

**EXHIBIT 2**  
**PART 2**

# Exhibit C

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

April 9, 2013

Compass Cooperative Health Network  
Attn: Kathy Oestreich  
1670 N Dry Springs Drive  
Green Valley, AZ 85614

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan**  
**First Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Health Network and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the first disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Kevin G. Kendrick". The signature is written in a cursive style.

Kevin G. Kendrick  
CO-OP Team

Attachment

# Attachment

**SCHEDULE A:**

**FIRST RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
03/21/2013	\$14,202,319.00	03/21/2014	\$0.00	\$0.00	\$0.00	B-01
		03/23/2015	\$0.00	\$0.00	\$0.00	B-01
		03/21/2016	\$0.00	\$0.00	\$0.00	B-01
		03/21/2017	\$0.00	\$0.00	\$0.00	B-01
		03/21/2018	\$0.00	\$0.00	\$0.00	B-01
		03/21/2019	\$1,404,327.43	\$213,034.79	\$1,617,362.22	B-01
		03/23/2020	\$1,407,838.25	\$31,994.98	\$1,439,833.23	B-01
		03/22/2021	\$1,411,357.84	\$28,475.38	\$1,439,833.22	B-01
		03/21/2022	\$1,414,886.24	\$24,946.99	\$1,439,833.23	B-01
		03/21/2023	\$1,418,423.45	\$21,409.77	\$1,439,833.22	B-01
		03/21/2024	\$1,421,969.51	\$17,863.71	\$1,439,833.22	B-01
		03/21/2025	\$1,425,524.44	\$14,308.79	\$1,439,833.23	B-01
		03/23/2026	\$1,429,088.25	\$10,744.98	\$1,439,833.23	B-01
		03/22/2027	\$1,432,660.97	\$7,172.26	\$1,439,833.23	B-01
		03/21/2028	\$1,436,242.62	\$3,590.61	\$1,439,833.23	B-01

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

July 3, 2013

Compass Cooperative Health Network  
Attn: Kathy Oestreich  
1670 N Dry Springs Drive  
Green Valley, AZ 85614

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan  
Second Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Health Network and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the second disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Kevin G. Kendrick".

Kevin G. Kendrick  
CO-OP Team

Attachment

## **Attachment**

**SCHEDULE A:**

**SECOND RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
06/21/2013	\$9,047,645.00	06/23/2014	\$0.00	\$0.00	\$0.00	B-02
		06/22/2015	\$0.00	\$0.00	\$0.00	B-02
		06/21/2016	\$0.00	\$0.00	\$0.00	B-02
		06/21/2017	\$0.00	\$0.00	\$0.00	B-02
		06/21/2018	\$0.00	\$0.00	\$0.00	B-02
		06/21/2019	\$894,632.49	\$135,714.67	\$1,030,347.16	B-02
		06/22/2020	\$896,869.07	\$20,382.53	\$917,251.60	B-02
		06/21/2021	\$899,111.25	\$18,140.36	\$917,251.61	B-02
		06/21/2022	\$901,359.02	\$15,892.58	\$917,251.60	B-02
		06/21/2023	\$903,612.42	\$13,639.18	\$917,251.60	B-02
		06/21/2024	\$905,871.45	\$11,380.15	\$917,251.60	B-02
		06/23/2025	\$908,136.13	\$9,115.47	\$917,251.60	B-02
		06/22/2026	\$910,406.47	\$6,845.13	\$917,251.60	B-02
		06/21/2027	\$912,682.49	\$4,569.12	\$917,251.61	B-02
		06/21/2028	\$914,964.21	\$2,287.41	\$917,251.62	B-02

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*



DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

June 27, 2014

Compass Cooperative Mutual Health Network, Inc.  
Attn: Kathy Oestreich  
2005 W 14th Street  
Tempe AZ 85281

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan**  
**Third Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Mutual Health Network, Inc. and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the third disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Kevin G. Kendrick". The signature is written in a cursive style.

Kevin G. Kendrick  
CO-OP Team

Attachment

## **Attachment**

**SCHEDULE A:**

**THIRD RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
05/14/2014	\$7,250,815.00	05/14/2015	\$0.00	\$0.00	\$0.00	B-03
		05/16/2016	\$0.00	\$0.00	\$0.00	B-03
		05/15/2017	\$0.00	\$0.00	\$0.00	B-03
		05/14/2018	\$0.00	\$0.00	\$0.00	B-03
		05/14/2019	\$0.00	\$90,635.19	\$90,635.19	B-03
		05/14/2020	\$716,961.67	\$18,127.04	\$735,088.71	B-03
		05/14/2021	\$718,754.08	\$16,334.63	\$735,088.71	B-03
		05/16/2022	\$720,550.96	\$14,537.75	\$735,088.71	B-03
		05/15/2023	\$722,352.34	\$12,736.37	\$735,088.71	B-03
		05/14/2024	\$724,158.22	\$10,930.49	\$735,088.71	B-03
		05/14/2025	\$725,968.62	\$9,120.09	\$735,088.71	B-03
		05/14/2026	\$727,783.54	\$7,305.17	\$735,088.71	B-03
		05/14/2027	\$729,603.00	\$5,485.71	\$735,088.71	B-03
		05/15/2028	\$731,427.00	\$3,661.71	\$735,088.71	B-03
		05/14/2029	\$733,255.57	\$1,833.14	\$735,088.71	B-03

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

August 19, 2014

Compass Cooperative Mutual Health Network, Inc.  
Attn: Kathy Oestreich  
2005 W 14th Street  
Tempe AZ 85281

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan  
Fourth Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Mutual Health Network, Inc. and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the fourth disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Mutual Health Network, Inc. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Kevin G. Kendrick". The signature is written in a cursive style.

Kevin G. Kendrick  
CO-OP Team

Attachment

# Attachment

**SCHEDULE A:**

**FOURTH RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
08/14/2014	\$10,595,691.00	08/14/2015	\$0.00	\$0.00	\$0.00	B-04
		08/15/2016	\$0.00	\$0.00	\$0.00	B-04
		08/14/2017	\$0.00	\$0.00	\$0.00	B-04
		08/14/2018	\$0.00	\$0.00	\$0.00	B-04
		08/14/2019	\$0.00	\$132,446.14	\$132,446.14	B-04
		08/14/2020	\$1,047,703.51	\$26,489.23	\$1,074,192.74	B-04
		08/16/2021	\$1,050,322.77	\$23,869.97	\$1,074,192.74	B-04
		08/15/2022	\$1,052,948.58	\$21,244.16	\$1,074,192.74	B-04
		08/14/2023	\$1,055,580.95	\$18,611.79	\$1,074,192.74	B-04
		08/14/2024	\$1,058,219.90	\$15,972.84	\$1,074,192.74	B-04
		08/14/2025	\$1,060,865.45	\$13,327.29	\$1,074,192.74	B-04
		08/14/2026	\$1,063,517.62	\$10,675.12	\$1,074,192.74	B-04
		08/16/2027	\$1,066,176.41	\$8,016.33	\$1,074,192.74	B-04
		08/14/2028	\$1,068,841.85	\$5,350.89	\$1,074,192.74	B-04
		08/14/2029	\$1,071,513.96	\$2,678.78	\$1,074,192.74	B-04

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

November 14, 2014

Compass Cooperative Mutual Health Network  
Attn: Kathy Oestreich  
2005 West 14th Street, Suite 113  
Tempe, AZ 85281

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan  
Fifth Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Mutual Health Network and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the first disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Mutual Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in cursive script that reads "Meghan Elrington-Clayton".

