

EXHIBIT 6

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Sent Via Email and Overnight Delivery

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Matthew Lynch (Matthew.Lynch@cms.hhs.gov and Leslie.Stafford@hhs.gov)

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Re: Compass Cooperative Mutual Health Network, Inc. dba Meritus Mutual Health Partners,
in Receivership ("**Meritus Mutual**")

Notice of Setoff and Claim Determination

Dear Mr. Lynch and Mr. Sacks:

This letter is sent in our capacity as counsel for the Receiver of Meritus Mutual. It provides notice of a Setoff and Claim Determination and seeks a response on or before Monday, December 18, 2017.

The Proof of Claim (the "Claim") submitted by the U.S. Dept. of Health and Human Services and the Centers for Medicaid and Medical Services ("CMS") dated May 11, 2017 has been received and adjudicated by the Receiver subject to and in accordance with A.R.S. § 20-601 et seq. (the "Receivership Act") and applicable Court Orders entered by the Superior Court of Arizona in the County of Maricopa in *State of Arizona, ex. rel., Leslie R. Hess, Interim Director of Insurance, vs. Compass Cooperative Mutual Health Network, Inc., dba Meritus Mutual Health Partners*, an Arizona corporation; and *Compass Cooperative Health Plan, Inc., dba Meritus Health Partners*, an Arizona corporation in action no. CV2016-011826 (the "Receivership Court").

The Receiver's determination of the Claim is as follows:

Start-Up Loan and Solvency Loan – Class 10 Priority Claims:

Under the Receivership Act, surplus notes are accorded Class 10 priority, as follows:

In a delinquency proceeding against an insurer domiciled in this state, the priority of distribution of claims from the general assets of the insurer shall be determined pursuant to this section. Every claim in each class shall be paid in full or adequate funds shall be reserved for the payment before the members of the next class may receive any payment. Subclasses may not be established within any class. The order of distribution is as follows:

10. Claims of surplus note or certificate of contribution holders or other similar obligations and for premium refunds on assessable policies.

The Claim asserted a claim for a Start-Up Loan in the amount \$20,890,333.00

The Start-Up Loan was amended and converted to a surplus note. Its terms require that it be treated as a "surplus note pursuant to National Association of Insurance Commissioners Statement of Statutory Accounting Principles No. 41." Additionally, the repayment obligations were subject to the Co-Op's "ability to meet State Reserve Requirements and other solvency regulations, or requisite surplus note arrangements." Accordingly, the claim for the Start-Up Loan is accorded Class 10 priority level.

The Claim asserted a claim for a Solvency Note in the amount of \$72,935,928.25, which included an assertion of interest owed in the amount of \$513,028.25.

The express language of the Solvency Note acknowledged that, in the event of insolvency, any claims for payment under the solvency note would be of equal rank with claims of other surplus note holders. Moreover, the solvency note was not subject to security, offset or any form of recoupment. Accordingly, the claim for the Solvency Note is accorded Class 10 priority.

Pursuant to the Receivership Court's Order Accepting Status Report on Claims Adjudication and Granting Order Regarding Future Claims Reports dated September 25, 2017, the Receiver is not making a determination on the amount of the Class 10 claims but reserves the right to do so. At this time, it does not appear reasonably likely that there would be a distribution of assets at the Class 10 priority level. If such a distribution appears likely, then the amount of the Class 10 claims will be addressed.

Setoff – Debts and Obligations Related to the Affordable Care Act

The Receivership Act (A.R.S. § 20-638) expressly provides for setoff of mutual debts under these circumstances and provides as follows:

- A. In all cases of mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this article, such credits and debts shall be set off and the balance only shall be allowed or paid, except as provided in subsection B of this section.

B. No offset shall be allowed in favor of any such person where the obligation of the insurer to such person would not at the date of the entry of any liquidation order or otherwise as provided in section 20-635, entitle him to share as a claimant in the assets of the insurer, ***

The Claim asserted the following claims related to the Affordable Care Act ("ACA"):

CSR:	\$115,649.36
PPACA Reinsurance:	\$ 46,091.54
Risk Adjustment:	\$594,168.87
Exchange User-Fee:	\$ 7.76
Total:	\$755,917.53

At the same time, a mutual debt is owed to Meritus Mutual related to the ACA as follows:

Risk Corridor Claims:	\$12,938,057
Reinsurance:	\$3,283,275
Total:	\$16,221,332

After application of the Setoff, the remaining debt owed to Meritus Mutual is:

\$15,465,414.47

After setoff, this remains as a net amount due to Meritus Mutual and the claim for that amount is being litigated in the pending class action styled as *Health Republic Ins. Co. v. United States*, U.S. Court of Federal Claims, Case No. 16-cv-00259 MMS.

Due to the offset, no further entitlement to interest asserted by Claimant would be considered under the Claim.

Response Opportunity and Hearing Date

On or before Monday, December 18, 2017 please notify the Receiver of your response to the Receiver's determination. To the extent you object to such determinations, please support your position.

A hearing will be scheduled at least 60 days after the date of this letter. We will send you notice of the hearing after it is scheduled. At that hearing, the Receiver will ask the Receivership Court to approve the Receiver's determination.

We look forward to hearing from you.

Sincerely,



Handwritten signature of Joel A. Glover in blue ink.

Joel A. Glover
Lewis Roca Rothgerber Christie LLP

JAG

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