

1 **Lewis Roca Rothgerber Christie LLP**

201 East Washington Street, Suite 1200  
Phoenix, Arizona 85004-2595

3 **Joel A. Glover** (CO Bar No. 20821) (admitted *pro hac vice*)  
Direct Dial: 303.628.9553  
Direct Fax: 303.623.9222  
Email: [jglover@lrre.com](mailto:jglover@lrre.com)

4 **Justin J. Henderson** (State Bar No. 026930)  
Direct Dial: 602.262.5738  
Direct Fax: 602.734.3937  
E-mail: [jhenderson@lrre.com](mailto:jhenderson@lrre.com)

6 *Attorneys for Receiver*

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8 SUPERIOR COURT OF ARIZONA

9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*  
11 LESLIE R. HESS, Interim Director  
of Insurance,

12 Plaintiff,

13 vs.

14 COMPASS COOPERATIVE MUTUAL  
HEALTH NETWORK, INC., dba  
15 MERITUS MUTUAL HEALTH  
PARTNERS, an Arizona corporation; and  
16 COMPASS COOPERATIVE HEALTH  
PLAN, INC., dba MERITUS HEALTH  
17 PARTNERS, an Arizona corporation,

18 Defendants.

No. CV2016-011872

**PETITION NO. 6**

**PETITION FOR ORDER FOR  
RELEASE OF SPECIAL  
DEPOSITS HELD BY COMPASS  
COOPERATIVE HEALTH PLAN,  
INC., DBA MERITUS HEALTH  
PARTNERS**

(Assigned to The Honorable  
Daniel Martin)

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20 Leslie R. Hess, Interim Director of the Arizona Department of Insurance, as  
21 Receiver (hereinafter "Receiver") of Compass Cooperative Health Plan, Inc., dba Meritus  
22 Health Partners ("MHP"), appointed pursuant to A.R.S. § 20-611, *et seq.*, hereby  
23 petitions the Court for entry of an Order for Release of Special Deposits Held by  
24 Compass Cooperative Health Plan, Inc., dba Meritus Health Partners in the form lodged  
25 concurrently herewith for the reasons set forth herein.

26 . . .

1           1.       Subject to and in accordance with Arizona law, MHP maintained two  
2 special deposits (collectively referred to as the “MHP Special Deposits”), as follows:<sup>1</sup>

3           a.       MHP maintained a deposit in the amount of approximately  
4 \$3.4 million for the benefit of MHP’s enrollees for the purpose of funding benefits in  
5 accordance with A.R.S. § 20-1069(A). Pursuant to and in accordance with A.R.S.  
6 § 20-1069, the Receiver is continuing to evaluate whether or to what extent the deposit  
7 may be applicable for the continuation of benefits and MHP’s related plan for risk of  
8 insolvency recognizing that all MHP insurance policies, and the benefits provided  
9 thereunder, terminated on or before December 31, 2015.<sup>2</sup>

10           b.       MHP maintained a deposit in the amount of approximately \$619,552  
11 for the benefit and protection of persons covered by MHP in accordance with A.R.S.  
12 § 20-1056(C). Pursuant to A.R.S. § 20-1056(C), the deposited funds are held for the  
13 benefit and protection of persons covered by MHP.

14           2.       A.R.S. § 20-588 provides that any deposit made in Arizona under Title 20  
15 shall be released and returned, upon entry of an order of receivership, to the Receiver or  
16 other properly designated official. The Receiver requests that pursuant to A.R.S.  
17 § 20-588, the Court enter an order directing the Director and the Treasurer to release any  
18 amount of the MHP Special Deposits, up to the full amount of such deposits, to the  
19 Receiver.

20           3.       At this time, and subject to Court approval, the Receiver would limit use of  
21 the MHP Special Deposits solely for MHP administrative expenses. Payments for any  
22 purposes other than such administrative expenses would only be pursued by the Receiver  
23 after subsequent notice, hearing and order of this Court.

24 \_\_\_\_\_  
25 <sup>1</sup> In an Order dated October 12, 2016, this Court previously authorized the release of statutory deposits made by MHP  
26 and by Meritus Mutual Health Partners. The relief requested in this petition is limited to the special deposits of MHP  
and does not relate to Meritus Mutual Health Partners since there are no special deposits allocable to Meritus Mutual  
Health Partners.

<sup>2</sup> In accordance with A.R.S. § 20-1069(E) and upon completion of the Receiver’s review, the Receiver will submit a  
report to the Court concerning the adequacy of the plan for the risk of insolvency.

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WHEREFORE, the Receiver requests that the Court enter, in the form lodged concurrently with this Petition, an Order for Release of the MHP Special Deposits directing the Director and the Treasurer to release any amount of the foregoing deposited funds, up to the full amount of the MHP Special Deposits to the Receiver.

DATED this 22nd day of December, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: /s/ Justin J. Henderson (#026930)  
Joel A. Glover  
Justin J. Henderson  
*Attorneys for Receiver*

COPY of the foregoing mailed this 22nd day of December, 2016 to the attached Master Service List

/s/ C.J. Scruggs  
C.J. Scruggs

1 SUPERIOR COURT OF ARIZONA

2 COUNTY OF MARICOPA

3 No. CV2016-011872 (Assigned to The Honorable Daniel Martin)

4  
5 **MASTER SERVICE LIST**

6  
7 Leslie R. Hess, Receiver  
8 Interim Director, Arizona Department of Insurance  
9 2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018-7269

10 Lynette Evans, Assistant Attorney General  
11 Liane Kido, Assistant Attorney General  
12 Office of the Attorney General  
13 1275 West Washington Street  
Phoenix, Arizona 85007  
*Attorneys for Arizona Department of Insurance*