Meghan Elrington-Clayton  
CO-OP Team

Attachment

# Attachment



**SCHEDULE A:**

**FIFTH RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
11/14/2014	\$4,336,182.00	11/16/2015	\$0.00	\$0.00	\$0.00	B-05
		11/14/2016	\$0.00	\$0.00	\$0.00	B-05
		11/14/2017	\$0.00	\$0.00	\$0.00	B-05
		11/14/2018	\$0.00	\$0.00	\$0.00	B-05
		11/14/2019	\$0.00	\$54,202.28	\$54,202.28	B-05
		11/16/2020	\$428,762.33	\$10,840.46	\$439,602.79	B-05
		11/15/2021	\$429,834.23	\$9,768.55	\$439,602.78	B-05
		11/14/2022	\$430,908.82	\$8,693.96	\$439,602.78	B-05
		11/14/2023	\$431,986.09	\$7,616.69	\$439,602.78	B-05
		11/14/2024	\$433,066.05	\$6,536.73	\$439,602.78	B-05
		11/14/2025	\$434,148.72	\$5,454.06	\$439,602.78	B-05
		11/16/2026	\$435,234.09	\$4,368.69	\$439,602.78	B-05
		11/15/2027	\$436,322.18	\$3,280.60	\$439,602.78	B-05
		11/14/2028	\$437,412.98	\$2,189.80	\$439,602.78	B-05
		11/14/2029	\$438,506.51	\$1,096.27	\$439,602.78	B-05

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

May 14, 2015

Compass Cooperative Mutual Health Network  
Attn: Tom Zumtobel  
2005 West 14th Street, Suite 113  
Tempe, AZ 85281

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan  
Sixth Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Mutual Health Network and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the sixth disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Mutual Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Meghan Elrington-Clayton". The signature is written in a cursive, flowing style.

Meghan Elrington-Clayton  
CO-OP Team

Attachment

# Attachment

SCHEDULE A:						
SIXTH RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE						
DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
05/14/2015	\$7,541,146.00	05/16/2016	\$0.00	\$0.00	\$0.00	B-06
		05/15/2017	\$0.00	\$0.00	\$0.00	B-06
		05/14/2018	\$0.00	\$0.00	\$0.00	B-06
		05/14/2019	\$0.00	\$75,411.46	\$75,411.46	B-06
		05/14/2020	\$0.00	\$18,852.87	\$18,852.87	B-06
		05/14/2021	\$745,669.65	\$18,852.87	\$764,522.52	B-06
		05/16/2022	\$747,533.82	\$16,988.69	\$764,522.51	B-06
		05/15/2023	\$749,402.65	\$15,119.86	\$764,522.51	B-06
		05/14/2024	\$751,276.16	\$13,246.35	\$764,522.51	B-06
		05/14/2025	\$753,154.35	\$11,368.16	\$764,522.51	B-06
		05/14/2026	\$755,037.24	\$9,485.27	\$764,522.51	B-06
		05/14/2027	\$756,924.83	\$7,597.68	\$764,522.51	B-06
		05/15/2028	\$758,817.14	\$5,705.37	\$764,522.51	B-06
		05/14/2029	\$760,714.19	\$3,808.33	\$764,522.52	B-06
		05/14/2030	\$762,615.97	\$1,906.54	\$764,522.51	B-06

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**OFFICE OF INSURANCE PROGRAMS**

---

August 14, 2015

Compass Cooperative Mutual Health Network  
Attn: Tom Zumtobel  
2005 West 14th Street, Suite 113  
Tempe, AZ 85281

**Re: Schedule A to Appendix 4, Promissory Note – Series B Solvency Loan  
Seventh Record of Disbursement**

Dear Borrower:

Consistent with the Loan Agreement in force between Compass Cooperative Mutual Health Network and CMS, dated June 7, 2012 (Agreement), and the Promissory Note attached to, and incorporated into, the Loan Agreement as Appendix 4, CMS hereby provides you with the accompanying record of disbursement of Solvency Loan (Series B) funding, which reflects the seventh disbursement of Solvency Loan funding pursuant to the Agreement. Said record constitutes a part of Schedule A to Appendix 4 of the Agreement, along with all previous such records of Solvency Loan funding disbursement.

A copy of the record referenced herein is attached in final form to this letter as Attachment 1 for illustrative purposes. Accordingly, Attachment 1 to this letter is by operation of the existing terms of the Agreement incorporated into it as part of Schedule A to Appendix 4. This constitutes a revision, by addition, to Schedule A to Appendix 4 in the ordinary course of business during the Financing Period to comport with the business realities of Compass Cooperative Mutual Health Network. As such, a Loan Modification or other amendment to the Agreement is not required.

Sincerely,

A handwritten signature in black ink that reads "Meghan Elrington-Clayton". The signature is written in a cursive, flowing style.

Meghan Elrington-Clayton  
CO-OP Team

Attachment

# Attachment

**SCHEDULE A:  
SEVENTH RECORD OF SOLVENCY DISBURSEMENTS AND PRINCIPAL DUE**

DISBURSEMENT DATE	DISBURSEMENT AMOUNT ("PRINCIPAL")	DATE FOR REPAYMENT OF PRINCIPAL AND INTEREST	PRINCIPAL PAYMENT DUE*	INTEREST PAYMENT DUE*	TOTAL REPAYMENT AMOUNT DUE*	SERIES DESIGNATION
08/14/2015	\$19,449,102.00	08/15/2016	\$0.00	\$0.00	\$0.00	B-07
		08/14/2017	\$0.00	\$0.00	\$0.00	B-07
		08/14/2018	\$0.00	\$0.00	\$0.00	B-07
		08/14/2019	\$0.00	\$194,491.02	\$194,491.02	B-07
		08/14/2020	\$0.00	\$48,622.76	\$48,622.76	B-07
		08/16/2021	\$1,923,130.12	\$48,622.76	\$1,971,752.88	B-07
		08/15/2022	\$1,927,937.94	\$43,814.93	\$1,971,752.87	B-07
		08/14/2023	\$1,932,757.79	\$38,995.08	\$1,971,752.87	B-07
		08/14/2024	\$1,937,589.68	\$34,163.19	\$1,971,752.87	B-07
		08/14/2025	\$1,942,433.66	\$29,319.22	\$1,971,752.88	B-07
		08/14/2026	\$1,947,289.74	\$24,463.13	\$1,971,752.87	B-07
		08/16/2027	\$1,952,157.97	\$19,594.91	\$1,971,752.88	B-07
		08/14/2028	\$1,957,038.36	\$14,714.51	\$1,971,752.87	B-07
		08/14/2029	\$1,961,930.96	\$9,821.92	\$1,971,752.88	B-07
		08/14/2030	\$1,966,835.78	\$4,917.09	\$1,971,752.87	B-07

For each drawdown of the Solvency Loan, payment of principal and interest is calculated as follows: No interest or principal payments are due before 2019. For disbursements made on or after 2012 but no later than 2018, the interest-only period begins in 2019 and ends 5 years from the date of the disbursement. During this period, interest payments are due annually, starting in 2019. For disbursements made after 2018, the interest-only period begins one year after the disbursement date, and ends 5 years after the disbursement date. During this period, 5 annual interest payments are due, starting in the first year of the interest-only period. The amortization period begins the later of 2019 or 6 years from the time of disbursement and ends 15 years from the time of disbursement. During this period, 10 equal, annual payments, that include principal and interest, are due each year based on the full amortization of the remaining unpaid principal balance over the remaining term. Interest shall be simple, not compound. Any distinction between the method of determining interest accrual or payment set forth here with any other provision in the agreement shall be resolved in favor of this Surplus Note, and such other provision, to the extent inconsistent with this Surplus Note, shall be deemed unenforceable pursuant to Section 19.10 of the Agreement.

