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6 Attorneys for Receiver

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8 SUPERIOR COURT OF ARIZONA
9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*
11 EVAN G. DANIELS, Director
of Insurance,

12 Plaintiff,

13 vs.

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

17 Defendants.
18

No. CV2016-011872

PETITION NO. 43

**PETITION TO ACCEPT
SEVENTEENTH STATUS REPORT
FOR THE PERIOD ENDING
DECEMBER 31, 2020**

(Assigned to The Honorable
Daniel Martin)

19 Darren Ellingson, in his capacity as the Special Deputy Receiver of Compass
20 Cooperative Mutual Health Network, Inc. doing business as Meritus Mutual Health
21 Partners (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc. dba Meritus
22 Health Partners (“MHP”) (collectively referred to as the “Meritus Companies”), appointed
23 pursuant to A.R.S. § 20-611, *et seq.*, hereby petitions the Court for entry of the Order re
24 Petition No. 43 to Accept Seventeenth Status Report for the Period Ending December 31,
25 2020 for the reasons set forth herein.

26 1. In an Order dated August 10, 2016, this Court placed Meritus Mutual and
27 MHP into receivership under orders of liquidation.
28

1 government filed its amended answer, asserting a counterclaim against Colorado HealthOp
2 and Meritus for breach of statutory and regulatory obligations to make payments under the
3 Affordable Care Act. Meritus filed a motion to dismiss the government’s counterclaims on
4 November 20, 2020. The government’s response has been filed.

5 ii. Reinsurance Claim. As detailed in Petition No. 26 Request for
6 Hearing, Claim Determination and Setoff Related to Claims of the United States, after
7 implementation of the setoff, there is a net amount under the ACA Reinsurance program
8 due to Meritus Mutual and MHP from the Center for Medicare and Medicaid Services
9 (“CMS”). Consistent with the Order Approving Petition No. 26, the Receiver caused to be
10 prepared and filed on September 27, 2019 a Complaint for amounts due related to the
11 Reinsurance. The action was pending in the United States Court of Federal Claims, Case
12 No. 1:19-cv-01499-MCW. On December 2, 2020, the case was reassigned as Case No.
13 1:19-cv-01499-MMS and stayed pending a ruling on the Motion to Dismiss in the Risk
14 Corridor Class Action.

15 b. Proof of Claim (“POC”) Process and Provider Payment Process. The
16 Receiver continued to implement the POC process, including considering claim amounts,
17 provider payments, priority levels and potential offsets, depending on the circumstances.

18 c. Accounting Services and General Accounting and Administrative.
19 The Receiver continued additional work on the accounting for the Meritus Companies in
20 liquidation, including identifying assets, claims and liabilities on a liquidation basis. As
21 part of the accounting work, the Receiver continued to implement and account for the
22 Receivership Liquidation, the Setoff involving CMS, the Return of Excess Premiums,
23 among other things.

24 **Summary of Payments**

25 5. Legal Counsel. During the reporting period, the total amounts (fees and
26 expenses) that have been paid to Faegre Drinker Biddle & Reath LLP as legal counsel are
27 \$6,644 for Meritus Mutual and \$6,644 for MHP for a combined amount of \$13,288. Work
28 was performed and invoices were submitted for additional services and amounts during the

1 reporting period but not paid until after December 31, 2020. Because of the timing, those
2 payments will be referenced in the next status report.

3 6. Special Deputy Receiver. During the reporting period, the total amounts
4 (fees and expenses) that have been paid to the Special Deputy Receiver are \$2,560 for
5 Meritus Mutual and \$2,560 for MHP for a combined amount of \$5,120. Work was
6 performed and invoices were submitted for additional services and amounts during the
7 reporting period but not paid until after December 31, 2020. Because of the timing, those
8 payments will be referenced in the next status report.

9 7. Regulatory Services Group. During the reporting period, the total amounts
10 (fees and expenses) that have been paid to the Regulatory Services Group are \$0 for
11 Meritus Mutual and \$0 for MHP for a combined amount of \$0. Work may have been
12 performed and invoices submitted for additional services and amounts during the reporting
13 period but not paid until after December 31, 2020. Because of the timing, those payments,
14 if any, would be referenced in the next status report.

15 WHEREFORE, the Receiver requests that the Court enter the Order re Petition
16 No. 43 Accepting Seventeenth Status Report for the Period Ending December 31, 2020 in
17 the form lodged concurrently with this Petition after expiration of the objection period.

18 Dated this 18th day of February, 2021.

19 **FAEGRE DRINKER BIDDLE & REATH LLP**

20 By: /s/ Joel Glover (#034018)
21 Joel A. Glover
22 *Attorneys for Receiver*

23 COPY of the foregoing mailed this
24 18th day of February, 2021 to the
25 attached Master Service List

26 /s/ Tari Rader
27 Tari Rader
28

1 SUPERIOR COURT OF ARIZONA

2 COUNTY OF MARICOPA

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

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