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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. 23

**PETITION TO ACCEPT
SEVENTH STATUS REPORT FOR
THE PERIOD ENDING JUNE 30,
2018**

(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. dba as Meritus Mutual Health
22 Partners (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc. dba Meritus
23 Health Partners (“MHP”), appointed pursuant to A.R.S. § 20-611, *et seq.*, hereby
24 petitions the Court for entry of the Order re Petition No. 23 Accepting Seventh Status
25 Report for the Period Ending June 30, 2018 for the reasons set forth herein.

26 . . .

1 1. In an Order dated August 10, 2016, this Court placed Meritus Mutual and
2 MHP into receivership under orders of liquidation.

3 2. On August 24, 2016, this Court entered Order Re Petition No. 1 – Petition
4 for Entry of Order Approving Compensation for Special Deputy Receiver and for Legal
5 Counsel.

6 a. Pursuant to Paragraph 3(c) of that Order, the Receiver is required to
7 make periodic filings, initially quarterly, of a Petition to Accept Status Report, which
8 filing is required to include amounts paid to the Special Deputy Receiver and to legal
9 counsel during the period along with a brief summary of services and/or tasks performed
10 during the period and other matters as requested by the Court.

11 b. In order to provide such report for the prior period, consistent with
12 Paragraph 3(c), the Receiver is submitting this Petition to Accept Seventh Status Report
13 for the Period Ending June 30, 2018 (“Petition”) after the quarter end of the prior period
14 ending June 30, 2018. Unless the Court otherwise orders, the Receiver anticipates filing
15 these reports effective each calendar quarter end.

16 3. This Petition along with the Status Report included herein is submitted in
17 accordance with those requirements.

18 **Summary of Services/Tasks**

19 4. The services and tasks performed during the reporting period (Second
20 Quarter of 2018) include the following:

21 a. Proof of Claim (“POC”) Process. During the second quarter of
22 2018, the Receiver continued evaluation of claims filed as part of the POC process,
23 including considering claim amounts, priority levels and potentially offset, depending on
24 the circumstances.

25 b. Provider Payments. In the second quarter of 2018, in conjunction
26 with the work associated with the Liquidation Plan, a significant amount of work

1 continued to focus on the processing of 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 prepared and filed its Second Report on Claims to the Court dated June 28,
5 2018.

6 d. Accounting Services and General Accounting and Administrative.
7 The Receiver contracted with Regulatory Services Group, subject to this Court's May 23,
8 2017 Order Re Petition No. 11 Approving Rates for Accounting Services. During the
9 second quarter of 2018, additional work continued to be done on the accounting of the
10 Meritus Companies in Liquidation, including work on a liquidation balance sheet.

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

16 f. Claims Involving Federal Government. The Receiver continued to
17 review and consider claims against and asserted by the Federal Government associated
18 with the Affordable Care Act. That review included, among other things, review of the
19 other litigation around the country involving other co-ops.

20 **Summary of Payments**

21 5. Legal Counsel. During the reporting period, the total amounts (fees and
22 expenses) that have been paid to legal counsel are \$53,753.00 for Meritus Mutual and
23 \$54,018.28 for MHP for a combined amount of \$107,771.28. Work was performed and
24 invoices were submitted for additional services and amounts during the reporting period
25 but not paid until after June 30, 2018. Because of the timing, those payments will be
26 referenced in the next status report.

1 SUPERIOR COURT OF ARIZONA

2 COUNTY OF MARICOPA

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

4 **MASTER SERVICE LIST**

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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. 23
ACCEPTING SEVENTH STATUS
REPORT FOR THE PERIOD
ENDING JUNE 30, 2018**

(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. dba Meritus Mutual
22 Health Partners (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc. dba
23 Meritus Health Partners (“MHP”), having filed Petition No. 23 for entry of an Order
24 Accepting Seventh Status Report for the Period Ending June 30, 2018 and good cause
25 appearing therefor,

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IT IS ORDERED:

The Seventh Status Report for the Period Ending June 30, 2018, 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: Friday, August 24, 2018 11:06 AM
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 #2779170 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: #2779170

Keyword/Matter #: 302377-00001

Delivery Date and Time: Aug 24, 2018 11:05 AM 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. 23 - Petition to Accept Seventh Status Report for the Period Ending June 30, 2018

Proposed Order/Judgment (Supporting): Order re Petition No. 23 Accepting Seventh Status Report for the Period Ending June 30, 2018