*\* No payment of principal and/or interest shall be made without authorization and approval by the Insurance Commissioner of the state of domicile. In accordance with Statutory Accounting Principles, interest expense will not be recorded in the Borrower's financial statements prior to such approval.*

# **Exhibit D**



Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



**INSURANCE PROGRAMS GROUP**

---

December 18, 2015

**VIA ELECTRONIC MAIL:** [tzumtobel@meritusaz.com](mailto:tzumtobel@meritusaz.com)

Mr. Tom Zumtobel  
Chief Executive Officer  
Compass Cooperative Mutual Health Network  
1670 N. Dry Springs Drive  
Green Valley, Arizona 85614

**Re: Termination of the Compass Cooperative Mutual Health Network Loan Agreement**

Dear Mr. Zumtobel:

In accordance with section 15.3 and 16.2 of the Loan Agreement between Compass Cooperative Mutual Health Network (Compass) doing business as Meritus Mutual Health Partners (PPO plan) and Meritus Health Partners (HMO plan) and the Centers for Medicare & Medicaid Services (CMS), CMS is hereby terminating the agreement on December 31, 2015. Under section 16.2 of Loan Agreement, CMS has the authority to terminate this agreement in our sole and absolute discretion. We have determined that Compass will not be able to maintain a viable and sustainable CO-OP that serves the interest of its community and the goals of the program. This determination was based on the suspension of Compass's license to offer health insurance coverage, resulting in an event of default under section 15.1 of the Loan Agreement. Unfortunately, this event of default was unable to be cured in accordance with section 15.2 of the Loan Agreement. Please be assured that we have come to this conclusion following careful consideration and a thorough investigation.

Compass entered into a Loan Agreement with CMS on June 7, 2012 and originally became licensed to offer health insurance coverage in Arizona on May 28, 2013. As you know, one of the terms of the Loan Agreement with CMS was that the company would be subject to program monitoring. As part of that program monitoring, on September 28, 2015, CMS notified you that we had identified issues that threatened Compass's viability.

Specifically, CMS notified Compass that we had significant concerns about Compass's sensitivity to deviations from projected financial outcomes and Compass's solvency and liquidity for 2015 and 2016. Further, we had concerns that as of June 2015, Compass had lost \$11.5 million, significantly higher than Compass's projected loss of \$6.8 million for all 2015

At that time, we believed placing Compass on corrective action plan (CAP) and enhanced oversight plan (EOP) would correct these issues. Unfortunately since placing Compass on a

CAP and EOP, the suspension of Compass's license to offer health insurance created an event of default that was unable to be cured in accordance with section 15.2 of the Loan Agreement.

**Event of Default**


On October 30, 2015, the Arizona Department of Insurance (DOI) notified CMS that on October 30, 2015, it issued Compass an order for supervision and summarily suspended Compass's certificate of authority, which was effective immediately and prohibited the issuance of new and renewal health insurance plans in Arizona. The DOI issued these orders because in accordance with A.R.S. §20-220.01(A)(1), the DOI deemed Compass to be hazardous to its policyholders, creditors or the general public due to the adverse findings reported in Compass's financial statements and reports.

Pursuant to section 15.3 of the Loan Agreement, CMS is declaring that the unpaid Principal amount of the Loans, together with all Interest accrued thereon, and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, are immediately due and payable without further notice or cure opportunities to Compass, which notice and rights to cure in such Workout Period are hereby irreparably waived.

Additionally, CMS is requesting a meeting with your Board of Directors to address any questions regarding this letter and any plans your organization may have regarding dissolution. Please work directly with Matt Lynch to arrange this meeting.

CMS has notified the DOI regarding our decision to terminate your Loan Agreement. This was a difficult decision and it was made after detailed review and much consideration. Further, we appreciate the dedication and hard work of you and your team in a very challenging business, but we believe this action is in the best interest of consumers and the membership of Compass.

Sincerely,



Kevin J. Counihan

Chief Executive Officer, Health Insurance Marketplaces  
Director, Center for Consumer Information & Insurance Oversight

Cc: Michael Kelly, Chair, Board of Directors  
Andy Tobin, Director, Arizona Department of Insurance  
Matthew Lynch, Insurance Programs Group Director  
Meghan Elrington-Clayton, Acting Director, CO-OP Program Division  
Reed Cleary, Manager of the Finance and Risk Management Team  
Chanda McNeal, Manager, Operations Team  
Joan Peterson, CO-OP Program Account Manager  
Nicole Gordon, CO-OP Program Back-up Account Manager  
Ernie Tai, Regional Account Manager

# Exhibit E

# Compass Cooperative Mutual Health Network

Date as of: 5/15/2017

Disbursement Date	Document ID	Borrower	Loan Type	Interest Rate	Disbursement Amount	Total Principal Repayments	Outstanding Principal Balance	Days of Accrued Interest	Calculated CUMULATIVE Accrd Interest as of 5/15/17
03/21/2013	12AZ1SVa01	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$14,202,315.00	\$0.00	\$14,202,319.00	1,484	\$147,349.06
06/21/2013	12AZ1SVa02	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$9,047,645.00	\$0.00	\$9,047,645.00	1,404	\$88,214.54
05/14/2014	12AZ1SVa03	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$7,250,815.00	\$0.00	\$7,250,815.00	1,081	\$54,431.47
08/14/2014	12AZ1SVa04	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$10,595,691.00	\$0.00	\$10,595,691.00	991	\$72,918.96
11/14/2014	12AZ1SVa05	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$4,336,182.00	\$0.00	\$4,336,182.00	901	\$27,131.25
05/14/2015	12AZ1SVa06	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$7,541,146.00	\$0.00	\$7,541,146.00	721	\$37,758.10
08/14/2015	12AZ1SVa07	Compass Cooperative Mutual Health Network	Solvency	0.25%	\$19,449,102.00	\$0.00	\$19,449,102.00	631	\$85,224.88
					\$72,422,900.00	\$0.00	\$72,422,900.00	7,223	\$513,028.25

# **Exhibit F**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



---

Date: 12-AUG-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FIRST REQUEST**

Re: Program : Advance Payment of Cost-Sharing Reductions  
Entity ID : A193001  
Invoice Number : R1608A193001003  
Invoice Date : 12-AUG-2016  
Invoice Amount : \$112,917.29  
Payment Due Date : 27-AUG-2016

Dear Sir/Madam,

This letter is to notify you that the Centers for Medicare & Medicaid Services (CMS) has determined that COMPASS COOPERATIVE MUTUAL HEALTH NETWORK owes the amount of \$112,917.29 for the program referenced above. This determination is based on the calculations found in the Final HIX 820 report for the month of August, 2016. The charge amount noted above may reflect adjustments pursuant to 45 CFR 156.1215 that were applied from payments that were due to or from COMPASS COOPERATIVE MUTUAL HEALTH NETWORK for other ACA programs.

**Payment Instructions**

Payment must be submitted electronically. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. To avoid offset of future payments you must pay this amount in full within 15 calendar days of the date of this letter. If the full amount is not paid within 15 calendar days, future payments will be offset until the full amount of the debt is collected, if applicable.

### **Interest, Administrative Fees and Penalties**

If the full amount owed is not paid within 30 calendar days from the date of this letter, your debt will be considered delinquent as of the date of this letter. Should your debt become delinquent CMS will assess interest, administrative costs, and late payment penalties in accordance with the Department of Health and Human Services (HHS) claims collection regulation at 45 CFR Section 30.18. Any amounts not paid within 30 calendar days from the date of this letter will be assessed interest at the rate of 9.625 percent per year, starting from the date of delinquency, i.e., from the date of this letter. Administrative costs incurred for processing and handling amounts not paid by the due date will be assessed. In addition, a penalty charge of 6 percent per year will be assessed on any principal amounts delinquent for more than 90 days. These charges will continue to accrue until the debt is paid in full or otherwise resolved.

### **Referral to the U.S Department of the Treasury for Collection**

If your debt remains unpaid 90 days from the date of this letter your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. Section 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

The Treasury's Debt Management Services will use various tools to collect the debt, including offset of federal payments, demand letters, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation.

