00	\$300.00
4	TIME KEEPER - Neda Khalaf	13.50	\$160.00	\$2,160.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	1.00	\$150.00	\$150.00
	GRAND TOTAL	31.20		\$6,082.50



Palomar Financial, LC  
07/01/2019-07/31/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.25	\$ 312.50
		General Ledger Accounting	8.65	\$ 2,162.50
		Payroll & Employee Benefits	0.20	\$ 50.00
		Investment Accounting/Support	0.20	\$ 50.00
		Accounts Payable and Receivable	0.95	\$ 237.50
		Bank Account Administration/Reconciliation	0.90	\$ 225.00
		Taxes and Tax Planning	0.30	\$ 75.00
		Sub Total (NMW)	12.45	\$ 3,112.50
RNS	Robert Stebel	Taxes & Tax Planning	1.75	\$ 280.00
		Regulatory Responses/Compliance	0.50	\$ 80.00
		Sub Total (RNS)	2.25	\$ 360.00
KJR	Kelly Reed	Accounts Payable and Receivable	2.00	\$ 300.00
		Sub Total (KJR)	2.00	\$ 300.00
NK	Neda Khalaf	Accounts Payable and Receivable	13.50	\$ 2,160.00
		Sub Total (NK)	13.50	\$ 2,160.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Accounts Payable and Receivable	1.00	\$ 150.00
		Sub Total (GS)	1.00	\$ 150.00
Grand Total			31.20	\$ 6,082.50

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](http://www.palomarfin.com)

September 19, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

August 1, 2019 – August 31, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
August 2019 Non-IT Services	\$6,850.00	\$0.00	\$6,850.00
August 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$11,850.00</b>	<b>\$0.00</b>	<b>\$11,850.00</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD AUGUST 2019

		Billable Hours	Billable Rate	August 2019 Billing
1	TIME KEEPER - Nicole Wilkins	10.15	\$250.00	\$2,537.50
2	TIME KEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	22.50	\$160.00	\$3,600.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	4.75	\$150.00	\$712.50
	GRAND TOTAL	37.40		\$6,850.00

Palomar Financial, LC  
08/01/2019-08/31/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.40	\$ 600.00
		General Ledger Accounting	1.00	\$ 250.00
		Payroll & Employee Benefits	1.10	\$ 275.00
		Accounts Payable and Receivable	2.25	\$ 562.50
		Bank Account Administration/Reconciliation	3.20	\$ 800.00
		Taxes and Tax Planning	0.20	\$ 50.00
		Sub Total (NMW)	10.15	\$ 2,537.50
RNS	Robert Stebel	Taxes & Tax Planning	0.00	\$ -
		Regulatory Responses/Compliance	0.00	\$ -
		Sub Total (RNS)	0.00	\$ -
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	11.50	\$ 1,840.00
		Accounts Payable and Receivable	11.00	\$ 1,760.00
		Sub Total (NK)	22.50	\$ 3,600.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Accounts Payable and Receivable	4.75	\$ 712.50
		Sub Total (GS)	4.75	\$ 712.50
Grand Total			37.40	\$ 6,850.00

Invoice No.: 5121918  
File No. : 170678.010100  
Bill Date : July 17, 2019

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: Asset Recovery matter in State Court

Legal Services through June 30, 2019:

Total Fees: \$ 129,407.50

Expenses:

Filing Fees	7.00
Parking Charges	9.00
Off-site Printing and Copying	30.00

Charges

Professional & Legal	91.20
UPS Charges	17.92

Total Expenses: \$ 155.12

**Total Current Invoice: \$ 129,562.62**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5121926  
File No. : 170678.010300  
Bill Date : July 17, 2019

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: Federal Court of Claims

Legal Services through June 30, 2019:

Total Fees: \$ 45,895.00

**Total Current Invoice: \$ 45,895.00**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5152328  
File No. : 170678.010100  
Bill Date : August 27, 2019

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: Asset Recovery matter in State Court

Legal Services through July 31, 2019:

Total Fees: \$ 166,574.50

Expenses:

Filing Fees 14.00

Messenger/Courier Services 255.50

Total Expenses: \$ 269.50

**Total Current Invoice: \$ 166,844.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5151456  
File No. : 170678.010300  
Bill Date : August 27, 2019

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: Federal Court of Claims

Legal Services through July 31, 2019:

Total Fees: \$ 54,395.00

**Total Current Invoice: \$ 54,395.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5151457  
File No. : 170678.010500  
Bill Date : August 27, 2019

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: Special Legal Receivership Matters

Legal Services through July 31, 2019:

Total Fees: \$ 950.00

**Total Current Invoice: \$ 950.00**

MEF:TKK  
Tax ID: 13-3613083

Invoice No. : 5154941  
File No. : 170678.010100  
Bill Date : September 23, 2019

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: Asset Recovery matter in State Court

Legal Services through August 31, 2019:

Total Fees: \$ 101,454.00

Expenses:

Messenger/Courier Services  
Parking Charges

45.00  
20.00

Total Expenses: \$ 65.00

**Total Current Invoice: \$ 101,519.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5154968  
File No. : 170678.010300  
Bill Date : September 23, 2019

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: Federal Court of Claims

Legal Services through August 31, 2019:

Total Fees: \$ 5,897.50

**Total Current Invoice: \$ 5,897.50**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5154969  
File No. : 170678.010500  
Bill Date : September 23, 2019

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: Special Legal Receivership Matters

Legal Services through August 31, 2019:

Total Fees: \$ 28,305.00

**Total Current Invoice: \$ 28,305.00**

MEF:TKK  
Tax ID: 13-3613083

# EXHIBIT “3”

## NEVADA HEALTH CO-OP

### Cash Flow Analysis

Oct 2015 - August 2019

#### Sources & Uses

Beginning Cash on October 1, 2015

\$ 5,352,417

#### SOURCES:

Premium Revenue	17,756,567
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	720,133
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	736,063
<b>TOTAL SOURCES:</b>	<b>25,389,886</b>

#### USES:

Medical Claims Q4 2015 and Post 2015 Adj	(176,660)
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	(12,550,051)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(8,147,986)

**TOTAL USES:** (30,419,773)

Net cash increase for period

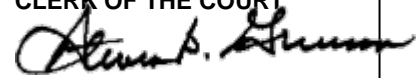
(5,029,887)

Ending Cash at end of August 31, 2019

\$ 322,530

**TAB 30**

**TAB 30**



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 10845 Griffith Peak Drive, Suite 600

8 Las Vegas, Nevada 89135

9 Telephone: (702) 792-3773

10 Facsimile: (702) 792-9002

11 Email: [swanise@gtlaw.com](mailto:swanise@gtlaw.com)

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

14 **IN THE EIGHTH JUDICIAL DISTRICT COURT**

15 **CLARK COUNTY, NEVADA**

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

21 Plaintiff,

22 v.

23 NEVADA HEALTH CO-OP,

24 Defendant.

CASE NO. A-15-725244-C  
Department 1

25 **SEVENTEENTH STATUS REPORT**

26 COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as  
27 Receiver of Nevada Health CO-OP ("NHC," or the "CO-OP"), and CANTILO & BENNETT,  
28 L.L.P., Special Deputy Receiver ("SDR" - SDR and the Commissioner as Receiver are  
referred to collectively herein as "Receiver") and file this Seventeenth 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, with a Certificate of Authority granted by the State of Nevada Division of Insurance effective January 2, 2013. NHC was 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 on January 1, 2014. Its products included 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. Further, on October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP, appointing the law firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in accordance with Chapter 696B of the Nevada Revised Statutes.

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1 Via a Notice of Substitution of Receiver dated April 6, 2016, Deputy Attorney General  
2 Joanna N. Grigoriev informed interested parties of the substitution of Commissioner Barbara  
3 D. Richardson, in place and stead of former Acting Commissioner Amy L. Parks, as the  
4 Receiver of NHC. This substitution of Receiver was subsequent to Commissioner  
5 Richardson's appointment as Commissioner of Insurance for the State of Nevada.

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

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

## 13 **II. RECEIVERSHIP ADMINISTRATION**

### 14 **Receivership Administrative Services and Oversight**

15 CANTILO & BENNETT, L.L.P., as SDR of NHC, manages the receivership estate and  
16 conducts its affairs. PALOMAR FINANCIAL, LC, an affiliate of the SDR, performs  
17 administration, information technology, and other related services for the Receiver under the  
18 supervision of the SDR. The Receiver has included an informational copy, as Exhibit 1 to  
19 this Seventeenth Status Report, of the invoices either deferred or paid to the SDR and other  
20 receivership consultants since the last status report to this Court.<sup>1</sup>

21 \_\_\_\_\_  
22 <sup>1</sup> The *in camera* materials are being submitted in a separate envelope that reflect paid or  
23 deferred invoices. The Receiver has elected to defer certain administrative expenses until a later date  
24 when further assets become available to the Receiver. The Receiver has included copies of all  
invoices that have been approved but deferred as to the payment of fee amounts only.

25 Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to  
26 being made part of a public filing). More particularly, and as discussed in further detail below, certain  
27 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.

28 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

## Resolution of Outstanding Receivership Matters

### *Claims Adjudications & Distributions*

As the SDR reported in its Sixteenth Status Report to this Court, Notices of Claim Determination (“NCDs”) have been finalized and mailed for healthcare claims previously submitted by providers to NHC’s Javelina Claims Processing Database. The total allowed amount of these approved claims is approximately \$33.7 million. The NHC members also received NCDs that showed them the amount that the SDR has approved to be paid to their providers and the amount of member responsibility (*i.e.*, the co-pays, deductibles, and coinsurance), if any, that they may owe on their providers’ outstanding claims. The SDR has received approval from the Court to make a distribution of certain estate assets for the partial payment of these providers’ claims, which have been classified by the SDR as claims made under NHC policies pursuant to NRS 696B.420(1)(b)).<sup>2</sup> The SDR is collecting IRS W-9 forms and other necessary documentation from the providers in advance of making any claim

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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 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)).

<sup>2</sup> See, *infra* section titled “Sale of Risk Corridors Receivable.”

1 payments, to assure that the estate can meet any mandatory federal tax reporting  
2 requirements.

