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6 Attorneys for Receiver

7
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
15 MUTUAL HEALTH PARTNERS, an
Arizona corporation; and
16 COMPASS COOPERATIVE HEALTH
PLAN, INC., dba MERITUS HEALTH
PARTNERS, an Arizona corporation,

17 Defendants.
18

No. CV2016-011872

PETITION NO. 55

**PETITION TO ACCEPT TWENTY-
FIFTH STATUS REPORT FOR THE
PERIOD ENDING DECEMBER 31,
2022**

(Assigned to The Honorable
Dewain Fox)

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. 55 to Accept Twenty-Fifth Status Report for the Period Ending December 31,
25 2022 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 2. On August 24, 2016, this Court entered Order Re Petition No. 1 – Petition
2 for Entry of Order Approving Compensation for Special Deputy Receiver and for Legal
3 Counsel.

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

9 b. In order to provide such report for the prior period, consistent with
10 Paragraph 3(c), the Special Deputy Receiver is submitting this Petition to Accept Twenty-
11 Fifth Status Report for the Period Ending December 31, 2022 (“Petition”) after the quarter
12 end of the prior period ending December 31, 2022. Unless the Court otherwise orders, the
13 Special Deputy Receiver anticipates filing these reports effective each calendar quarter
14 end.

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

17 **Summary of Services/Tasks**

18 4. The services and tasks performed during the reporting period (Third Quarter
19 of 2022) include the following:

20 a. Meritus ACA Suits and Settlement. The two lawsuits and related
21 disputes involving the Affordable Care Act have been resolved via settlement and the
22 Receiver has received the settlement payment from the United States Government.

23 b. Proof of Claim (“POC”) Process and Provider Payment Process. The
24 Receiver continued to implement the POC process, including considering claim amounts,
25 provider payments, priority levels and potential offsets, and related matters and issues
26 depending on the circumstances.

27 c. Accounting Services and General Accounting and Administrative.
28 The Receiver continued additional work on the accounting for the Meritus Companies in

1 liquidation, including identifying assets, claims and liabilities on a liquidation basis. As
2 part of the accounting work, the Receiver continued to implement and account for the
3 Receivership Liquidation, the Setoff involving CMS, and the Return of Excess Premiums,
4 among other things.

5 **Summary of Payments**

6 5. Legal Counsel. During the reporting period, the total amounts (fees and
7 expenses) that have been paid to Faegre Drinker Biddle & Reath LLP as legal counsel are
8 \$18,585.35 for Meritus Mutual and \$18,197.35 for MHP for a combined amount of
9 \$36,782.70. Work was performed and invoices were submitted for additional services and
10 amounts during the reporting period but not paid until after December 31, 2022. Because
11 of the timing, those payments will be referenced in the next status report.

12 6. Special Deputy Receiver. During the reporting period, the total amounts
13 (fees and expenses) that have been paid to the Special Deputy Receiver are \$0.00 for
14 Meritus Mutual and \$0.00 for MHP for a combined amount of \$0.00. Work was
15 performed and invoices were submitted for additional services and amounts during the
16 reporting period but not paid until after December 31, 2022. Because of the timing, those
17 payments will be referenced in the next status report.

18 7. Regulatory Services Group. During the reporting period, no payments were
19 made to the Regulatory Services Group. Work may have been performed and invoices
20 submitted for additional services and amounts during the reporting period but not paid
21 until after December 31, 2022. Because of the timing, those payments, if any, would be
22 referenced in the next status report.

23 WHEREFORE, the Receiver requests that the Court enter the Order re Petition
24 No. 55 Accepting Twenty-Fifth Status Report for the Period Ending December 31, 2022 in
25 the form lodged concurrently with this Petition after expiration of the objection period.
26
27
28

1 Dated this 2nd day of March, 2023.

2 **FAEGRE DRINKER BIDDLE & REATH LLP**

3 By: /s/ Joel Glover (#034018)
4 Joel A. Glover
5 *Attorneys for Receiver*

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7
8 COPY of the foregoing mailed this
9
10 2nd day of March, 2023 to the
11 attached Master Service List

12 /s/ Michelle Cline
13 Michelle Cline

1 SUPERIOR COURT OF ARIZONA

2 COUNTY OF MARICOPA

3
4 No. CV2016-011872 (Assigned to The Honorable Dewain Fox)

5 **MASTER SERVICE LIST**

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