### **Right to Inspect Records Prior to Referral to Treasury**

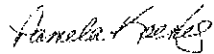
You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise your right to present evidence that all or part of your debt is not past due or legally enforceable, CMS must receive a copy of the evidence to support your position, along with a copy of this letter. You have the right to inspect and copy all records pertaining to your debt. In order to present evidence or review the HHS records, you must submit a written request to [CCIIInvoices@cms.hhs.gov](mailto:CCIIInvoices@cms.hhs.gov). Your request must be received within 60 calendar days from the date of this letter. In response to a timely request for access to HHS records, you will be notified of the location and time when you can inspect and copy records related to this debt. Interest, administrative charges, and penalties will continue to accrue during any review period. Therefore, while review is pending, you will be liable for interest and related late payment charges on amounts not paid by the due date identified above.

### **Bankruptcy**

If you have filed a petition for bankruptcy or you are involved in insolvency or liquidation proceedings in your state, please notify CMS at [CCIIInvoices@cms.hhs.gov](mailto:CCIIInvoices@cms.hhs.gov). CMS financial obligations will be resolved in accordance with the applicable regulations and court process. Documentation supporting your status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under and the district or state court where it is filed and the docket number.

A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services



# **Exhibit G**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



---

Date: 17-OCT-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FINAL REQUEST**

Re: Program	:	Advance Payment of Cost-Sharing Reductions
Entity ID	:	A193001
Invoice Number	:	R1608A193001003
Invoice Date	:	12-AUG-2016
Invoice Amount	:	\$112,917.29
Interest Charge	:	\$1,811.38
Administrative Fee	:	\$15.00
Total Amount Due	:	\$114,743.67

Dear Sir/Madam,

Your debt owed to the Centers for Medicare and Medicaid Services (CMS) is delinquent and, by this letter, we are providing notice that your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. Section 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any principal amounts delinquent for more than 90 days.

**Interest and Administrative Fees**

Simple interest at the rate of 9.625 percent is being assessed on the unpaid balance. Interest is assessed 30 calendar days from the date of the initial invoice for each 30-day period payment is delayed. In addition, an administrative fee of \$15 has been added to the unpaid balance.

### **Referral to the U.S. Department of the Treasury for Collection**

If the total amount due is not paid immediately your debt will be referred to the Treasury for collection. The Treasury will use various tools to collect the debt, including offset of federal payments, invoices, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation. The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

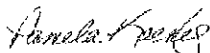
### **Payment Instructions**

If you take immediate action and pay this debt in full, your debt will not be referred to the Treasury for collection. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. If the full amount is not paid immediately, future payments will be offset pursuant to 45 CFR 156.1215(b) until the full amount of the debt is collected, if applicable.

### **Bankruptcy/Insolvency**

If your organization has filed a petition for bankruptcy or if your organization is involved in insolvency or liquidation proceedings, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). All financial obligations will be resolved in accordance with the applicable federal law. Documentation supporting your organization's status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under, the district or state court where it is filed and the docket number. A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# **Exhibit H**

**ACA Transitional Reinsurance Program  
Annual Enrollment and Contributions Submission Form**



*\* Required Fields*

Current Date: 05/03/2017

\* Legal Business Name (LBN): Compass Cooperative MHN

\* Federal Tax ID Number: 27-3835905

**Billing Contact**

\* First Name: Tom \* Last Name: Napolitano \* Job Title: CFO

\* Email Address: tnapolitano@meritusaz.com \* Telephone: (602) 957-2113 Ext: 400

**Billing Address**

\* Line 1: 2005 W. 14th Street, Suite 113 Line 2: \_\_\_\_\_

\* City: Tempe \* State: Arizona \* Zip Code: 85281

**Contact for Submission**

\* First Name: Kristen \* Last Name: Hart \* Job Title: Finance

\* Email Address: khart@meritusaz.com \* Telephone: (602) 957-2113 Ext: \_\_\_\_\_

\* Are you reporting for more than three (3) Contributing Entities?  Yes \*  No

\* Are you both the Reporting Entity and Contributing Entity?  Yes  No

**ACA Transitional Reinsurance Program  
Annual Enrollment and Contributions Submission Form**



**Contributing Entity 1:**

\* Legal Business Name (LBN): Compass Cooperative MHN

\* Federal Tax ID Number: 27-3835905 \* Organization Type: Nonprofit

**Billing Address**

\* Line 1: 2005 W. 14th Street, Suite 113 Line 2: \_\_\_\_\_

\* City: Tempe \* State: Arizona \* Zip Code: 85281

\* Domiciliary State: Arizona

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: 4,190.14

\* Indicate Type of Contributing Entity: Health Insurance Issuer

Other Type: \_\_\_\_\_

**Contributing Entity 2:**

\* Legal Business Name (LBN): \_\_\_\_\_

\* Federal Tax ID Number: \_\_\_\_\_ \* Organization Type: \_\_\_\_\_

**Billing Address**

\* Line 1: \_\_\_\_\_ Line 2: \_\_\_\_\_

\* City: \_\_\_\_\_ \* State: \_\_\_\_\_ \* Zip Code: \_\_\_\_\_

\* Domiciliary State: \_\_\_\_\_

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: \_\_\_\_\_

\* Indicate Type of Contributing Entity: \_\_\_\_\_

Other Type: \_\_\_\_\_

**Contributing Entity 3:**

\* Legal Business Name (LBN): \_\_\_\_\_

\* Federal Tax ID Number: \_\_\_\_\_ \* Organization Type: \_\_\_\_\_

**Billing Address**

\* Line 1: \_\_\_\_\_ Line 2: \_\_\_\_\_

\* City: \_\_\_\_\_ \* State: \_\_\_\_\_ \* Zip Code: \_\_\_\_\_

\* Domiciliary State: \_\_\_\_\_

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: \_\_\_\_\_

\* Indicate Type of Contributing Entity: \_\_\_\_\_

Other Type: \_\_\_\_\_

# ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form



\* Type of Filing

New       Re-Filing       Resubmission       Invoice

\* Type of Payment (All payment types must be filed and scheduled by November 15th of the Benefit Year)

<input checked="" type="checkbox"/>	First Collection - Contribution for Program Payments and Program Administration Funds (Regulatory Payment Due Date - January 15, 2016)
<input type="checkbox"/>	Second Collection - Contribution for General Fund of the US Treasury (Regulatory Payment Due Date - November 15, 2016)
<input type="checkbox"/>	Combined Collection - First Collection + Second Collection (as described above) (Regulatory Payment Due Date - January 15, 2016)

* Benefit Year for Reporting Gross Annual Enrollment Count	_____	2015
Total Applicable Benefit Year Contribution Rate	_____	44.00
* Annual Enrollment Count	_____	4,190.14
* Verify Annual Enrollment Count	_____	4,190.14
Contribution Rate for Program Payments and Program Administration Funds	_____	33.00
Contribution Amount Due for Program Payments and Program Administration Funds	_____	138,274.62
Contribution Rate for General Fund of the US Treasury	_____	11.00
Contribution Amount Due for General Fund of the US Treasury	_____	46,091.54
Total Contributions Due for the Applicable Benefit Year	_____	184,366.16
Previous Pay.gov Tracking ID	_____	
Invoice Number	_____	
Verify Invoice Number	_____	
Invoice Payment Amount	_____	
Annual Enrollment Count	_____	
Verify Annual Enrollment Count	_____	

- The Annual enrollment count entered in this Form is accurate and matches the aggregate enrollment count by entity in the Supporting Documentation, if applicable.
- Acknowledgment: My acknowledgment is on behalf of my organization and the contributing entity or entities for which the data and accompanying payment(s) are being submitted. My acknowledgment legally and financially binds my organization and each contributing entity to the applicable laws, regulations and program instructions of the Affordable Care Act (ACA). By my submission, I certify that the data are true, correct and complete. If my organization or any contributing entity becomes aware that data are untrue, incorrect or incomplete, CMS shall be promptly informed. If CMS identifies a discrepancy or has questions about the data being submitted, I agree to be the contact for responding to such questions. I acknowledge that the provisions of the Affordable Care Act specifically make payments made by or in connection with an Exchange subject to the False Claims Act if those payments include any Federal funds. This includes, but is not limited to, the transitional reinsurance program established under Section 1341 of the Affordable Care Act.