3 The SDR has also mailed all of the NCDs for those proofs of claim submitted to the  
4 SDR relating to Policy Claims (*i.e.*, Class B claims pursuant to NRS 696B.420(1)(b)). The  
5 total allowed amount for these claims is \$5,102.64. The SDR recently mailed checks to the  
6 members for the partial payment of these policy claims. The Court, on December 6, 2019,  
7 granted the SDR's Motion for Order Authorizing Satisfaction of Hardship Claims, which  
8 allows these member claims to be paid in full.<sup>3</sup> The SDR is preparing to mail the remainder  
9 payments to the members (*i.e.*, for the \$5,102.64 in approved claims of members). The total  
10 allowed amount for the members' claims is subject to a potential small increase as two (2) of  
11 the NCDs that have been mailed to members are still subject to potential appeal and two other  
12 NCD appeals have been filed and remain pending. The SDR will keep the Court apprised of  
13 the resolution of these matters, and a resolution of these remaining claims is expected very  
14 soon. The Receiver will provide an updated report showing the determinations of the  
15 Receiver on each claim approved in whole or in part to date.

16 The SDR is continuing to evaluate outstanding appeals and anticipates that such  
17 appeals will be resolved soon. Once all appeal deadlines have run, and all appeals have been  
18 reviewed by the SDR, the SDR will inform the Receivership Court of any unresolved appeals  
19 so that a hearing or hearings may be set.

20 There are approximately \$3.36M in outstanding proofs of claim which have been  
21 assigned to a priority Class 'C' (*i.e.*, NRS 696B.420(1)(c)) or lower.<sup>4</sup> The SDR has not  
22  
23

---

24 <sup>3</sup> The SDR also received approval to pay in full the provider claims submitted under the  
25 hardship payment request procedure, and will make these payments once the appropriate tax forms  
26 and documentation have been collected from the providers as discussed *supra*.

27 <sup>4</sup> This does not include a claim by the U.S. Department of Health and Human Services,  
28 which the SDR has previously reported to this Court. That claim was denied in full by the SDR,  
and the government did not file an appeal of the SDR's determination. This determination is now  
final and non-appealable.

1 reached the merits of these claims, and may not do so until it appears that there may be assets  
2 available for distribution to these classes of claims, per NRS 696B.330(4).

### 3 *CMS Receivables*

4 As explained in prior status reports, and throughout the pendency of the receivership,  
5 the Receiver is working to resolve certain outstanding matters relating to the collection of  
6 amounts due under the various federal receivables programs, of which the CO-OP was a  
7 participant, and which are administered primarily by CMS. Considering the size of these  
8 federal receivables in relation to the CO-OP's potential total liabilities, the receipt of these  
9 funds by the receivership estate represents a key component of the largest expected portion  
10 of future claim payments by NHC – as is the legal determination of the government's asserted  
11 right to be paid ahead of all other creditors in the estate (including providers and members).  
12 CMS has maintained the position that any monies deemed owed to NHC (and thus the  
13 receivership estate) are to be offset against the amounts CMS asserts it is owed under the  
14 start-up loan awarded to NHC. To date, CMS has offset approximately \$12.9 million against  
15 the start-up loan that, the Receiver maintains, should have instead been paid to NHC. When  
16 the full amount of 2014 - 2015 Risk Corridors payments (*i.e.*, not just the prorated amount<sup>5</sup>)  
17 are included in the total, NHC is owed over \$55 million by CMS.<sup>6</sup>

18 As of the date of filing of this Seventeenth Status Report, the Receiver asserts that the  
19 CO-OP, according to the various formulae applicable to Qualified Health Plans under the  
20 ACA, and notwithstanding prior attempts by CMS to offset these receivables against start-up  
21

---

22 <sup>5</sup> Due to a shortfall in risk corridor collections, CMS asserts it can only pay a prorated  
23 percentage of issuers' 2014 Risk Corridors payments and it will use all collections in subsequent  
24 years towards the 2014 payments (*i.e.*, they are unable to make payments for the subsequent years  
25 at all). DEP'T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE &  
26 MEDICAID SERVICES ("CMS"), CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT  
27 AND CHARGE AMOUNTS FOR THE 2015 BENEFIT YEAR (November 18, 2016) (available  
28 at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>); 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>).

<sup>6</sup> See "Sale of Risk Corridors Receivable" discussion later herein.

1 loan funds in contravention of Nevada's laws relating to the regulation of insurer solvency,  
2 is owed over \$12.9M more in promised payments under various other CMS programs. The  
3 Receiver reserves the right to revise, adjust, or otherwise restate her basis for the CMS  
4 receivables claims as new information is received and litigation progresses with CMS. As  
5 described further below in this report, the Supreme Court of the United States heard oral  
6 argument on December 10, 2019, in the case of *Maine Community Health Options v. United*  
7 *States*, No. 18-1023, in order to address the legal status and collectability of amounts owed  
8 to CO-OPs by CMS and the federal government under the Risk Corridors program. A  
9 decision in that case is pending.

### 10 **Use of Third-Party Contractors as Part of Business Operations**

11 The Receiver utilized the services of several third-party contractors that had been  
12 engaged before commencement of the receivership, and some that were engaged after the  
13 receivership commenced to assist in management of NHC's affairs. As part of its efforts to  
14 wind-down the operations of the company and reduce administrative expenses of the estate,  
15 the Receiver has now terminated the services of all remaining third-party vendors.

### 16 **Internal Administrative Matters Related to Wind Down**

17 Based on the current needs of the receivership, the Receiver has trimmed existing staff  
18 to one part-time staff member who now works on a contract basis. The Receiver may contract  
19 to use the services of certain former employees for specific, limited-term receivership  
20 projects. The Receiver completed the wind down and closure of NHC's administrative office  
21 this spring. The Receiver has reduced the Information Technology needs of the CO-OP to  
22 reduce estate expenses, and will continue to do so as ongoing receivership responsibilities  
23 permit.

### 24 **Continuation of Action Against Various Professionals and Other Firms Who Performed** 25 **Services for and on Behalf of NHC**

26 On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a  
27 complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-  
28 party vendors, and professional service firms which are alleged to have contributed to NHC's

1 losses by, among other things, failing to adhere to applicable standards of professional care  
2 and requirements imposed by law, misrepresentation concerning quality and standard of care  
3 for services performed, and breaches of contract, duty, and implied covenants of good faith  
4 and fair dealing. The complaint names, among others, NHC's former actuaries, accountants,  
5 auditors, and providers of certain business operations and utilization review services, as well  
6 as those individuals who specifically performed, or who were in the role of supervising the  
7 performance of, those services. The complaint also names several NHC former directors and  
8 executive management.

9 Via Plaintiff's Motion to Amend Complaint, filed on July 17, 2018, the Receiver  
10 sought an order granting leave to amend the August 25, 2017, complaint against certain of  
11 NHC's various directors, officers, and third-party contractors, citing the discovery of  
12 additional facts in support of assertions made in the first complaint, as well as the need to add  
13 a new defendant to the existing proceedings. This Motion to Amend Complaint was filed in  
14 judicial department number 16, in line with the terms of contemporaneous Notice of  
15 Department Reassignment assigning the proceedings to Judge Timothy C. Williams. The  
16 Motion to Amend Complaint was approved via an order entered on September 18, 2018.

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

1 Via an Opposition to Plaintiff's Motion for Reconsideration filed April 16, 2018,  
2 Milliman sought to challenge the Receiver's effort to avoid compelled arbitration, largely  
3 restating the grounds set forth in Milliman's original November 6, 2017, Motion to Compel  
4 Arbitration. The Receiver filed her Reply in Support of Motion for Reconsideration on  
5 April 24, 2018. On May 1, 2018, argument on the Motion for Reconsideration was heard by  
6 Judge Delaney, who subsequently ordered the proceedings continued to May 29, 2018, and  
7 requested more briefing from the parties on the most relevant legal questions underlying the  
8 Motion for Reconsideration. The Receiver filed her Sur-Reply in Support of Motion for  
9 Reconsideration on June 29, 2018, elaborating on the relevant choice-of-law and forum  
10 selection questions at issue in the dispute. Hearing was held on the Motion for  
11 Reconsideration before Judge Delaney on July 24, 2018. Through an order dated August 7,  
12 2018, Judge Delaney denied Plaintiff's Motion for Reconsideration of that Court's March 12,  
13 2018, order granting Milliman's Motion to Compel Arbitration.

14 The Receiver then determined it was necessary to file, and did file on December 17,  
15 2018, a Petition under Nevada Rule of Appellate Procedure 21 for Writ of Mandamus in the  
16 Supreme Court of the State of Nevada (the "Petition for Writ"). The Petition for Writ requests  
17 that the Supreme Court of Nevada "issue a writ of mandamus directing the District Court to  
18 exercise subject matter jurisdiction over the claims raised by Petitioner against Real Parties  
19 in Interest." In response, and on March 20, 2019, Milliman filed its Response of Real Parties  
20 in Interest to Petition for Writ of Mandamus, asserting *inter alia* its rights to compel  
21 arbitration in this action. The Receiver filed her Reply in Support of Petition for Writ of  
22 Mandamus on May 1, 2019, after having received an earlier extension of filing deadlines.  
23 On December 19, 2019, the Nevada Supreme Court ruled against intervening to overturn the  
24 order to compel arbitration regarding Milliman.

25 The Receiver's claims are ongoing against Milliman, Inc. (and individually named  
26 Milliman defendants), NHC's former directors and officers, InsureMonkey and Alex Rivlin,  
27 Larson & Company (and individually named Larson defendants), Nevada Health Solutions,  
28 LLC, and Unite Here Health. Discovery is underway, and the following deadlines have been



set by Judge Timothy C. Williams, per the November 19, 2019, 3<sup>rd</sup> Amended Order Setting Civil Jury Trial, Pre-Trial, Calendar Call, and Deadlines Motions; Amended Discovery Scheduling Order:

1. **April 8, 2020:** Motions to Amend Pleadings or add parties
2. **February 8, 2020:** Designation of Experts Pursuant to NRCP 16.1(a)(2) (initially April 8, 2020, per the 3<sup>rd</sup> Amended Order, later moved via the Amended Discovery Scheduling Order dated November 26, 2019)
3. **April 8, 2020:** Designation of Rebuttal Experts Pursuant to NRCP 16.1(a)(2) (initially May 8, 2020, later moved via the Order dated November 26, 2019)
4. **July 7, 2020:** Discovery Cut Off
5. **August 6, 2020:** Motions in Limine or other Dispositive Motions
6. **October 2, 2020:** Pre-Trial Memorandum filing deadline
7. **September 17, 2020:** Pre-trial conference/calendar call
8. **October 5, 2020:** Case is set to be tried to a jury on a five-week stack

As of the date of filing of this Status Report, no new scheduling orders have been issued extending these deadlines, although certain expert reporting dates may be amended by stipulation of the parties in the near future if deemed necessary and approved by the court.

