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5 *Attorneys for Receiver*

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8 SUPERIOR COURT OF ARIZONA

9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*
11 KEITH SCHRAAD, 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. 18

**PETITION TO ACCEPT FIFTH
STATUS REPORT FOR THE
PERIOD ENDING DECEMBER 31,
2017**

(Assigned to The Honorable
Daniel Martin)

19
20 Keith Schraad, Interim Director of Insurance, as Receiver (hereinafter “Receiver”)
21 of Compass Cooperative Mutual Health Network, Inc. doing business as Meritus Mutual
22 Health Partners (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc. dba
23 Meritus Health Partners (“MHP”), appointed pursuant to A.R.S. § 20-611, *et seq.*, hereby
24 petitions the Court for entry of the Order Accepting Fifth Status Report for the Period
25 Ending December 31, 2017 for the reasons set forth herein.

26 . . .

1 done associated with processing the provider claims in order to implement the claims
2 process with the providers.

3 c. As part of the POC Process and processing the provider claims, the
4 Receiver is preparing the status update regarding the claims by providers, enrollees,
5 insureds and the Arizona Fund which is due to be filed with the Court on or before March
6 31, 2018 in accordance with Order Re Petition No. 14 Accepting Status Report on Claims
7 Adjudication and Granting Order Regarding Future Claim Reports.

8 d. Accounting Services and General Accounting and Administrative.
9 The Receiver contracted with Regulatory Services Group, subject to this Court's May 23,
10 2017 Order Re Petition No. 11 Approving Rates for Accounting Services. During the
11 fourth quarter of 2017, additional work continued to be done on the accounting of the
12 Meritus Companies in Liquidation including work on a liquidation balance sheet.

13 e. Third Party Documents. The Receiver previously issued several
14 demands to third parties requesting production of documents. The Receiver continued
15 the review and evaluation of the documents that have been produced along with
16 documents otherwise in the possession of Meritus, which combined total more than
17 14,000 documents.

18 f. Claims Involving Federal Government. The Receiver continued to
19 review and consider claims against and asserted by the Federal Government associated
20 with the Affordable Care Act. In accordance with that review, the Receiver submitted a
21 notice of setoff to the parties asserting claims on behalf of the Federal Government.

Summary of Payments

22
23 5. Legal Counsel. During the reporting period, the total amounts (fees and
24 expenses) that have been paid to legal counsel are \$27,353.13 for Meritus Mutual and
25 \$27,271.45 for MHP for a combined amount of \$54,624.58. Work was performed and
26 invoices were submitted for additional services and amounts during the reporting period

1 but not paid until after December 31, 2017. Because of the timing, those payments will
2 be referenced in the next status report.

3 6. Special Deputy Receiver. During the reporting period, the total amounts
4 (fees and expenses) that have been paid to the Special Deputy Receiver are \$12,810 for
5 Meritus Mutual and \$10,770 for MHP for a combined amount of \$23,580. Work was
6 performed and invoices were submitted for additional services and amounts during the
7 reporting period but not paid until after December 31, 2017. Because of the timing, those
8 payments will be referenced in the next status report.

9 7. Regulatory Services Group. During the reporting period, the total amounts
10 (fees and expenses) that have been paid to the Regulatory Services Group are \$2,990 for
11 Meritus Mutual and \$2,990 for MHP for a combined amount of \$5,980. Work was
12 performed and invoices were submitted for additional services and amounts during the
13 reporting period but not paid until after December 31, 2017. Because of the timing, those
14 payments will be referenced in the next status report.

15 WHEREFORE, the Receiver requests that the Court enter an Order Accepting
16 Fourth Status Report for the Period Ending December 31, 2017 in the form lodged
17 concurrently with this Petition after expiration of the objection period.

18 Dated this 15th day of March, 2018.

19 LEWIS ROCA ROTHGERBER CHRISTIE LLP

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

24 COPY of the foregoing mailed this
25 15th day of March, 2018 to the
26 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 Keith Schraad, Receiver
8 Interim Director
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11 Phoenix, Arizona 85018-7269

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Attorneys for HealthSouth Rehabilitation Hospital

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8 SUPERIOR COURT OF ARIZONA

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10 STATE OF ARIZONA, *ex rel.*
11 KEITH SCHRAAD, Interim Director
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12 Plaintiff,

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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. 18
ACCEPTING FIFTH STATUS
REPORT FOR THE PERIOD
ENDING DECEMBER 31, 2017**

(Assigned to The Honorable
Daniel Martin)

19
20 Keith Schraad, Interim Director of the Arizona Department of Insurance, as
21 Receiver of Compass Cooperative Mutual Health Network, Inc. doing business as
22 Meritus Mutual Health Partners (“Meritus Mutual”) and Compass Cooperative Health
23 Plan, Inc., dba Meritus Health Partners (“MHP”), having filed Petition No. 18 for entry of
24 an Order Accepting Fifth Status Report for the Period Ending December 31, 2017 and
25 good cause appearing therefor,

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IT IS ORDERED:

The Fifth Status Report for the Period Ending December 31, 2017, as filed by the Receiver of Meritus Mutual and MHP, having been reviewed and considered by the Court, is hereby accepted.

ENTERED this ____ day of _____, 2018.

The Honorable Daniel Martin
Maricopa County Superior Court Judge

Scruggs, Colleen

From: CustomerService=turbocourt.com@smtp.turbocourt.com on behalf of TurboCourt
Customer Service <CustomerService@TurboCourt.com>
Sent: Thursday, March 15, 2018 3:48 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 #2556854 has been DELIVERED to Maricopa County - Superior Court.

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: #2556854

Keyword/Matter #: 302377-00001

Delivery Date and Time: Mar 15, 2018 3:47 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. 18 - Petition to Accept Fifth Status Report for the Period Ending December 31, 2017

Proposed Order/Judgment (Supporting): Order re Petition No. 18 Accepting Fifth Status Report for the Period Ending December 31, 2017