Authorizing Official for Reporting Entity's Acknowledgment

\* First Name: Tom      \* Last Name: Napolitano      \* Job Title: CFO  
 \* Email Address: tnapolitano@MeritusAZ.com      \* Telephone: (602) 957-2113      Ext: 400

# **Exhibit I**



**ACA Transitional Reinsurance Program  
Annual Enrollment and Contributions Submission Form**



*\* Required Fields*

Current Date: 04/26/2017

\* Legal Business Name (LBN): Compass Cooperative MHN

\* Federal Tax ID Number: 27-3835905

**Billing Contact**

\* First Name: Tom \* Last Name: Napolitano \* Job Title: CFO

\* Email Address: tnapolitano@meritusaz.com \* Telephone: (602) 957-2113 Ext: 400

**Billing Address**

\* Line 1: 2005 W. 14th Street, Suite 113 Line 2: \_\_\_\_\_

\* City: Tempe \* State: Arizona \* Zip Code: 85281

**Contact for Submission**

\* First Name: Kristen \* Last Name: Hart \* Job Title: Finance

\* Email Address: khart@meritusaz.com \* Telephone: (602) 957-2113 Ext: \_\_\_\_\_

\* Are you reporting for more than three (3) Contributing Entities?  Yes  No

\* Are you both the Reporting Entity and Contributing Entity?  Yes  No

**ACA Transitional Reinsurance Program  
Annual Enrollment and Contributions Submission Form**



**Contributing Entity 1:**

\* Legal Business Name (LBN): Compass Cooperative MHN

\* Federal Tax ID Number: 27-3835905 \* Organization Type: Nonprofit

**Billing Address**

\* Line 1: 2005 W. 14th Street, Suite 113 Line 2: \_\_\_\_\_

\* City: Tempe \* State: Arizona \* Zip Code: 85281

\* Domiciliary State: Arizona

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: 4,190.14

\* Indicate Type of Contributing Entity: Health Insurance Issuer

Other Type: \_\_\_\_\_

**Contributing Entity 2:**

\* Legal Business Name (LBN): \_\_\_\_\_

\* Federal Tax ID Number: \_\_\_\_\_ \* Organization Type: \_\_\_\_\_

**Billing Address**

\* Line 1: \_\_\_\_\_ Line 2: \_\_\_\_\_

\* City: \_\_\_\_\_ \* State: \_\_\_\_\_ \* Zip Code: \_\_\_\_\_

\* Domiciliary State: \_\_\_\_\_

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: \_\_\_\_\_

\* Indicate Type of Contributing Entity: \_\_\_\_\_

Other Type: \_\_\_\_\_

**Contributing Entity 3:**

\* Legal Business Name (LBN): \_\_\_\_\_

\* Federal Tax ID Number: \_\_\_\_\_ \* Organization Type: \_\_\_\_\_

**Billing Address**

\* Line 1: \_\_\_\_\_ Line 2: \_\_\_\_\_

\* City: \_\_\_\_\_ \* State: \_\_\_\_\_ \* Zip Code: \_\_\_\_\_

\* Domiciliary State: \_\_\_\_\_

\* Benefit Year: 2015 \* Annual Enrollment Count for the applicable benefit year: \_\_\_\_\_

\* Indicate Type of Contributing Entity: \_\_\_\_\_

Other Type: \_\_\_\_\_

**ACA Transitional Reinsurance Program  
Annual Enrollment and Contributions Submission Form**



\* Type of Filing

- New       Re-Filing       Resubmission       Invoice

\* Type of Payment (All payment types must be filed and scheduled by November 15th of the Benefit Year)

<input type="checkbox"/> First Collection - Contribution for Program Payments and Program Administration Funds (Regulatory Payment Due Date - January 15, 2016)
<input checked="" type="checkbox"/> Second Collection - Contribution for General Fund of the US Treasury (Regulatory Payment Due Date - November 15, 2016)
<input type="checkbox"/> Combined Collection - First Collection + Second Collection (as described above) (Regulatory Payment Due Date - January 15, 2016)

* Benefit Year for Reporting Gross Annual Enrollment Count	2015
Total Applicable Benefit Year Contribution Rate	44.00
* Annual Enrollment Count	4,190.14
* Verify Annual Enrollment Count	4,190.14
Contribution Rate for Program Payments and Program Administration Funds	33.00
Contribution Amount Due for Program Payments and Program Administration Funds	138,274.62
Contribution Rate for General Fund of the US Treasury	11.00
Contribution Amount Due for General Fund of the US Treasury	46,091.54
Total Contributions Due for the Applicable Benefit Year	184,366.16
Previous Pay.gov Tracking ID	[REDACTED]
Invoice Number	[REDACTED]
Verify Invoice Number	[REDACTED]
Invoice Payment Amount	[REDACTED]
Annual Enrollment Count	[REDACTED]
Verify Annual Enrollment Count	[REDACTED]

- The Annual enrollment count entered in this Form is accurate and matches the aggregate enrollment count by entity in the Supporting Documentation, if applicable.
- Acknowledgment: My acknowledgment is on behalf of my organization and the contributing entity or entities for which the data and accompanying payment(s) are being submitted. My acknowledgment legally and financially binds my organization and each contributing entity to the applicable laws, regulations and program instructions of the Affordable Care Act (ACA). By my submission, I certify that the data are true, correct and complete. If my organization or any contributing entity becomes aware that data are untrue, incorrect or incomplete, CMS shall be promptly informed. If CMS identifies a discrepancy or has questions about the data being submitted, I agree to be the contact for responding to such questions. I acknowledge that the provisions of the Affordable Care Act specifically make payments made by or in connection with an Exchange subject to the False Claims Act if those payments include any Federal funds. This includes, but is not limited to, the transitional reinsurance program established under Section 1341 of the Affordable Care Act.

Authorizing Official for Reporting Entity's Acknowledgment

\* First Name: Tom      \* Last Name: Napolitano      \* Job Title: CFO  
 \* Email Address: tnapolitano@MeritusAZ.com      \* Telephone: (602) 957-2113      Ext: 400

# Exhibit J

# ACH Debit Transaction Detail

## Report Generated on 04/26/2017 03:59 PM ET

Agency: HHSCMS Application: Transitional Reinsurance Contributions  
Transaction Information

Label	Value	Label	Value
Pay.gov Tracking ID:	25OBL6G4	Collection Status:	Retired
Agency Tracking ID:	74905789351	Effective Date:	11/15/2016 12:00 AM ET
Account Holder Name:	Compass Cooperative Mutual Health Network	Deposit Ticket:	010161
Transaction Date:	11/11/2015 05:55 PM ET	Debit Voucher:	010216
Transaction Amount:	\$46,091.54	Return Reason Code:	29 - CORPORATE CUSTOMER ADVISES NOT AUTHORIZED
Frequency:	One Time	ACH Type:	Meritus
Payment:	1 of 1	Username:	
Email Address:	khart@meritusaz.com		
Account Type:	BusinessChecking		
Bank Account:	*****8788		
Routing Number:	121137522		
Street Address:			
City:			
Country:			
State/Province:			
Zip/Postal Code:			
Tax Identification Number:			
Date of Birth:			

### Classification Data

Label	SP	ATA	AID	BPOA	EPOA	A	MAIN	SUB	Credit BETC	Debit BETC	Amount
Reinsurance Contribution			075			X	5735	001	COLL	COLLAJ	\$46,091.54

# **Exhibit K**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



---

Date: 12-AUG-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FIRST REQUEST**

Re: Program : Risk Adjustment Program  
Entity ID : A193001  
Invoice Number : I15AZ160892045003  
Invoice Date : 12-AUG-2016  
Invoice Amount : \$558,586.58  
Payment Due Date : 11-SEP-2016

Dear Sir/Madam,

This letter is to notify you that the Centers for Medicare & Medicaid Services (CMS) has determined that COMPASS COOPERATIVE MUTUAL HEALTH NETWORK owes the amount of \$558,586.58 for the program referenced above. Section 1343 of the Affordable Care Act and implementing regulations, specifically 45 CFR 153.610(d), requires an entity with lower than average actuarial risk to make risk adjustment payments or, under 45 CFR 153.740(b), to pay a default risk adjustment charge.