The Receiver has settled its claims against Millennium, and the settlement agreement was approved by the Court. Millennium has made three of the required settlement progress payments, and all payments to date were timely made.

Defendants Unite Here Health and Nevada Health Solutions filed, on August 21, 2019, their Motion to Stay on Order Shortening Time (the “Motion to Stay”), requesting that the court in Case No. A-17-760558-C stay all pending proceedings on the basis, as described below, of the decision of the Supreme Court of the United States to grant certiorari to review decisions rendered by the United States Court of Federal Claims (“CFC”) in *Moda Health Plan, Inc. v. United States*, *Land of Lincoln Mutual Insurance Company v. United States*, and *Maine Community Health Options v. United States* (collectively, “Supreme Court Appeal

1 Cases”). The Supreme Court Appeal Cases all concern lawsuits against the federal  
2 government for amounts owed to ACA-compliant CO-OPs under the “Risk Corridor” federal  
3 receivables program, of which this Court has been noticed throughout the term of this  
4 receivership.

5 The Motion to Stay’s primary argument is that the damages model articulated in the  
6 Receiver’s instant suit against NHC’s former directors, officers, vendors, and others depends  
7 in part upon establishing that the United States was required to make full “Risk Corridors”  
8 payments, and therefore the decision in the Supreme Court Appeal Cases would therefore  
9 substantially affect the Defendants’ overall extent of liability by tens of millions of dollars.  
10 As Defendants’ arguments in the Motion to Stay assert, if the United States were not liable  
11 to NHC, for one reason or another, to make Risk Corridors payments, then Defendants cannot  
12 be liable for damaging NHC’s right to collect such amounts.

13 The Receiver filed her Plaintiff’s Opposition to the Motion to Stay on August 26,  
14 2019, on the basis that delay of the proceedings in the instant litigation sought by the  
15 Defendants represented an unwarranted attempt to forestall other aspects of the litigation not  
16 directly tied to the legal questions being considered on appeal. The Opposition to the Motion  
17 to Stay asserts that none of the Receiver’s claims and state-law causes of action against the  
18 Defendants in the instant litigation are bound up in the United States Supreme Court’s review  
19 of the decision in the Supreme Court Appeal Cases, and that the outcome of these cases will  
20 not seriously affect how the parties in the instant litigation will prepare for trial.

21 The Motion to Stay and the Opposition to same were heard by Judge Timothy C.  
22 Williams on August 27, 2019, and were continued on that date to permit for additional  
23 supplemental briefing on essential questions of law. On September 10, 2019, Defendants  
24 Unite Here Health and Nevada Health Solutions filed their Supplemental Brief in support of  
25 their Motion to Stay, providing additional legal authorities. The Receiver responded with her  
26 own Supplemental Brief in Response to the Motion to Stay on September 24, 2019. The  
27 matter was heard again before Judge Williams on October 1, 2019, and the matter was  
28 continued for another hearing until November 6, 2019. On October 23, 2019, the court

1 approved certain defendants' Motion for Leave to file supplemental briefing in connection  
2 with the Motion to Stay. As discussed just above, the court in this matter has not approved  
3 the Motion to Stay the litigation, and under the terms of the 3<sup>rd</sup> Amended Order Setting Civil  
4 Jury Trial, the proceedings shall continue as previously scheduled.

5 On September 30, 2019, counsel for defendants InsureMonkey and Alex Rivlin filed  
6 a Motion for Summary Judgment and Declaratory Relief, seeking summary judgment on the  
7 Receiver's claims against them, *inter alia*, on the basis that such claims are based on conduct  
8 since August 1, 2014, and are thus barred by the one-year contractual period of limitations  
9 contained in that document. Further, defendants assert that all of the Receiver's claims based  
10 on conduct prior to August 1, 2014, are barred by the applicable statute of limitations, except  
11 the breach of contract claims. This September 30, 2019, Motion for Summary Judgment and  
12 Declaratory Relief also maintains, and seeks a judicial determination, that all damages for the  
13 Receiver's claim for breach of contract are limited by the 2013 agreement between  
14 InsureMonkey/Rivlin and NHC to twice the expected total value of fees at the time of  
15 execution. Following an October 15, 2019, Stipulation and Order extending time for  
16 response, the Receiver filed her Opposition to that Motion on October 17, 2019, disputing  
17 the limitations on liability.

18 On October 29, 2019, the NHC former directors and officers filed their Motion in  
19 Limine No. 1, seeking to exclude trial testimony from eleven persons, including members of  
20 the Nevada Division of Insurance, the Special Deputy Receiver, the CO-OP, and NHC's  
21 former counsel. The Motion in Limine sought to exclude such testimony on the basis that  
22 such individuals identified by the Receiver as witnesses were in fact improperly disclosed,  
23 non-retained experts who are competent only to testify as to matters of lay opinion, and  
24 seeking to limit any such testimony these persons may give to lay matters outside the scope  
25 of expert review. On November 8, 2019, the Receiver filed her Opposition to that Motion in  
26 Limine, disputing the former directors and officers characterization of the expertise of the  
27 designated witnesses, and asserting that such persons are permitted to offer their opinions and  
28 inferences as an extension of the particularized knowledge they have obtained concerning the

1 insurance industry generally, and NHC specifically. The Opposition further asserted that the  
2 Motion in Limine was impermissibly overbroad in what it sought to exclude, and that the  
3 remaining time available in the discovery period could be utilized by defendants to obtain a  
4 clear understanding of the opinions likely to be offered by such witnesses at trial. Per a  
5 December 3, 2019, Stipulation and Order, the October 29, 2019, Motion in Limine was  
6 withdrawn.

7 **Pending Action Against the United States in the Court of Federal Claims**

8 On November 8, 2018, the Receiver filed a Complaint in the United States Court of  
9 Federal Claims (“CFC Complaint”) against the United States for monetary amounts owed to  
10 NHC under the Consumer Operated and Oriented Plan program organized pursuant to the  
11 ACA. The Receiver determined that such litigation was necessary in order to advance the  
12 interests of the receivership estate’s various creditors, and to protect and conserve assets that  
13 rightfully belong to the estate.

14 In Counts I through IV, the CFC Complaint prays for relief in the form of an award  
15 of damages and monetary relief equal to the difference between the amount NHC actually  
16 received in payments under Sections 1342, 1341, 1343, and 1401 of the ACA – the statutes  
17 which describe and enact the Risk Corridors, transitional reinsurance, risk adjustment, and  
18 cost sharing reduction programs respectively – and the amount NHC should have received  
19 under those laws. Count IV also seeks an award of damages and monetary relief equal to the  
20 difference between what NHC actually received in premium tax credits for 2015 under  
21 Section 1401 and the amount it should have received (however, subsequent communications  
22 with CMS have resulted in the Receiver determining that no premium tax credits are still  
23 owed, such that the Receiver will no longer pursue that particular claim).

24 The CFC Complaint’s Count V (breach of contract by offset) and Count VI (illegal  
25 exaction) plead alternate theories for recovery of money damages resulting from the United  
26 States, through its agents at HHS and CMS, offsetting payments that CMS owed to NHC  
27 against funds NHC allegedly owed to the government pursuant to the terms of the CO-OP  
28 start-up loan.

1 On March 7, 2019, the United States filed a motion to dismiss the CFC Complaint's  
2 ("Motion to Dismiss") argument that none of Counts I through VI state claims upon which  
3 relief can be granted. NHC's deadline for responding to the Motion to Dismiss was July 9,  
4 2019. However, on June 24, 2019, the United States Supreme Court granted certiorari in  
5 three Risk Corridors appeals, *i.e.*, the Supreme Court Appeal Cases.

6 Subsequent to a Motion for Enlargement of Time to Respond to Government's  
7 Motion to Dismiss, filed on June 28, 2019, the Receiver filed her Opposition to Motion to  
8 Dismiss, and Cross-Motion for Final Partial Summary Judgment on July 31, 2019, which  
9 sought from the CFC, *inter alia*, an adjudication in favor of the Receiver regarding that  
10 Counts II through IV of the CFC Complaint, the counts not taken up by the United States  
11 Supreme Court for review. The Cross-Motion for Partial Summary Judgment predicated its  
12 arguments on the basis that the United States had already admitted prior liability and damages  
13 concerning the amounts sought by the CFC Complaints under counts II-IV (*i.e.*, the Federal  
14 Transitional Reinsurance program, the Risk Adjustment program, and the Cost-Sharing  
15 Reduction programs provided for explicitly by ACA statutes), save for their affirmative  
16 defense of offset, and that the affirmative defense of offset must fail as a matter of law as the  
17 circumstances provided for in applicable federal law and regulation permitting an offset of  
18 amounts owed under the ACA receivables programs were not satisfied in this case.

19 On August 7, 2019, the United States filed with the CFC its Motion to Stay, or in the  
20 Alternative, for an Enlargement of Time, asserting that the interrelated issues of fact and law  
21 at the center of the CFC litigation, alongside countervailing concerns of judicial economy,  
22 justified a general suspension of proceedings during the pendency of the United States  
23 Supreme Court's review of the legal and constitutional questions in the Supreme Court  
24 Appeal Cases, notwithstanding the theoretical separability of the various federal receivables  
25 programs under which NHC presented its claims. The CFC granted the United States'  
26 Motion to Stay on August 12, 2019. As discussed previously in this Status Report, the United  
27 States Supreme Court has, as of December 10, 2019, heard oral argument on the relevant  
28 legal questions at issue in the Motion to Stay, and will likely render a dispositive decision on

1 the matter(s) therein some time in 2020. It is likely that these proceedings will be stayed until  
2 that decision is made and entered, whereupon the Receiver shall evaluate and direct the  
3 litigation as circumstances warrant.