14 Richard G. Erickson / Robert F. Kethcart  
15 Snell & Wilmer L.L.P.  
16 One Arizona Center, 400 East Van Buren  
Phoenix, Arizona 85004  
17 *Attorneys for Defendants*

18 Richard J. Voth, Sr.  
19 Post Office Box 3970  
20 Pinetop, Arizona 85935

21 Larry Aldrich, Executive Chairman  
22 Employers Health Alliance of Arizona  
7520 East McLellan Lane  
23 Scottsdale, Arizona 85250

24 Christophe Burusco  
25 Sidley Austin LLP  
555 West 5th Street, 40th Floor  
26 Los Angeles, California 90013  
*Attorneys for Care1st Health Plan Administrative Services, Inc.*

- 1 Matthew A. Clemente  
2 Sidley Austin LLP  
3 One South Dearborn  
4 Chicago, Illinois 60603  
5 *Attorneys for Care1st Health Plan Administrative Services, Inc.*
- 6 Michael Surguine, Executive Director  
7 Arizona Life & Disability Insurance Guaranty Fund  
8 2910 North 44th Street, Suite 201 (2nd Floor)  
9 Phoenix, Arizona 85018-7269
- 10 Darren Ellingson, Special Deputy Receiver  
11 Raintree Corporate Center I  
12 15333 North Pima Road, Suite 305  
13 Scottsdale, Arizona 85260
- 14 Banner Health  
15 Patient Financial Services  
16 Attn: Anna Rosalez, Manager  
17 525 West Brown Road, Third Floor  
18 Mesa, Arizona 85201
- 19 S. David Childers  
20 Kutak Rock LLP  
21 8601 North Scottsdale Road, Suite 300  
22 Scottsdale, Arizona 85253-2738
- 23 Ortencia Solis  
24 Arrowhead Pediatrics  
25 Billing Department - Insurance Rejections  
26 17215 North 72nd Drive, Bldg. D, Suite 140B  
Glendale Arizona 85308-8599
- Debbie Bailey  
Cactus Children's Clinic, PC  
5940 W Union Hills Drive, Suite D100  
Glendale, Arizona 85308
- Monica Gaspari, Billing Office Supervisor  
Pima Heart Physicians  
3375 North Campbell Avenue  
Tucson, Arizona 85719

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201 East Washington Street, Suite 1200  
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11 LESLIE R. HESS, Interim Director  
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14 COMPASS COOPERATIVE MUTUAL  
HEALTH NETWORK, INC., dba  
15 MERITUS MUTUAL HEALTH  
PARTNERS, an Arizona corporation; and  
16 COMPASS COOPERATIVE HEALTH  
PLAN, INC., dba MERITUS HEALTH  
17 PARTNERS, an Arizona corporation,

18 Defendants.

No. CV2016-011872

**ORDER RE PETITION NO. 6  
FOR RELEASE OF SPECIAL  
DEPOSITS HELD BY COMPASS  
COOPERATIVE HEALTH PLAN,  
INC., DBA MERITUS HEALTH  
PARTNERS**

(Assigned to The Honorable  
Daniel Martin)

20 Leslie R. Hess, Interim Director of the Arizona Department of Insurance, as  
21 Receiver of Compass Cooperative Health Plan, Inc., dba Meritus Health Partners  
22 (“MHP”), having filed Petition No. 6 for entry of an Order for Release of Special  
23 Deposits Held by Compass Cooperative Health Plan, Inc., dba Meritus Health Partners  
24 and good cause appearing therefor,

25 **IT IS ORDERED:** Pursuant to A.R.S. § 20-588, that the Director of the Arizona  
26 Department of Insurance and State Treasurer for the State of Arizona shall release the full

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amount of the foregoing deposited funds of Compass Cooperative Health Plan, Inc. dba Meritus Health Partners, including (i) the deposit in the amount of approximately \$ 3.4 million for the benefit of MHP's enrollees for the purpose of funding benefits in accordance with A.R.S. § 20-1069(A); and (ii) the deposit in the amount of approximately \$619,552 for the benefit and protection of persons covered by MHP in accordance with A.R.S. § 20-1056(C).

**IT IS FURTHER ORDERED**, without further order of this Court, use of the MHP Special Deposits shall be limited to MHP administrative expenses.

ENTERED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
The Honorable Daniel Martin  
Maricopa County Superior Court Judge

## Scruggs, Colleen

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**From:** TurboCourt Customer Service <CustomerService@TurboCourt.com>  
**Sent:** Thursday, December 22, 2016 1:56 PM  
**To:** Scruggs, Colleen; azturbocourt@lrrc.com  
**Subject:** AZTurboCourt E-Filing Courtesy Notification

PLEASE DO NOT REPLY TO THIS EMAIL.

A party in this case requested that you receive an AZTurboCourt Courtesy Notification.

AZTurboCourt Form Set #2037978 has been DELIVERED to Maricopa County.

You will be notified when these documents have been processed by the court.

Here are the filing details:

Case Number: CV2016-011872 (Note: If this filing is for case initiation, you will receive a separate notification when the case # is assigned.)

Case Title: State Of Arizona, Et.Al. Vs. Compass Cooperative M

Filed By: Justin J Henderson

AZTurboCourt Form Set: #2037978

Keyword/Matter #: 302377-00001

Delivery Date and Time: Dec 22, 2016 1:55 PM MST

Forms:

Summary Sheet (This summary sheet will not be filed with the court. This sheet is for your personal records only.)

Attached Documents:

Petition: Petition No. 6 - Petition for Order for Release of Special Deposits Held by Compass Cooperative Health Plan, Inc., dba Meritus Health Partners

Proposed Order/Judgment (Supporting): Order re Petition No. 6 for Release of Special Deposits Held by Compass Cooperative Health Plan, Inc., dba Meritus Health Partners