This determination is based on the calculated payments and charges stemming from data submitted to your EDGE server for the ACA HHS-operated Risk Adjustment Program for the applicable benefit year, or your failure to submit such data as required. The amount noted above as owed for risk adjustment may reflect further adjustments pursuant to 45 CFR 156.1215 that were applied from payments that were due to or from COMPASS COOPERATIVE MUTUAL HEALTH NETWORK for other ACA programs.

## **Payment Instructions**

Payment must be submitted electronically. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) and then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. To avoid offset of future payments you must pay this amount in full within 30 calendar days of the date of this letter. If the full amount is not paid within 30 calendar days, future payments will be offset until the full amount of the debt is collected, if applicable.

## **Interest, Administrative Fees and Penalties**

If the full amount owed is not paid within 30 calendar days from the date of this letter, your debt will be considered delinquent as of the date of this letter. Should your debt become delinquent CMS will assess interest, administrative costs, and late payment penalties in accordance with the Department of Health and Human Services (HHS) claims collection regulation at 45 CFR Section 30.18. Any amounts not paid within 30 calendar days from the date of this letter will be assessed interest at the rate of 9.625 percent per year, starting from the date of delinquency, i.e., from the date of this letter. Administrative costs incurred for processing and handling amounts not paid by the due date will be assessed. In addition, a penalty charge of 6 percent per year will be assessed on any principal amounts delinquent for more than 90 days. These charges will continue to accrue until the debt is paid in full or otherwise resolved.

## **Referral to the U.S Department of the Treasury for Collection**

If your debt remains unpaid 90 days from the date of this letter your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. Section 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

The Treasury's Debt Management Services will use various tools to collect the debt, including offset of federal payments, demand letters, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation.

## **Right to Inspect Records Prior to Referral to Treasury**

You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise your right to present evidence that all or part of your debt is not past due or legally enforceable, CMS must receive a copy of the evidence to support your position, along with a copy of this letter. You have the right to inspect and copy all records pertaining to your debt. In order to present evidence or review the HHS records, you must submit a written request to [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). Your request must be received within 60 calendar days from the date of this letter. In response to a timely request for access to HHS records, you will be notified of the location and time when you can inspect and copy records related to this debt. Interest, administrative charges, and penalties will continue to accrue during any review period. Therefore, while review is pending, you will be liable for interest and related late payment charges on amounts not paid by the due date identified above.

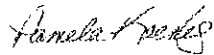


## Bankruptcy

If you have filed a petition for bankruptcy or you are involved in insolvency proceedings in your state, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). CMS financial obligations will be resolved in accordance with the applicable bankruptcy process. Documentation supporting your bankruptcy status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, please include the name the bankruptcy is filed under and the district where the bankruptcy is filed and the docket number.

A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# **Exhibit L**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



---

Date: 12-AUG-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FIRST REQUEST**

Re: Program : Risk Adjustment Program  
Entity ID : A193001  
Invoice Number : L15AZ160892045003  
Invoice Date : 12-AUG-2016  
Invoice Amount : \$442,758.12  
Payment Due Date : 11-SEP-2016

Dear Sir/Madam,

This letter is to notify you that the Centers for Medicare & Medicaid Services (CMS) has determined that COMPASS COOPERATIVE MUTUAL HEALTH NETWORK owes the amount of \$442,758.12 for the program referenced above. Section 1343 of the Affordable Care Act and implementing regulations, specifically 45 CFR 153.610(d), requires an entity with lower than average actuarial risk to make risk adjustment payments or, under 45 CFR 153.740(b), to pay a default risk adjustment charge.

This determination is based on the calculated payments and charges stemming from data submitted to your EDGE server for the ACA HHS-operated Risk Adjustment Program for the applicable benefit year, or your failure to submit such data as required. The amount noted above as owed for risk adjustment may reflect further adjustments pursuant to 45 CFR 156.1215 that were applied from payments that were due to or from COMPASS COOPERATIVE MUTUAL HEALTH NETWORK for other ACA programs.

## **Payment Instructions**

Payment must be submitted electronically. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) and then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. To avoid offset of future payments you must pay this amount in full within 30 calendar days of the date of this letter. If the full amount is not paid within 30 calendar days, future payments will be offset until the full amount of the debt is collected, if applicable.

## **Interest, Administrative Fees and Penalties**

If the full amount owed is not paid within 30 calendar days from the date of this letter, your debt will be considered delinquent as of the date of this letter. Should your debt become delinquent CMS will assess interest, administrative costs, and late payment penalties in accordance with the Department of Health and Human Services (HHS) claims collection regulation at 45 CFR Section 30.18. Any amounts not paid within 30 calendar days from the date of this letter will be assessed interest at the rate of 9.625 percent per year, starting from the date of delinquency, i.e., from the date of this letter. Administrative costs incurred for processing and handling amounts not paid by the due date will be assessed. In addition, a penalty charge of 6 percent per year will be assessed on any principal amounts delinquent for more than 90 days. These charges will continue to accrue until the debt is paid in full or otherwise resolved.

## **Referral to the U.S Department of the Treasury for Collection**

If your debt remains unpaid 90 days from the date of this letter your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. Section 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

The Treasury's Debt Management Services will use various tools to collect the debt, including offset of federal payments, demand letters, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation.

## **Right to Inspect Records Prior to Referral to Treasury**

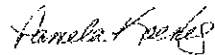
You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise your right to present evidence that all or part of your debt is not past due or legally enforceable, CMS must receive a copy of the evidence to support your position, along with a copy of this letter. You have the right to inspect and copy all records pertaining to your debt. In order to present evidence or review the HHS records, you must submit a written request to [CCIIInvoices@cms.hhs.gov](mailto:CCIIInvoices@cms.hhs.gov). Your request must be received within 60 calendar days from the date of this letter. In response to a timely request for access to HHS records, you will be notified of the location and time when you can inspect and copy records related to this debt. Interest, administrative charges, and penalties will continue to accrue during any review period. Therefore, while review is pending, you will be liable for interest and related late payment charges on amounts not paid by the due date identified above.

## Bankruptcy

If you have filed a petition for bankruptcy or you are involved in insolvency proceedings in your state, please notify CMS at [CCIIInvoices@cms.hhs.gov](mailto:CCIIInvoices@cms.hhs.gov). CMS financial obligations will be resolved in accordance with the applicable bankruptcy process. Documentation supporting your bankruptcy status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, please include the name the bankruptcy is filed under and the district where the bankruptcy is filed and the docket number.

A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# **Exhibit M**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



Date: 17-OCT-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FINAL REQUEST**

Re: Program	:	Risk Adjustment Program
Entity ID	:	A193001
Invoice Number	:	I15AZ160892045003
Invoice Date	:	12-AUG-2016
Invoice Amount	:	\$558,586.58
Interest Charge	:	\$5,017.04
Administrative Fee	:	\$0.00
Total Amount Due	:	\$563,603.62

Dear Sir/Madam,

Your debt owed to the Centers for Medicare & Medicaid Services (CMS) is delinquent and, by this letter, we are providing notice that your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. §3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any principal amounts delinquent for more than 90 days.