#### 4 **Sale of Risk Corridors Receivable**

5 On September 16, 2019, the Receiver filed with the Receivership Court her Motion  
6 for Determination of Good Faith Sale of Interest in Receivables by Plaintiff, Order Approving  
7 Sale and Permitting Distribution of Certain Funds (the “Motion for Sale and Disbursement”) in  
8 connection with a contemplated sale transaction between NHC and CM Squared RC IV,  
9 LLC, the prospective purchaser of NHC’s interest in the aforementioned Risk Corridors  
10 receivable at issue in the litigation between the Receiver and the United States. The Motion  
11 for Sale and Disbursement, among other things, sought judicial approval for NHC to sell most  
12 of its interest in any recoveries made against the United States in connection with the Risk  
13 Corridors receivable to the prospective purchaser in exchange for an initial payment of  
14 \$10,000,000, and certain subsequent funds retained as part of NHC retaining a minority  
15 interest in litigation recoveries as received. The exact nature of the transaction is more  
16 completely described in the proposed agreement documents attached as exhibits to that  
17 Motion. The Motion for Sale and Disbursement also sought judicial authorization to disburse  
18 as much as \$5 million from the funds obtained from this sale to estate claimants in the order  
19 provided by law. On October 16, 2019, a hearing on the Motion was held and the Court  
20 entered its Order Approving Sale of Receivables Interest and Permitting Distribution of  
21 Certain Funds, which approved the requests made in that Motion in all relevant respects. The  
22 Receiver has thus undertaken to begin the process of making disbursements to claimants of  
23 the estate using the funds so obtained from that sale, and expects to make partial payments to  
24 all claimants within the priority level specified under NRS 696B.420(1)(b). In addition to  
25 those hardship claimants (discussed prior in the report) approved via Court order for payment  
26 at 100% of approved amounts, the Receiver’s evaluation of available estate assets currently  
27 supports making a *pro rata* payment of approximately fourteen percent of approved amounts  
28

1 to claimants in “class (b).” The Receiver shall continue reviewing NHC’s finances to  
2 determine when this *pro rata* share may be increased.

### 3 **Current Receivership Assets**

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

8 1. The unrestricted cash assets of the CO-OP have fluctuated with post-  
9 receivership expenses and claim payments, as well as with the Receiver’s receipt of member  
10 premiums. The currently available, unrestricted cash assets of the CO-OP as of  
11 November 30, 2019, were approximately \$10,114,363. The majority of NHC’s currently  
12 available and liquid assets not otherwise marked for disbursement have been invested, or  
13 shall be soon invested, in a bond mutual fund, with the remainder of such assets held in bank  
14 deposits.

15 2. The financial information of NHC in this Seventeenth Status Report  
16 provides estimates. NHC’s financials may materially vary depending upon the estate’s  
17 receipt of the promised federal receivables payments under the various ACA programs  
18 described in this report, and future litigation recoverables. These figures will remain  
19 estimates until the estate receives clearer indications from CMS and the federal government  
20 as to the amount and timing of any federal payments or future appropriations, as well as the  
21 final disposition of CMS receivable balances in which CMS has placed an administrative  
22 hold and asserted rights to setoff, many of these matters are being litigated currently.

23 3. The Receiver is including, as Exhibit 2 attached hereto, a cash flow  
24 report for NHC for the period covering the inception of the receivership through  
25 November 30, 2019. This report reflects a summary of disbursements and collections made  
26 by NHC during this period.

27 ///

28 ///

**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 Seventeenth Status Report and the actions taken by the Receiver.

DATED this 6<sup>TH</sup> day of January 2020.

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:

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Nevada Bar No. 6840  
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*Counsel for Barbara D. Richardson,  
Commissioner of Insurance, as the Permanent  
Receiver for Nevada Health CO-OP*



## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on the **6th day of January 2020**, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **SEVENTEENTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

### **E-Service Master List**

#### **For Case**

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

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*/s/ Evelyn Escobar-Gaddi*  
 An employee of Greenberg Traurig, LLP

---

# EXHIBIT 1

## Summaries

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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](http://www.palomarfin.com)

November 11, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op (“NHC”)

September 1, 2019 – September 30, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
September 2019 Non-IT Services	\$6,152.50	\$0.00	\$6,152.50
September 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$11,152.50</b>	<b>\$0.00</b>	<b>\$11,152.50</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD SEPTEMBER 2019

		Billable Hours	Billable Rate	September 2019 Billing
1	TIME KEEPER - Nicole Wilkins	9.35	\$250.00	\$2,337.50
2	TIME KEEPER - Robert Stebel	0.25	\$160.00	\$40.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	21.25	\$160.00	\$3,400.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	2.50	\$150.00	\$375.00
	GRAND TOTAL	33.35		\$6,152.50

Palomar Financial, LC  
09/01/2019-09/30/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	0.30	\$ 75.00
		Accounting Reports/Receivership Team Support	5.20	\$ 1,300.00
		General Ledger Accounting	2.25	\$ 562.50
		Payroll & Employee Benefits	0.30	\$ 75.00
		Accounts Payable and Receivable	0.65	\$ 162.50
		Bank Account Administration/Reconciliation	0.65	\$ 162.50
		Sub Total (NMW)	9.35	\$ 2,337.50
RNS	Robert Stebel	Regulatory Responses/Compliance	0.25	\$ 40.00
		Sub Total (RNS)	0.25	\$ 40.00
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	15.25	\$ 2,440.00
		Accounts Payable and Receivable	6.00	\$ 960.00
		Sub Total (NK)	21.25	\$ 3,400.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Accounts Payable and Receivable	2.50	\$ 375.00
		Sub Total (GS)	2.50	\$ 375.00
Grand Total			33.35	\$ 6,152.50

Invoice No.: 5194385  
File No. : 170678.010100  
Bill Date : October 11, 2019

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: Asset Recovery matter in State Court

Legal Services through September 30, 2019:

Total Fees: \$ 80,301.00

Expenses:

Filing Fees	10.50
Messenger/Courier Services	55.00
Transcript Charges	329.42
UPS Charges	36.12

Total Expenses: \$ 431.04

**Total Current Invoice: \$ 80,732.04**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5194386  
File No. : 170678.010300  
Bill Date : October 11, 2019

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: Federal Court of Claims

Legal Services through September 30, 2019:

Total Fees: \$ 380.00

**Total Current Invoice: \$ 380.00**

MEF:TKK  
Tax ID: 13-3613083





Invoice No.: 5194387  
File No. : 170678.010500  
Bill Date : October 11, 2019

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: Special Legal Receivership Matters

Legal Services through September 30, 2019:

Total Fees: \$ 17,100.00

**Total Current Invoice: \$ 17,100.00**

MEF:TKK  
Tax ID: 13-3613083



*Forensic and Litigation Consulting*

August 14, 2019

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

Re: Nevada Health CO-OP in Receivership  
FTI Job No. 425623.0005

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees through July 31, 2019.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

Paul Braithwaite  
Senior Managing Director

Enclosures



## ***Invoice Remittance***

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

August 14, 2019  
FTI Invoice No. 7520404  
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, 2019

---

### **Amount Due This Period**

Professional Services.....	\$111,585.00
Expenses .....	<u>\$666.96</u>
<b>Amount Due this Period.....</b>	<b><u>\$112,251.96</u></b>

### **Previous Balance Due**

<b>Date</b>	<b>Invoice #</b>	<b>Amount</b>	<b>Payments</b>	
06/13/2019	7514911	\$17,662.50	\$0.00	\$17,662.50
07/10/2019	7517284	\$14,287.50	\$0.00	<u>\$14,287.50</u>
<b>Previous Balance Due.....</b>				<b><u>\$31,950.00</u></b>
<b>Total Amount Due .....</b>				<b><u><u>\$144,201.96</u></u></b>



*Forensic and Litigation Consulting*

September 20, 2019

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

Re: Nevada Health CO-OP in Receivership  
FTI Job No. 425623.0005

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees from August 1, 2019 through August 31, 2019.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

Paul Braithwaite  
Senior Managing Director

Enclosures



## ***Invoice Remittance***

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

September 20, 2019  
FTI Invoice No. 7523765  
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, 2019

### **Amount Due This Period**

Professional Services.....	\$2,250.00
Expenses .....	<u>\$0.00</u>
<b>Amount Due this Period.....</b>	<b><u>\$2,250.00</u></b>

### **Previous Balance Due**

<b>Date</b>	<b>Invoice #</b>	<b>Amount</b>	<b>Payments</b>	
08/14/2019	7520404	\$112,251.96	\$0.00	<u>\$112,251.96</u>
<b>Previous Balance Due.....</b>				<b><u>\$112,251.96</u></b>
<b>Total Amount Due .....</b>				<b><u><u>\$114,501.96</u></u></b>



*Forensic and Litigation Consulting*

October 14, 2019

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

Re: Nevada Health CO-OP in Receivership  
FTI Job No. 425623.0005

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees from September 1, 2019 through September 30, 2019.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

Paul Braithwaite  
Senior Managing Director

Enclosures



## Invoice Remittance

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

October 14, 2019  
FTI Invoice No. 7526195  
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, 2019

### Amount Due This Period

Professional Services.....	\$1,425.00
Expenses .....	<u>\$0.00</u>
<b>Amount Due this Period.....</b>	<b>\$1,425.00</b>

### Previous Balance Due

Date	Invoice #	Amount	Payments	
08/14/2019	7520404	\$112,251.96	\$0.00	\$112,251.96
09/20/2019	7523765	\$2,250.00	\$0.00	<u>\$2,250.00</u>
<b>Previous Balance Due.....</b>				<b>\$114,501.96</b>
<b>Total Amount Due .....</b>				<b><u>\$115,926.96</u></b>

---

# EXHIBIT 3

## Cash Flow

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## NEVADA HEALTH CO-OP

### Cash Flow Analysis

Oct 2015 - November 2019

#### Sources & Uses

Beginning Cash as of October 1, 2015

\$ 5,352,417

#### SOURCES:

Premium Revenue	17,756,567
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	720,133
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
Sale of Risk Corridor Receivable Interest	10,000,000
Other	744,164
<b>TOTAL SOURCES:</b>	<b>35,397,987</b>

#### USES:

Medical Claims Q4 2015 and Post 2015 Adj	(176,660)
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	(12,585,332)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(8,328,974)

#### TOTAL USES:

(30,636,041)

Net cash increase for period

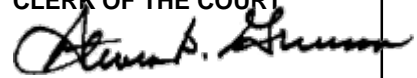
4,761,946

Ending Cash as of November 30, 2019

\$ 10,114,363

**TAB 31**

**TAB 31**



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 10845 Griffith Peak Drive  
8 Suite 600  
9 Las Vegas, Nevada 89135  
10 Telephone: (702) 792-3773  
11 Facsimile: (702) 792-9002  
12 Emails: [ferrariom@gtlaw.com](mailto:ferrariom@gtlaw.com)  
13 [swanise@gtlaw.com](mailto:swanise@gtlaw.com)

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

16 **IN THE EIGHTH JUDICIAL DISTRICT COURT**

17 **CLARK COUNTY, NEVADA**

18 STATE OF NEVADA, EX REL.	)	Case No. A-15-725244-C
19 COMMISSIONER OF INSURANCE, IN HER	)	
20 OFFICIAL CAPACITY AS STATUTORY	)	Dept. No. 1
21 RECEIVER FOR DELINQUENT DOMESTIC	)	
22 INSURER,	)	
23	)	
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101 **EIGHTEENTH STATUS REPORT**

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

107 ///

108 ///

## **I. INTRODUCTION AND HISTORICAL BACKGROUND**

The CO-OP is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization, with a Certificate of Authority granted by the State of Nevada Division of Insurance effective January 2, 2013. NHC was 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 on January 1, 2014. Its products included 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. Further, on October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP, 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, Deputy Attorney General 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 substitution of Receiver was subsequent to Commissioner Richardson's appointment as Commissioner of Insurance for the State of Nevada.

