

1 **FAEGRE DRINKER BIDDLE & REATH LLP**  
1144 15<sup>th</sup> Street, Suite 3400  
2 Denver, Colorado 80202

3 **Joel A. Glover** (State Bar No. 034018)  
Direct Dial: 303.607.3648  
4 Direct Fax: 303.607.3600  
Email: [Joel.Glover@Faegredrinker.com](mailto:Joel.Glover@Faegredrinker.com)  
5

6 Attorneys for Receiver

7  
8 SUPERIOR COURT OF ARIZONA  
9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*  
11 BARBARA D. RICHARDSON, 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. 57**

**PETITION TO ACCEPT TWENTY-  
SEVENTH STATUS REPORT FOR  
THE PERIOD ENDING JUNE 30,  
2023**

(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. 57 to Accept Twenty-Seventh Status Report for the Period Ending June 30,  
25 2023 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 Seventh Status Report for the Period Ending June 30, 2023 (“Petition”) after the quarter  
12 end of the prior period ending June 30, 2023. 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 (First Quarter  
19 of 2023) 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 \$11,204.50 for Meritus Mutual and \$11,204.50 for MHP for a combined amount of  
9 \$22,409.00. Work was performed and invoices were submitted for additional services and  
10 amounts during the reporting period but not paid until after June 30, 2023. Because of the  
11 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 \$7,170.00 for  
14 Meritus Mutual and \$7,170.00 for MHP for a combined amount of \$14,340.00. Work was  
15 performed and invoices were submitted for additional services and amounts during the  
16 reporting period but not paid until after June 30, 2023. 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 June 30, 2023. 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. 57 Accepting Twenty-Seventh Status Report for the Period Ending June 30, 2023 in  
25 the form lodged concurrently with this Petition after expiration of the objection period.  
26  
27  
28

1 Dated this 21st day of August, 2023.

2 **FAEGRE DRINKER BIDDLE & REATH LLP**

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

6  
7  
8 COPY of the foregoing mailed this  
9  
10 21st day of August, 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**

6 Barbara D. Richardson, Receiver  
7 The Arizona Department of Insurance  
8 and Financial Institutions  
9 100 North 15th Avenue, #102  
Phoenix, Arizona 85007  
(Per request, distribution by email only to [Liane.Kido@difi.az.gov](mailto:Liane.Kido@difi.az.gov).)

10 Liane Kido, Deputy Receiver  
11 Arizona Department of Insurance  
12 100 North 15th Avenue, #102  
Phoenix, Arizona 85007  
(Per request, distribution by email only to [Liane.Kido@difi.az.gov](mailto:Liane.Kido@difi.az.gov).)

13 Lynette Evans  
14 Public Law Section  
15 Office of the Attorney General  
2005 N. Central Avenue  
16 Phoenix, AZ 85004  
*Attorneys for Arizona Department of Insurance*  
17 (Per request, distribution by email only to [lynette.evans@azag.gov](mailto:lynette.evans@azag.gov).)

18 Richard G. Erickson  
19 Robert F. Kethcart  
Snell & Wilmer L.L.P.  
20 One Arizona Center  
400 East Van Buren  
21 Phoenix, Arizona 85004  
*Attorneys for Defendants*

22  
23 Larry Aldrich, Executive Chairman  
Employers Health Alliance of Arizona  
24 7520 East McLellan Lane  
Scottsdale, Arizona 85250

1  
2 Christophe Burusco  
3 Sidley Austin LLP  
4 555 West 5th Street, 40th Floor  
5 Los Angeles, California 90013  
6 *Attorneys for Care1st Health Plan Administrative Services, Inc.*

7  
8 Matthew A. Clemente  
9 Sidley Austin LLP  
10 One South Dearborn  
11 Chicago, Illinois 60603  
12 *Attorneys for Care1st Health Plan Administrative Services, Inc.*

13  
14 Lori Nestor, Executive Director  
15 Arizona Life & Disability  
16 Insurance Guaranty Fund  
17 100 N. 15th Avenue, Suite 261  
18 Phoenix, AZ 85007  
19 (Per request, distribution by email only to [Lori.Nestor@difi.az.gov](mailto:Lori.Nestor@difi.az.gov).)

20  
21 Darren Ellingson  
22 Special Deputy Receiver  
23 3212 N. 70th Street, Unit 1007  
24 Scottsdale, Arizona 85251  
25 (Per request, distribution by email only to [dellingson@ellingsonassociates.com](mailto:dellingson@ellingsonassociates.com))

26  
27 Banner Health  
28 Patient Financial Services  
Attn: Anna Rosalez, Manager  
525 West Brown Road, Third Floor  
Mesa, Arizona 85201

Debbie Bailey  
Cactus Children's Clinic, PC  
5940 West Union Hills Drive  
Suite D100  
Glendale, Arizona 85308

Monica Gaspari  
Billing Office Supervisor  
Pima Heart Physicians  
3709 North Campbell Avenue  
Suite 201  
Tucson, Arizona 85719

United States Department of Justice  
40 North Central Avenue, #1800  
Phoenix, Arizona 85004

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

United States Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Sinead Baldwin  
1200 Brickell Avenue  
PH 2000  
Miami, Florida 33131  
*Attorneys for HealthSouth Rehabilitation Hospital*

Jill Wright  
Parallon  
1100 Charlotte Avenue  
Suite 1600  
Nashville, Tennessee 37203

Susan Sweat  
Ambulance Billing Office Supervisor  
Bullhead City Fire Department  
1260 Hancock Road  
Bullhead City, Arizona 86442