**Interest and Administrative Fees**

Simple interest at the rate of 9.625 percent is being assessed on the unpaid balance. Interest is assessed 30 calendar days from the date of the initial invoice for each 30-day period payment is delayed. In addition, an administrative fee of \$15 has been added to the unpaid balance.

### **Referral to the U.S. Department of the Treasury for Collection**

If the total amount due is not paid immediately your debt will be referred to the Treasury for collection. The Treasury will use various tools to collect the debt, including offset of federal payments, invoices, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation. The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

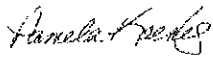
### **Payment Instructions**

If you take immediate action and pay this debt in full, your debt will not be referred to the Treasury for collection. To submit the payment, you must visit [www.pay.gov](http://www.pay.gov) and then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. If the full amount is not paid immediately, future payments will be offset pursuant to 45 CFR 156.1215(b) until the full amount of the debt is collected, if applicable.

### **Bankruptcy/Insolvency**

If your organization has filed a petition for bankruptcy or if your organization is involved in insolvency or liquidation proceedings, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). All financial obligations will be resolved in accordance with the applicable federal law. Documentation supporting your organization's status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under, the district or state court where it is filed and the docket number. A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services



# Exhibit N

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



Date: 17-OCT-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FINAL REQUEST**

Re: Program : Risk Adjustment Program  
Entity ID : A193001  
Invoice Number : L15AZ160892045003  
Invoice Date : 12-AUG-2016  
Invoice Amount : \$442,758.12  
Interest Charge : \$7,102.58  
Administrative Fee : \$15.00  
Total Amount Due : \$449,875.70

Dear Sir/Madam,

Your debt owed to the Centers for Medicare & Medicaid Services (CMS) is delinquent and, by this letter, we are providing notice that your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. §3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any principal amounts delinquent for more than 90 days.

**Interest and Administrative Fees**

Simple interest at the rate of 9.625 percent is being assessed on the unpaid balance. Interest is assessed 30 calendar days from the date of the initial invoice for each 30-day period payment is delayed. In addition, an administrative fee of \$15 has been added to the unpaid balance.

### **Referral to the U.S. Department of the Treasury for Collection**

If the total amount due is not paid immediately your debt will be referred to the Treasury for collection. The Treasury will use various tools to collect the debt, including offset of federal payments, invoices, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation. The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

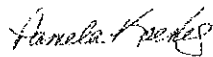
### **Payment Instructions**

If you take immediate action and pay this debt in full, your debt will not be referred to the Treasury for collection. To submit the payment, you must visit [www.pay.gov](http://www.pay.gov) and then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. If the full amount is not paid immediately, future payments will be offset pursuant to 45 CFR 156.1215(b) until the full amount of the debt is collected, if applicable.

### **Bankruptcy/Insolvency**

If your organization has filed a petition for bankruptcy or if your organization is involved in insolvency or liquidation proceedings, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). All financial obligations will be resolved in accordance with the applicable federal law. Documentation supporting your organization's status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under, the district or state court where it is filed and the docket number. A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# Exhibit O

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



Date: 12-AUG-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FIRST REQUEST**

Re: Program : User Fees for the Risk Adjustment Program  
Entity ID : A193001  
Invoice Number : D1608A193001003  
Invoice Date : 12-AUG-2016  
Invoice Amount : \$4,231.19  
Payment Due Date : 27-AUG-2016

Dear Sir/Madam,

This letter is to notify you that the Centers for Medicare & Medicaid Services (CMS) has determined that COMPASS COOPERATIVE MUTUAL HEALTH NETWORK owes the amount of \$4,231.19 for the program referenced above. Section 1343 of the Affordable Care Act and implementing regulations, specifically 45 CFR 153.610(d), requires an entity with lower than average actuarial risk to make risk adjustment payments or, under 45 CFR 153.740(b), to pay a default risk adjustment charge.

This determination is based on the calculated payments and charges stemming from data submitted to your EDGE server for the ACA HHS-operated Risk Adjustment Program for the applicable benefit year, or your failure to submit such data as required. The amount noted above as owed for risk adjustment may reflect further adjustments pursuant to 45 CFR 156.1215 that were applied from payments that were due to or from COMPASS COOPERATIVE MUTUAL HEALTH NETWORK for other ACA programs.

**Payment Instructions**

Payment must be submitted electronically. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. To avoid offset of future payments you must pay this amount in full within 15 calendar days of the date of this letter. If the full amount is not paid within 15 calendar days, future payments will be offset until the full amount of the debt is collected, if applicable.

### **Interest, Administrative Fees and Penalties**

If the full amount owed is not paid within 30 calendar days from the date of this letter, your debt will be considered delinquent as of the date of this letter. Should your debt become delinquent CMS will assess interest, administrative costs, and late payment penalties in accordance with the Department of Health and Human Services (HHS) claims collection regulation at 45 CFR §30.18. Any amounts not paid within 30 calendar days from the date of this letter will be assessed interest at the rate of 9.625 percent per year, starting from the date of delinquency, i.e., from the date of this letter. Administrative costs incurred for processing and handling amounts not paid by the due date will be assessed. In addition, a penalty charge of 6% per year will be assessed on any principal amounts delinquent for more than 90 days. These charges will continue to accrue until the debt is paid in full or otherwise resolved.

### **Referral to the U.S Department of the Treasury for Collection**

If your debt remains unpaid 90 days from the date of this letter your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. § 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6% per year on any amount outstanding. Interest will continue to accrue.

The Treasury's Debt Management Services will use various tools to collect the debt, including offset of federal payments, demand letters, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation.

### **Right to Inspect Records Prior to Referral to Treasury**

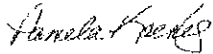
You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise your right to present evidence that all or part of your debt is not past due or legally enforceable, CMS must receive a copy of the evidence to support your position, along with a copy of this letter. You have the right to inspect and copy all records pertaining to your debt. In order to present evidence or review the HHS records, you must submit a written request to [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). Your request must be received within 60 calendar days from the date of this letter. In response to a timely request for access to HHS records, you will be notified of the location and time when you can inspect and copy records related to this debt. Interest, administrative charges, and penalties will continue to accrue during any review period. Therefore, while review is pending, you will be liable for interest and related late payment charges on amounts not paid by the due date identified above.

### **Bankruptcy**

If you have filed a petition for bankruptcy or you are involved in insolvency or liquidation proceedings in your state, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). CMS financial obligations will be resolved in accordance with the applicable regulations and court process. Documentation supporting your status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under and the district or state court where it is filed and the docket number.

A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# **Exhibit P**



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



Date: 17-OCT-2016

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**DUNNING LETTER- FINAL REQUEST**

Re: Program	:	User Fees for the Risk Adjustment Program
Entity ID	:	A193001
Invoice Number	:	D1608A193001003
Invoice Date	:	12-AUG-2016
Invoice Amount	:	\$4,231.19
Interest Charge	:	\$67.88
Administrative Fee	:	\$15.00
Total Amount Due	:	\$4,314.07

Dear Sir/Madam,

Your debt owed to the Centers for Medicare & Medicaid Services (CMS) is delinquent and, by this letter, we are providing notice that your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. §3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any principal amounts delinquent for more than 90 days.

**Interest and Administrative Fees**

Simple interest at the rate of 9.625 percent is being assessed on the unpaid balance. Interest is assessed 30 calendar days from the date of the initial invoice for each 30-day period payment is delayed. In addition, an administrative fee of \$15 has been added to the unpaid balance.