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

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

## 8 II. RECEIVERSHIP ADMINISTRATION

### 9 Receivership Administrative Services and Oversight

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

---

17 <sup>1</sup> The *in camera* materials are being submitted in a separate envelope that reflect paid invoices.

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

22 In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal  
23 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  
27 have recognized that the “attorney-client privilege embraces attorney time, records and statements to the extent  
28 that they reveal litigation strategy and the nature of the services provided.” *Real v. Cont’l Grp., Inc.*, 116 F.R.D.  
211, 213 (N.D. Cal. 1986).

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

## **Resolution of Outstanding Receivership Matters**

### ***Claims Adjudications & Distributions***

Notices of Claim Determination (“NCDs”) were mailed for healthcare claims previously submitted by providers to NHC’s Javelina Claims Processing Database (the “Provider Claims”). The total allowed amount of these approved Provider Claims is approximately \$33.7 million. The NHC members also received NCDs that showed them the amount that the SDR has approved to be paid to their providers, and the amount of member responsibility (*i.e.*, the co-pays, deductibles, and coinsurance), if any, that they may owe on their providers’ outstanding claims. The SDR has received approval from the Court to make a distribution of certain estate assets for the partial payment of these Provider Claims, which have been classified by the SDR as claims made under NHC policies pursuant to NRS 696B.420(1)(b)).<sup>2</sup> At this time, based on the available assets in the estate, NHC is able to distribute payments of approximately 14.6% of the total approved amount of each Class B provider claim.

The SDR must collect U.S. Internal Revenue Service (“IRS”) W-9 forms and other necessary documentation from the providers in advance of making any claim payments, to assure that the estate can meet any mandatory federal tax reporting requirements. The SDR is being diligent in collecting the required documentation to avoid any IRS penalties to the estate that could be caused by inaccurate Tax Identification Number (“TIN”) reporting by providers. There are over 1,500 providers owed money for their Class B Provider Claims.<sup>3</sup> The SDR sent letters to these providers, requesting a current W-9 Form. Additionally, the SDR requires the provider’s affidavit attesting to both the accuracy of the W-9, and the provider’s understanding that the SDR will rely on the information in the form to (a) report payments to the IRS, and (b) issue and mail payment to the providers. The SDR has received responsive documentation from around 665 providers, and Palomar is processing this documentation.

---

particular areas of law,” are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat’l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

<sup>2</sup> See *infra* section titled “Sale of Risk Corridors Receivable.”

<sup>3</sup> Nearly 1,800 providers received a Notice of Claim Determination, but a number of these notices were effectively claim denials as they showed zero dollars owed by NHC to the provider. There are 1,549 providers owed a payment by the estate. Some of these payments will be very small but the SDR has not set any minimum amount under which the claim would be deemed *de minimus* and not eligible to receive a payment.

1 Numerous providers sent documentation that was defective in some way and this has required  
2 Palomar to follow up and retrieve corrected documents from the providers.

3 The “NCD ID” listed on each provider NCD sent by the Receiver was the same number  
4 as the TIN that each provider gave to NHC when submitting its claims. A number of providers  
5 are no longer using the TIN associated with their NHC claims (*i.e.*, the TIN shown on the NCD).<sup>4</sup>  
6 The SDR is working with these providers to collect the necessary attestations, forms, and  
7 documentation to establish their right to legal successorship to the prior TIN—and the  
8 percentage of the NHC distribution which they have a right to be paid. Once satisfactory  
9 documentation has been approved by the SDR, distribution payments will be issued to these  
10 providers as well.

11 Palomar has begun issuing payments to those providers that have sent in their complete  
12 paperwork. The SDR also mailed NCDs for those Proofs of Claim submitted to the SDR  
13 relating to Policy Claims (*i.e.*, Class B claims pursuant to NRS 696B.420(1)(b)). The total  
14 allowed amount for these claims is \$5,102.64, and every allowed claim was submitted by an  
15 NHC member. The SDR initially mailed checks to the members for the partial payment of these  
16 policy claims. After the Court granted the SDR’s Motion for Order Authorizing Satisfaction of  
17 Hardship Claims on December 6, 2019, the SDR mailed the remaining payments to the  
18 members along with a cover letter explaining to each of the claimants that their claim against  
19 the estate has now been paid in full. The total allowed amount for the members’ claims is  
20 subject to a potential small increase as two NCD appeals have been filed and remain pending.  
21 For one of these appeals, a hearing will be needed as set out in the attached Exhibit 2.<sup>5</sup> For  
22 the other appeal, the SDR believes that a hearing may not be necessary as the NHC member  
23 may only require the SDR’s assistance with certain provider collection activities.<sup>6</sup> The SDR  
24

---

25 <sup>4</sup> In one common scenario, the TIN shown on the NCD is inactive because the facility associated with that  
26 TIN has since been acquired by a larger provider facility and is now doing business under the acquiring company’s  
TIN.

27 <sup>5</sup> The *in camera* Exhibit 2 claim report is being submitted in a separate envelope. The Receiver has  
28 elected, out of an abundance of caution, to keep confidential the names of the individual claimants (including NHC  
plan members) and the amounts that have been approved for their claims.

1 will keep the Court apprised of the resolution of these matters, and a resolution of these  
2 remaining claims is expected very soon.

3 In addition to the two member appeals described above, there are forty-two (42)  
4 outstanding appeals sent by NHC members of the NCDs that were mailed for outstanding  
5 healthcare claims submitted by providers to NHC's Javelina Claims Processing Database.<sup>7</sup>  
6 The SDR is not requesting that hearings be set on these appeals at this time, but may do so in  
7 the near future (*i.e.*, upon the resolution of COVID-19 issues – which in addition to preventing  
8 in-person appearances could also make it difficult for claimants to prepare for hearings). The  
9 SDR believes that a number of these appeals may still be resolved without the need for a  
10 hearing (*i.e.*, through communication and through education about plan benefits and  
11 deductibles) and will keep working to that end in the meantime. The SDR is continuing to  
12 evaluate outstanding appeals and anticipates that such appeals will be resolved soon. Once  
13 all appeals have been reviewed by the SDR, the SDR will inform the Receivership Court of any  
14 unresolved appeals so that a hearing or hearings may be set.

15 There are approximately \$3.36M in outstanding proofs of claim which have been  
16 assigned to a priority Class "C" (*i.e.*, NRS 696B.420(1)(c)) or lower.<sup>8</sup> The SDR has not reached  
17 the merits of these claims, and may not do so until a later date.

### 18 ***CMS Receivables***

19 As explained in prior status reports, and throughout the pendency of the receivership,  
20 the Receiver is working to resolve certain outstanding matters relating to the collection of  
21 amounts due under the various federal receivables programs, of which the CO-OP was a  
22 participant, and which are administered primarily by CMS. Considering the size of these federal  
23 receivables in relation to the CO-OP's potential total liabilities, the receipt of these funds by the

---

24 <sup>6</sup> The SDR will follow up with the member to attempt to resolve the member's issues and assist in any  
25 way possible. If a hearing is needed after all, we will recommend to the Court that a hearing should be set.

26 <sup>7</sup> Members received a copy of the claim determinations that were sent to their providers, so that the  
27 members could see any denied claims, and the deductible, co-pay, and coinsurance that was applied to each of  
the allowed provider claims (*i.e.*, the amount of the member's responsibility on each claim) and have an opportunity  
to appeal.

28 <sup>8</sup> This does not include a claim by the U.S. Department of Health and Human Services, which the SDR  
has previously reported to this Court. That claim was denied in full by the SDR, and the government did not file  
an appeal of the SDR's determination. This determination is now final and non-appealable.



1 receivership estate represents a large portion of future claim payments by NHC – as is the  
2 legal determination of the government’s asserted right to be paid ahead of all other creditors in  
3 the estate (including providers and members). CMS has maintained the position that any  
4 monies deemed owed to NHC (and thus the receivership estate) are to be offset against the  
5 amounts CMS asserts it is owed under the start-up loan awarded to NHC. To date, CMS has  
6 offset approximately \$12.9 million against the start-up loan that, the Receiver maintains, should  
7 have instead been paid to NHC. When the full amount of 2014 - 2015 Risk Corridors payments  
8 (*i.e.*, not just the prorated amount<sup>9</sup>) are included in the total, NHC is owed over \$55 million by  
9 CMS.<sup>10</sup>

10 As of the date of filing of this Eighteenth Status Report, the Receiver asserts that the  
11 CO-OP, according to the various formulae applicable to Qualified Health Plans under the ACA,  
12 and notwithstanding prior attempts by CMS to offset these receivables against start-up loan  
13 funds in contravention of Nevada’s laws relating to the regulation of insurer solvency, is owed  
14 over \$12.9M more in promised payments under various other CMS programs. The Receiver  
15 reserves the right to revise, adjust, or otherwise restate her basis for the CMS receivables  
16 claims as new information is received and litigation progresses with CMS. As described further  
17 below in this report, the Supreme Court of the United States heard oral argument on December  
18 10, 2019, in the case of *Maine Community Health Options v. United States*, No. 18-1023, in  
19 order to address the legal status and collectability of amounts owed to CO-OPs by CMS and  
20 the federal government under the Risk Corridors program. A decision in that case is pending.

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24 <sup>9</sup> Due to a shortfall in risk corridor collections, CMS asserts it can only pay a prorated percentage of  
25 issuers’ 2014 Risk Corridors payments and it will use all collections in subsequent years towards the 2014  
26 payments (*i.e.*, they are unable to make payments for the subsequent years at all). DEP’T OF HEALTH & HUMAN  
27 SERVICES & CENTERS FOR MEDICARE & MEDICAID SERVICES (“CMS”), CCIIO MEMORANDUM, RISK  
28 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>); 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>).

<sup>10</sup> See “Sale of Risk Corridors Receivable” discussion later herein.

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

The Receiver utilized the services of several third-party contractors that had been engaged before commencement of the receivership, and some that were engaged after the receivership commenced to assist in management of NHC's affairs. As part of its efforts to wind-down the operations of the company and reduce administrative expenses of the estate, the Receiver has now terminated the services of all remaining third-party vendors.

**Internal Administrative Matters Related to Wind Down**

Based on the current needs of the receivership, the Receiver has trimmed existing staff to one part-time staff member who now works on a very limited contract basis. The Receiver may contract to use the services of certain former employees for specific, limited-term receivership projects. The Receiver completed the wind down and closure of NHC's administrative office in 2019. The Receiver has reduced the Information Technology needs of the CO-OP to reduce estate expenses and will continue to do so as ongoing receivership responsibilities permit.

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

///

1 Via Plaintiff's Motion to Amend Complaint, filed on July 17, 2018, the Receiver sought  
2 an order granting leave to amend the August 25, 2017, complaint against certain of NHC's  
3 various directors, officers, and third-party contractors, citing the discovery of additional facts in  
4 support of assertions made in the first complaint, as well as the need to add a new defendant  
5 to the existing proceedings. This Motion to Amend Complaint was filed in judicial department  
6 number 16, in line with the terms of contemporaneous Notice of Department Reassignment  
7 assigning the proceedings to Judge Timothy C. Williams. The Motion to Amend Complaint was  
8 approved via an order entered on September 18, 2018.

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 related Order Granting Milliman's Motion to Compel Arbitration,  
12 dated March 12, 2018, held that a requirement to arbitrate the pre-receivership agreements  
13 between NHC and Milliman did apply to the Receiver's claims against Milliman. The Receiver  
14 filed a Motion for Reconsideration of the Milliman arbitration ruling, dated March 29, 2018. The  
15 Motion for Reconsideration sought review of the prior judgment compelling arbitration on  
16 various grounds. On December 19, 2019, the Nevada Supreme Court ruled against intervening  
17 to overturn the order to compel arbitration regarding Milliman.

18 The Receiver's claims are ongoing against NHC's former directors and officers,  
19 InsureMonkey and Alex Rivlin, Larson & Company (and individually named Larson  
20 defendants), Nevada Health Solutions, LLC, and Unite Here Health. Discovery is underway,  
21 and the following deadlines have been set by Judge Timothy C. Williams, per the November  
22 19, 2019, 3<sup>rd</sup> Amended Order Setting Civil Jury Trial, Pre-Trial, Calendar Call, and Deadlines  
23 Motions; Amended Discovery Scheduling Order, and later revised via the January 14, 2020,

24 ///

25 ///

26 ///

27 ///

28 ///

Second Amended Discovery Scheduling Order, the March 4, 2020, Stipulation and Order to Extend Discovery Deadlines, and the most recent Stipulation and Order filed March 23, 2020:

1. **July 24, 2020:** Motions to Amend Pleadings or Add Parties
2. **February 7, 2020:** Plaintiff's designation of initial experts pursuant to NRCP 16.1(a)(2) (initially April 8, 2020, per the 3<sup>rd</sup> Amended Order, later moved via, *inter alia*, the Amended Discovery Scheduling Order dated November 26, 2019)
3. **June 9, 2020:** Defendant's designation of initial experts
4. **June 26, 2020:** Defendant's designation of rebuttal experts
5. **August 24, 2020:** Plaintiff's designation of rebuttal experts (initially May 8, 2020, later moved via the Orders dated November 26, 2019, and March 4 and 23, 2020)
6. **August 31, 2020:** Discovery Cut Off (for non-expert discovery)
7. **September 25, 2020:** Discovery Cut Off (for expert discovery)
8. **October 2, 2020:** Motions *in Limine* or other Dispositive Motions
9. **October 5, 2020:** Case is set to be tried to a jury on a five-week stack.

As of the date of filing of this Status Report, no later scheduling orders have been issued extending these deadlines, although certain deadlines may be amended by stipulation of the parties in the near future if deemed necessary and approved by the Court. On March 25, 2020, the Court issued its Notice of Scheduling Status Check Hearing, providing therein as follows:

*...The Stipulation and Order efiled on March 25, 2020 should have read that the trial date of October 5, 2020 may (not will) need to be vacated and continued to the January 19, 2021 five-week stack....*

The telephonic status check hearing will be held on April 30, 2021.

The Receiver has settled its claims against Millennium, and the settlement agreement was approved by the Court. Millennium has thus far made the settlement progress payments required under the settlement agreement.

Defendants Unite Here Health and Nevada Health Solutions filed, on August 21, 2019, their Motion to Stay on Order Shortening Time (the "Motion to Stay"), requesting that the court in Case No. A-17-760558-C stay all pending proceedings on the basis, as described below, of

1 the decision of the Supreme Court of the United States to grant certiorari to review decisions  
2 rendered by the United States Court of Federal Claims (“CFC”) in *Moda Health Plan, Inc. v.*  
3 *United States*, *Land of Lincoln Mutual Insurance Company v. United States*, and *Maine*  
4 *Community Health Options v. United States* (collectively, “Supreme Court Appeal Cases”). The  
5 Supreme Court Appeal Cases all concern lawsuits against the federal government for amounts  
6 owed to ACA-compliant CO-OPs under the “Risk Corridor” federal receivables program, of  
7 which this Court has been noticed throughout the term of this receivership.

8 The Receiver filed her Plaintiff’s Opposition to the Motion to Stay on August 26, 2019,  
9 on the basis that delay of the proceedings in the instant litigation sought by the Defendants  
10 represented an unwarranted attempt to forestall other aspects of the litigation not directly tied  
11 to the legal questions being considered on appeal. The court in this matter has not approved  
12 the Motion to Stay the litigation, though under the terms of the 3<sup>rd</sup> Amended Order Setting Civil  
13 Jury Trial and later orders, most recently the March 23, 2020, Stipulation and Order, the  
14 proceedings shall progress according to the schedule described above.

15 On September 30, 2019, counsel for defendants InsureMonkey and Alex Rivlin filed a  
16 Motion for Summary Judgment and Declaratory Relief, seeking summary judgment on the  
17 Receiver’s claims against them, *inter alia*, on the basis that such claims are based on conduct  
18 since August 1, 2014, and are thus barred by the one-year contractual period of limitations  
19 contained in that document. Further, defendants assert that all of the Receiver’s claims based  
20 on conduct prior to August 1, 2014, are barred by the applicable statute of limitations, except  
21 the breach of contract claims. This September 30, 2019, Motion for Summary Judgment and  
22 Declaratory Relief also maintains, and seeks a judicial determination, that all damages for the  
23 Receiver’s claim for breach of contract are limited by the 2013 agreement between  
24 InsureMonkey/Rivlin and NHC to twice the expected total value of fees at the time of execution.  
25 Following an October 15, 2019, Stipulation and Order extending time for response, the  
26 Receiver filed her Opposition to that Motion on October 17, 2019, disputing the limitations on  
27 liability. The Court, subsequent to a hearing which occurred on January 29, 2020, denied the  
28 Motion for Summary Judgment and Declaratory Relief without prejudice.

**Pending Action Against the United States in the Court of Federal Claims**

On November 8, 2018, the Receiver filed a Complaint in the United States Court of Federal Claims (“CFC Complaint”) against the United States for monetary amounts owed to NHC under the Consumer Operated and Oriented Plan program organized pursuant to the ACA. The Receiver determined that such litigation was necessary in order to advance the interests of the receivership estate’s various creditors, and to protect and conserve assets that rightfully belong to the estate.

In Counts I through IV, the CFC Complaint prays for relief in the form of an award of damages and monetary relief equal to the difference between the amount NHC actually received in payments under Sections 1342, 1341, 1343, and 1401 of the ACA – the statutes which describe and enact the Risk Corridors, transitional reinsurance, risk adjustment, and cost sharing reduction programs respectively – and the amount NHC should have received under those laws. Count IV also seeks an award of damages and monetary relief equal to the difference between what NHC actually received in premium tax credits for 2015 under Section 1401 and the amount it should have received (however, subsequent communications with CMS have resulted in the Receiver determining that no premium tax credits are still owed, such that the Receiver will no longer pursue that particular claim).

The CFC Complaint’s Count V (breach of contract by offset) and Count VI (illegal exaction) plead alternate theories for recovery of money damages resulting from the United States, through its agents at HHS and CMS, offsetting payments that CMS owed to NHC against funds NHC allegedly owed to the government pursuant to the terms of the CO-OP start-up loan. On March 7, 2019, the United States filed a motion to dismiss the CFC Complaint’s (“Motion to Dismiss”) argument that none of Counts I through VI state claims upon which relief can be granted. NHC’s deadline for responding to the Motion to Dismiss was July 9, 2019. However, on June 24, 2019, the United States Supreme Court granted certiorari in three Risk Corridors appeals, *i.e.*, the Supreme Court Appeal Cases.

Subsequent to a Motion for Enlargement of Time to Respond to Government’s Motion to Dismiss, filed on June 28, 2019, the Receiver filed her Opposition to Motion to Dismiss, and

1 Cross-Motion for Final Partial Summary Judgment on July 31, 2019, which sought from the  
2 CFC, *inter alia*, an adjudication in favor of the Receiver regarding that Counts II through IV of  
3 the CFC Complaint, the counts not taken up by the United States Supreme Court for review.  
4 The Cross-Motion for Partial Summary Judgment predicated its arguments on the basis that  
5 the United States had already admitted prior liability and damages concerning the amounts  
6 sought by the CFC Complaints under counts II-IV (*i.e.*, the Federal Transitional Reinsurance  
7 program, the Risk Adjustment program, and the Cost-Sharing Reduction programs provided  
8 for explicitly by ACA statutes), save for their affirmative defense of offset, and that the  
9 affirmative defense of offset must fail as a matter of law as the circumstances provided for in  
10 applicable federal law and regulation permitting an offset of amounts owed under the ACA  
11 receivables programs were not satisfied in this case.