### **Referral to the U.S. Department of the Treasury for Collection**

If the total amount due is not paid immediately your debt will be referred to the Treasury for collection. The Treasury will use various tools to collect the debt, including offset of federal payments, invoices, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation. The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

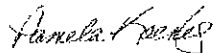
### **Payment Instructions**

If you take immediate action and pay this debt in full, your debt will not be referred to the Treasury for collection. To submit the payment, you must visit [www.pay.gov](http://www.pay.gov) and then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. If the full amount is not paid immediately, future payments will be offset pursuant to 45 CFR 156.1215(b) until the full amount of the debt is collected, if applicable.

### **Bankruptcy/Insolvency**

If your organization has filed a petition for bankruptcy or if your organization is involved in insolvency or liquidation proceedings, please notify CMS at [CCIIOInvoices@cms.hhs.gov](mailto:CCIIOInvoices@cms.hhs.gov). All financial obligations will be resolved in accordance with the applicable federal law. Documentation supporting your organization's status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under, the district or state court where it is filed and the docket number. A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# Exhibit Q

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
7500 Security Boulevard, Mail Stop WB-22-75  
Baltimore, Maryland 21244-1850



Date: 14-MAR-2017

COMPASS COOPERATIVE MUTUAL HEALTH NETWORK  
ATTN:MERITUS MUTUAL HEALTH PARTNERS  
2005 W. 14TH STREET, SUITE 113  
TEMPE, AZ 85281

**INITIAL INVOICE**

Re: Program : User Fees for the Federally-facilitated Marketplace  
Entity ID : A193001  
Invoice Number : S1703A193001001  
Invoice Date : 14-MAR-2017  
Invoice Amount : \$7.76  
Payment Due Date : 29-MAR-2017

Dear Sir/Madam,

This invoice is to notify you that the Centers for Medicare & Medicaid Services (CMS) has determined that COMPASS COOPERATIVE MUTUAL HEALTH NETWORK owes the amount of \$7.76 for the program referenced above. This determination is based on the calculations found in the Final HIX 820 report for the month of March, 2017. The charge amount noted above may reflect adjustments pursuant to 45 CFR 156.1215 that were applied from payments that were due to or from COMPASS COOPERATIVE MUTUAL HEALTH NETWORK for other ACA programs.

**Payment Instructions**

Payment must be submitted electronically. To submit payment, you must visit [www.pay.gov](http://www.pay.gov) then select and complete the CMS Health Insurance Marketplace and Premium Stabilization Programs Payment Form. To avoid offset of future payments you must pay this amount in full within 15 calendar days of the date of this invoice. If the full amount is not paid within 15 calendar days, future payments will be offset pursuant to 45 CFR 156.1215(b) until the full amount of the debt is collected, if applicable.

### **Interest, Administrative Fees and Penalties**

If the full amount owed is not paid within 30 calendar days from the date of this invoice, your debt will be considered delinquent. Should your debt become delinquent CMS will assess interest, administrative costs, and late payment penalties in accordance with the Department of Health and Human Services (HHS) claims collection regulation at 45 CFR Section 30.18. Any amounts not paid within 30 calendar days from the date of this invoice will be assessed interest at the rate of 9.5 percent per year, starting from the date of delinquency, i.e., 30 calendar days from the date of this invoice. Administrative costs incurred for processing and handling amounts not paid by the due date will be assessed. In addition, a penalty charge of 6 percent per year will be assessed on any principal amounts delinquent for more than 90 days. These charges will continue to accrue until the debt is paid in full or otherwise resolved.

### **Referral to the U.S Department of the Treasury for Collection**

If your debt remains unpaid 90 days from the date of this invoice your debt will be referred to the United States Department of the Treasury's (the Treasury) Debt Management Services for Cross Servicing and Offset of Federal Payments. Your debt will be referred under 31 U.S.C. Section 3711(g). The Treasury will add additional administrative fees of up to 30 percent and accrue the required penalty charge of 6 percent per year on any amount outstanding. Interest will continue to accrue.

The Treasury's Debt Management Services will use various tools to collect the debt, including offset of federal payments, invoices, phone calls, referral to a private collection agency, and referral to the U.S. Department of Justice for litigation.

### **Right to Inspect Records Prior to Referral to Treasury**

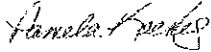
You have a right to present evidence that all or part of your debt is not past due or legally enforceable. In order to exercise your right to present evidence that all or part of your debt is not past due or legally enforceable, CMS must receive a copy of the evidence to support your position, along with a copy of this invoice. In order to present evidence or review the HHS records, you must submit a written request to [CCIOInvoices@cms.hhs.gov](mailto:CCIOInvoices@cms.hhs.gov). Your request must be received within 60 calendar days from the date of this invoice. In response to a timely request for access to HHS records, you will be provided an opportunity to review and inspect such records related to this invoice. Interest, administrative charges, and penalties will continue to accrue during any review period. Therefore, while review is pending, you will be liable for interest and related late payment charges on amounts not paid by the due date identified above.

### **Bankruptcy/Insolvency**

If your organization has filed a petition for bankruptcy or if your organization is involved in insolvency or liquidation proceedings, please notify CMS at [CCIOInvoices@cms.hhs.gov](mailto:CCIOInvoices@cms.hhs.gov). All financial obligations will be resolved in accordance with the applicable federal laws. Documentation supporting your organization's status, along with a copy of this notice, must be submitted. When notifying us about the bankruptcy, insolvency or liquidation, please include the name the bankruptcy or other proceeding is filed under, the district or state court where it is filed and the docket number.

A debtor delinquent on a debt is ineligible for Government loans, loan guarantees, or loan insurance until the debtor resolves the debt. Knowingly making false statements or bringing frivolous actions may subject a debtor to civil or criminal penalties under 31 U.S.C. Section 3729-3731, 18 U.S.C. Section 286, Section 287, Section 1001 and Section 1002, or any other applicable statutory authority.

Sincerely,



Pamela Koenig  
Director, Division of Financial Transfers & Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

# **Exhibit R**

APAR

Compass Cooperative Mutual Health Network, Inc., d/b/a Meritus Mutual Health Partners, 92045/A193001

AR's

Total	Transaction Type	Customer Number	Customer Name	Transaction Number	First Dunning Letter Date	Remaining Amount	Intent to Refer Letter Date
	CSR-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	R1608A193001003	12-Aug-16	112,917.29	17-Oct-16
	CSR-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	R1608A193001003ADM		15	
	CSR-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	R1608A193001003INT		2,717.07	
<b>Total</b>	<b>CSR-RECV</b>	<b>FEPS1-A193001</b>	<b>COMPASS COOPERATIVE MUTUAL HEALTH NETWORK</b>			<b>115,649.36</b>	
	RA-COLL-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	I15AZ160892045003	12-Aug-16	346,561.95	17-Oct-16
	RA-COLL-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	L15AZ160892045003	12-Aug-16	243,258.91	17-Oct-16
<b>Total</b>	<b>RA-COLL-RECV</b>	<b>FEPS1-A193001</b>	<b>COMPASS COOPERATIVE MUTUAL HEALTH NETWORK</b>			<b>589,820.86</b>	
	RA-USERFEE-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	D1608A193001003	12-Aug-16	4,231.19	17-Oct-16
	RA-USERFEE-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	D1608A193001003ADM		15	
	RA-USERFEE-RECV	FEPS1-A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	D1608A193001003INT		101.82	
<b>Total</b>	<b>RA-USERFEE-RECV</b>	<b>FEPS1-A193001</b>	<b>COMPASS COOPERATIVE MUTUAL HEALTH NETWORK</b>			<b>4,348.01</b>	



	USERFEE- RECV	FEPS1- A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK	S1703A193001001	14-Mar-17	7.76	
<b>Total</b>	USERFEE- RECV	FEPS1- A193001	COMPASS COOPERATIVE MUTUAL HEALTH NETWORK			7.76	