12 On August 7, 2019, the United States filed with the CFC its Motion to Stay, or in the  
13 Alternative, for an Enlargement of Time, asserting that the interrelated issues of fact and law  
14 at the center of the CFC litigation, alongside countervailing concerns of judicial economy,  
15 justified a general suspension of proceedings during the pendency of the United States  
16 Supreme Court's review of the legal and constitutional questions in the Supreme Court Appeal  
17 Cases, notwithstanding the theoretical separability of the various federal receivables programs  
18 under which NHC presented its claims. The CFC granted the United States' Motion to Stay on  
19 August 12, 2019. As discussed previously in this Status Report, the United States Supreme  
20 Court has, as of December 10, 2019, heard oral argument on the relevant legal questions at  
21 issue in the Motion to Stay, and will likely render a dispositive decision on the matter(s) therein  
22 some time in 2020. It is likely that these proceedings will be stayed until that decision is made  
23 and entered, whereupon the Receiver shall evaluate and direct the litigation as circumstances  
24 warrant. As of the date of filing of this Status Report, the proceedings remain stayed pending  
25 the determination of the relevant legal and constitutional questions at issue in the case, which  
26 directly affects the Receiver's rights to pursue the estate's claims under the Risk Corridors.

27 ///

28 ///



**Sale of Risk Corridors Receivable**

On September 16, 2019, the Receiver filed with the Receivership Court her Motion for Determination of Good Faith Sale of Interest in Receivables by Plaintiff, Order Approving Sale and Permitting Distribution of Certain Funds (the “Motion for Sale and Disbursement”) in connection with a contemplated sale transaction between NHC and CM Squared RC IV, LLC, the prospective purchaser of NHC’s interest in the aforementioned Risk Corridors receivable at issue in the litigation between the Receiver and the United States. The Motion for Sale and Disbursement, among other things, sought judicial approval for NHC to sell most of its interest in any recoveries made against the United States in connection with the Risk Corridors receivable to the prospective purchaser in exchange for an initial payment of \$10,000,000, and certain subsequent funds retained as part of NHC retaining a minority interest in litigation recoveries as received. The exact nature of the transaction is more completely described in the proposed agreement documents attached as exhibits to that Motion. The Motion for Sale and Disbursement also sought judicial authorization to disburse as much as \$5 million from the funds obtained from this sale to estate claimants in the order provided by law.

On October 16, 2019, a hearing on the Motion was held and the Court entered its Order Approving Sale of Receivables Interest and Permitting Distribution of Certain Funds, which approved the requests made in that Motion in all relevant respects. The Receiver has thus begun making disbursements to claimants of the estate using the funds so obtained from that sale, and expects to make partial payments to all claimants within the priority level specified under NRS 696B.420(1)(b).

**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. 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



1 premiums. The currently available, unrestricted cash assets of the CO-OP as of February 29,  
2 2020, were approximately \$6,143,722. The majority of NHC's currently available and liquid  
3 assets are held in bank deposits.

4 2. The financial information of NHC in this Eighteenth Status Report provides  
5 estimates. NHC's financials may materially vary depending upon the estate's receipt of the  
6 promised federal receivables payments under the various ACA programs described in this  
7 report, and future litigation recoverables. These figures will remain estimates until the estate  
8 receives clearer indications from CMS and the federal government as to the amount and timing  
9 of any federal payments or future appropriations, as well as the final disposition of CMS  
10 receivable balances in which CMS has placed an administrative hold and asserted rights to  
11 setoff, many of these matters are being litigated currently.

12 3. The Receiver is including, as Exhibit 3 attached hereto, a cash flow report for  
13 NHC for the period covering the inception of the receivership through February 29, 2020. This  
14 report reflects a summary of disbursements and collections made by NHC during this period.

### 15 CONCLUSION

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

19 DATED this 1<sup>st</sup> day of April 2020.

20 Respectfully submitted:

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

24 By: /s/ CANTILO & BENNETT, L.L.P.  
25 Special Deputy Receiver  
26 By Its Authorized Representative  
27 Patrick H. Cantilo  
28

1 Respectfully submitted :

2 GREENBERG TRAURIG, LLP

3 By: /s/ Eric W. Swanis

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6 ERIC W. SWANIS, ESQ.

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15  
16 Counsel for Barbara D. Richardson,  
17 Commissioner of Insurance, as the  
18 Permanent Receiver for Nevada  
19 Health CO-OP  
20  
21  
22  
23  
24  
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26  
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28

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on the 1<sup>st</sup> day of April 2020, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **EIGHTEENTH STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

**E-Service Master List  
For Case**

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

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/s/ Evelyn Escobar-Gaddi

An employee of Greenberg Traurig, LLP

# EXHIBIT “1”

# CANTILO & BENNETT, L.L.P.

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www.cb-firm.com

November 11, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

November 1 - November 30, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
September 2019	23899 - 23911	\$ 32,731.25	\$ 879.94	\$ 33,611.19
<b>Totals (1)</b>		<b>\$ 32,731.25</b>	<b>\$ 879.94</b>	<b>\$ 33,611.19</b>

# Cantilo & Bennett, L.L.P.

## NEVADA HEALTH CO-OP TIMEKEEPER SUMMARY REPORT

9/1/19 - 9/30/19

		Billable Hours	Billable Rate	September 2019 Billing
1	Timekeeper - Patrick H. Cantilo	7.80	\$450.00	\$3,510.00
2	Timekeeper - Mark F. Bennett	49.65	\$375.00	\$18,618.75
3	Timekeeper - Kristen W. Johnson	42.30	\$175.00	\$7,402.50
4	Timekeeper - Josh O. Lively	16.25	\$175.00	\$2,843.75
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	2.00	\$100.00	\$200.00
10	TimeKeeper - Pierre Riou		\$225.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	1.25	\$125.00	\$156.25
	GRAND TOTAL	119.25		\$32,731.25

Work Date 09/01/2019:09/30/2019  
Client ID 70750  
Bill Date 11/5/19

Staff ID	Cost Code	Units	Amount	Write Down	Total
	BM1A BUSINESS MEALS	0.00	68.63	0.00	68.63
	MT1A MISCELLANEOUS	0.00	60.60	0.00	60.60
	PK1A PARKING	0.00	27.25	0.00	27.25
	PO1E POSTAGE	0.00	11.75	0.00	11.75
	TA1A TRAVEL-AIRFARE	0.00	111.99	0.00	111.99
	TE1A TRANSPORTATION EXPENSE	0.00	66.86	0.00	66.86
	TH1A TRAVEL-HOTEL	0.00	140.08	0.00	140.08
	TL2E TELEPHONE	0.00	392.78	0.00	392.78
	Sub Total ( )	0.00	879.94	0.00	879.94
	Grand Total	0.00	879.94	0.00	879.94



# CANTILO & BENNETT, L.L.P.

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December 30, 2019

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

October 1 - October 31, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
October 2019	24000 - 24010	\$ 39,098.75	\$ 476.60	\$ 39,575.35
<b>Totals (1)</b>		\$ 39,098.75	\$ 476.60	\$ 39,575.35

## Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
10/1/19-10/31/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>October 2019 Billing</b>
1	Timekeeper - Patrick H. Cantilo	3.30	\$450.00	\$1,485.00
2	Timekeeper - Mark F. Bennett	53.20	\$375.00	\$19,950.00
3	Timekeeper - Kristen W. Johnson	21.10	\$175.00	\$3,692.50
4	Timekeeper - Josh O. Lively	29.75	\$175.00	\$5,206.25
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	2.70	\$100.00	\$270.00
10	TimeKeeper - Pierre Riou	37.20	\$225.00	\$8,370.00
11	TimeKeeper - Jeffrey L. Collins	1.00	\$125.00	\$125.00
	<b>GRAND TOTAL</b>	<b>148.25</b>		<b>\$39,098.75</b>

Work Date 10/01/2019:10/31/2019  
Client ID 70750  
Bill Date 12/11/19

Staff ID	Cost Code	Units	Amount	Write Down	Total
	PO1E POSTAGE	0.00	7.40	0.00	7.40
	TL2E TELEPHONE	0.00	469.20	0.00	469.20
	Sub Total ( )	0.00	476.60	0.00	476.60
	Grand Total	0.00	476.60	0.00	476.60

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January 24, 2020

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

November 1 - November 30, 2019

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
November 2019	24123 - 24135	\$ 32,978.75	\$ 1,931.36	\$ 34,910.11
<b>Totals (1)</b>		\$ 32,978.75	\$ 1,931.36	\$ 34,910.11

## Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
11/1/19-11/30/19**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>November 2019 Billing</b>
1	Timekeeper - Patrick H. Cantilo	3.50	\$450.00	\$1,575.00
2	Timekeeper - Mark F. Bennett	29.95	\$375.00	\$11,231.25
3	Timekeeper - Kristen W. Johnson	12.20	\$175.00	\$2,135.00
4	Timekeeper - Josh O. Lively	98.50	\$175.00	\$17,237.50
5	Timekeeper - Douglas J. Coonfield	0.00	\$150.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$300.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$200.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	6.75	\$100.00	\$675.00
10	TimeKeeper - Pierre Riou	0.00	\$225.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	1.00	\$125.00	\$125.00
	<b>GRAND TOTAL</b>	<b>151.90</b>		<b>\$32,978.75</b>

11401 Century Oaks Terrace  
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## PALOMAR FINANCIAL, LC

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[www.palomarfin.com](http://www.palomarfin.com)

December 27, 2019

### **BILL SUMMARY**

70750 Nevada Health Co-Op (“NHC”)

October 1, 2019 – October 31, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
October 2019 Non-IT Services	\$6,426.50	\$0.00	\$6,426.50
October 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$11,426.50</b>	<b>\$0.00</b>	<b>\$11,426.50</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD OCTOBER 2019

		Billable Hours	Billable Rate	October 2019 Billing
1	TIME KEEPER - Nicole Wilkins	5.55	\$250.00	\$1,387.50
2	TIME KEEPER - Robert Stebel	4.40	\$160.00	\$704.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	13.50	\$160.00	\$2,160.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	14.50	\$150.00	\$2,175.00
	GRAND TOTAL	37.95		\$6,426.50

Palomar Financial, LC  
10/01/2019-10/31/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.50	\$ 375.00
		Payroll & Employee Benefits	1.20	\$ 300.00
		Investment Accounting/Support	1.45	\$ 362.50
		Accounts Payable and Receivable	0.40	\$ 100.00
		Bank Account Administration/Reconciliation	1.00	\$ 250.00
		<b>Sub Total (NMW)</b>	<b>5.55</b>	<b>\$ 1,387.50</b>
RNS	Robert Stebel	Regulatory Responses/Compliance	4.40	\$ 704.00
		<b>Sub Total (RNS)</b>	<b>4.40</b>	<b>\$ 704.00</b>
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		<b>Sub Total (KJR)</b>	<b>0.00</b>	<b>\$ -</b>
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	7.00	\$ 1,120.00
		Accounts Payable and Receivable	6.50	\$ 1,040.00
		<b>Sub Total (NK)</b>	<b>13.50</b>	<b>\$ 2,160.00</b>
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		<b>Sub Total (BA)</b>	<b>0.00</b>	<b>\$ -</b>
GS	Gayathri Sivadasan	General Ledger Accounting	5.00	\$ 750.00
		Investment Accounting/Support	7.00	\$ 1,050.00
GS	Gayathri Sivadasan	Accounts Payable and Receivable	2.50	\$ 375.00
		<b>Sub Total (GS)</b>	<b>14.50</b>	<b>\$ 2,175.00</b>
<b>Grand Total</b>			<b>37.95</b>	<b>\$ 6,426.50</b>



11401 Century Oaks Terrace  
Suite 310  
Austin, Texas 78758



## PALOMAR FINANCIAL, LC

Telephone (512) 404-6555  
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Toll Free (877) 309-7105  
[www.palomarfin.com](http://www.palomarfin.com)

January 24, 2020

### **BILL SUMMARY**

70750 Nevada Health Co-Op (“NHC”)

November 1, 2019 – November 30, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
November 2019 Non-IT Services	\$7,845.00	\$0.00	\$7,845.00
November 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$12,845.00</b>	<b>\$0.00</b>	<b>\$12,845.00</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD NOVEMBER 2019

		Billable Hours	Billable Rate	November 2019 Billing
1	TIME KEEPER - Nicole Wilkins	8.00	\$250.00	\$2,000.00
2	TIME KEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	29.50	\$160.00	\$4,720.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	7.50	\$150.00	\$1,125.00
	GRAND TOTAL	45.00		\$7,845.00

Palomar Financial, LC  
11/01/2019-11/30/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.55	\$ 637.50
		Investment Accounting/Support	3.10	\$ 775.00
		Accounts Payable and Receivable	0.70	\$ 175.00
		Bank Account Administration/Reconciliation	1.65	\$ 412.50
		Sub Total (NMW)	8.00	\$ 2,000.00
RNS	Robert Stebel	Regulatory Responses/Compliance	0.00	\$ -
		Sub Total (RNS)	0.00	\$ -
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	20.00	\$ 3,200.00
		Accounts Payable and Receivable	9.50	\$ 1,520.00
		Sub Total (NK)	29.50	\$ 4,720.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
GS	Gayathri Sivadasan	Investment Accounting/Support	3.50	\$ 525.00
		Accounts Payable and Receivable	4.00	\$ 600.00
		Sub Total (GS)	7.50	\$ 1,125.00
Grand Total			45.00	\$ 7,845.00

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March 2, 2020

### **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

December 1, 2019 – December 31, 2019

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
December 2019 Non-IT Services	\$6,387.50	\$0.00	\$6,387.50
December 2019 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$11,387.50</b>	<b>\$0.00</b>	<b>\$11,387.50</b>

## Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD DECEMBER 2019

		Billable Hours	Billable Rate	December 2019 Billing
1	TIME KEEPER - Nicole Wilkins	5.60	\$250.00	\$1,400.00
2	TIME KEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	22.50	\$160.00	\$3,600.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Gayathri Sivadasan	9.25	\$150.00	\$1,387.50
	GRAND TOTAL	37.35		\$6,387.50

Palomar Financial, LC  
12/01/2019-12/31/2019  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.00	\$ 250.00
		General Ledger Accounting	0.20	\$ 50.00
		Accounts Payable and Receivable	4.10	\$ 1,025.00
		Bank Account Administration/Reconciliation	0.30	\$ 75.00
		<b>Sub Total (NMW)</b>	<b>5.60</b>	<b>\$ 1,400.00</b>
RNS	Robert Stebel	Regulatory Responses/Compliance	0.00	\$ -
		<b>Sub Total (RNS)</b>	<b>0.00</b>	<b>\$ -</b>
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		<b>Sub Total (KJR)</b>	<b>0.00</b>	<b>\$ -</b>
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	14.75	\$ 2,360.00
		Accounts Payable and Receivable	7.75	\$ 1,240.00
		<b>Sub Total (NK)</b>	<b>22.50</b>	<b>\$ 3,600.00</b>
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		<b>Sub Total (BA)</b>	<b>0.00</b>	<b>\$ -</b>
GS	Gayathri Sivadasan	Accounts Payable and Receivable	9.25	\$ 1,387.50
		<b>Sub Total (GS)</b>	<b>9.25</b>	<b>\$ 1,387.50</b>
	<b>Grand Total</b>		<b>37.35</b>	<b>\$ 6,387.50</b>

Invoice No. : 5220287  
File No. : 170678.010100  
Bill Date : November 6, 2019

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: Asset Recovery matter in State Court

Legal Services through October 31, 2019:

Total Fees: \$ 93,501.50

Expenses:

Filing Fees	17.50
Transcript Charges	641.35
UPS Charges	22.26

Total Expenses: \$ 681.11

**Total Current Invoice: \$ 94,182.61**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5257465  
File No. : 170678.010100  
Bill Date : December 13, 2019

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: Asset Recovery matter in State Court

THIS INVOICE REPLACES INVOICE #5254954 DATED 12/11/19

Total Fees: \$ 92,153.00

**Expenses:**

Filing Fees 17.50

Messenger/Courier Services 164.50

Total Expenses: \$ 182.00

**Total Current Invoice: \$ 92,335.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No. : 5279338  
File No. : 170678.010100  
Bill Date : January 16, 2020

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: Asset Recovery matter in State Court

**Legal Services through December 31, 2019:**

Total Fees: \$ 62,669.00

**Expenses:**

Filing Fees 10.50

Messenger/Courier Services 45.00

Total Expenses: \$ 55.50

**Total Current Invoice: \$ 62,724.50**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5302356  
File No. : 170678.010100  
Bill Date : February 14, 2020

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: Asset Recovery matter in State Court

Legal Services through January 31, 2020:

Total Fees: \$ 115,689.50

Expenses:

Filing Fees	3.50
Messenger/Courier Services	35.00
Travel and Lodging Out of Town	568.64

Total Expenses: \$ 607.14

**Total Current Invoice: \$ 116,296.64**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5326107  
File No. : 170678.010100  
Bill Date : March 12, 2020

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: Asset Recovery matter in State Court

Legal Services through February 29, 2020:

Total Fees: \$ 121,284.00

Expenses:

Deposition/Court Reporters	256.81
Filing Fees	3.50
Messenger/Courier Services	30.00

Total Expenses: \$ 290.31

**Total Current Invoice: \$ 121,574.31**

MEF:TKK  
Tax ID: 13-3613083

Invoice No. : 5220265  
File No. : 170678.010300  
Bill Date : November 6, 2019

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: Federal Court of Claims

Legal Services through October 31, 2019:

Total Fees: \$ 1,702.50

Expenses:

Messenger/Courier Services

7.95

Total Expenses: \$ 7.95

**Total Current Invoice: \$ 1,710.45**

MEF:TKK  
Tax ID: 13-3613083

Invoice No. : 5254955  
File No. : 170678.010300  
Bill Date : December 11, 2019

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: Federal Court of Claims

Legal Services through November 30, 2019:

Total Fees: \$ 1,143.00

Total Current Invoice: \$ 1,143.00

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5279339  
File No. : 170678.010300  
Bill Date : January 16, 2020

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: Federal Court of Claims

Legal Services through December 31, 2019:

Total Fees: \$ 1,240.00

Total Current Invoice: \$ 1,240.00

MEF:TKK  
Tax ID: 13-3613083

Invoice No. : 5326110  
File No. : 170678.010300  
Bill Date : March 12, 2020

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: Federal Court of Claims

Legal Services through February 29, 2020:

Total Fees: \$ 142.50

**Total Current Invoice: \$ 142.50**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5220266  
File No. : 170678.010500  
Bill Date : November 6, 2019

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: Special Legal Receivership Matters

Legal Services through October 31, 2019:

Total Fees: \$ 20,682.50

Total Current Invoice: \$ 20,682.50

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5254956  
File No. : 170678.010500  
Bill Date : December 11, 2019

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: Special Legal Receivership Matters

Legal Services through November 30, 2019:

Total Fees: \$ 4,322.50

**Total Current Invoice: \$ 4,322.50**

MEF:TKK  
Tax ID: 13-3613083

Invoice No.: 5279340  
File No. : 170678.010500  
Bill Date : January 16, 2020

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: Special Legal Receivership Matters

Legal Services through December 31, 2019:

Total Fees: \$ 1,695.50

**Total Current Invoice: \$ 1,695.50**

MEF:TKK  
Tax ID: 13-3613083



Invoice No. : 5302360  
File No. : 170678.010500  
Bill Date : February 14, 2020

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: Special Legal Receivership Matters

Legal Services through January 31, 2020:

Total Fees: \$ 760.00

**Total Current Invoice: \$ 760.00**

MEF:TKK  
Tax ID: 13-3613083



***Invoice Remittance***

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

November 22, 2019  
FTI Invoice No. 7530237  
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 October 31, 2019

---

**Amount Due This Period**

Professional Services.....	\$1,350.00
Expenses .....	<u>\$0.00</u>
<b>Amount Due this Period.....</b>	<b>\$1,350.00</b>



***Invoice Remittance***

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

January 24, 2020  
FTI Invoice No. 7536556  
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 December 31, 2019

---

**Amount Due This Period**

Professional Services.....	\$27,450.00
Expenses .....	<u>\$635.35</u>
<b>Amount Due this Period.....</b>	<b>\$28,085.35</b>



***Invoice Remittance***

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

February 12, 2020  
FTI Invoice No. 7538220  
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 January 31, 2020

---

**Amount Due This Period**

Professional Services.....	\$68,227.50
Expenses .....	<u>\$0.00</u>
<b>Amount Due this Period.....</b>	<b>\$68,227.50</b>

# EXHIBIT “3”

## NEVADA HEALTH CO-OP

### Cash Flow Analysis

Oct 2015 - February 2020

#### Sources & Uses

Beginning Cash as of October 1, 2015

\$ 5,352,417

#### SOURCES:

Premium Revenue	17,756,567
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	720,133
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
Sale of Risk Corridor Receivable Interest	10,000,000
Other	777,888
<b>TOTAL SOURCES:</b>	<b>35,431,711</b>

#### USES:

Medical Claims Q4 2015 and Post 2015 Adj	(176,660)
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	(12,777,351)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Professional Services	(12,141,319)

**TOTAL USES:** (34,640,406)

Net cash increase for period

791,305

Ending Cash as of February 29, 2020

\$ 6,143,722