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7
8 SUPERIOR COURT OF ARIZONA
9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*
11 KEITH SCHRAAD, Interim 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. 29

**PETITION TO ACCEPT NINTH
STATUS REPORT FOR THE
PERIOD ENDING DECEMBER 31,
2018**

(Assigned to The Honorable
Daniel Martin)

19 Keith Schraad, Interim Director of Insurance, as Receiver (hereinafter “Receiver”)
20 of Compass Cooperative Mutual Health Network, Inc. doing business as Meritus Mutual
21 Health Partners (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc. dba
22 Meritus Health Partners (“MHP”) (collectively referred to as the “Meritus Companies”),
23 appointed pursuant to A.R.S. § 20-611, *et seq.*, hereby petitions the Court for entry of the
24 Order re Petition No. 29 Accepting Ninth Status Report for the Period Ending
25 December 31, 2018 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 Receiver is submitting this Petition to Accept Ninth Status Report for
11 the Period Ending December 31, 2018 (“Petition”) after the quarter end of the prior period
12 ending December 31, 2018. Unless the Court otherwise orders, the Receiver anticipates
13 filing these reports effective each calendar quarter end.

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

16 **Summary of Services/Tasks**

17 4. The services and tasks performed during the reporting period (Fourth Quarter
18 of 2018) include the following:

19 a. Proof of Claim (“POC”) Process and Provider Payment Process. The
20 Receiver continued to implement the POC process, including considering claim amounts,
21 provider payments, priority levels and potential offset, depending on the circumstances.
22 Among other things that process included evaluating historic premium payments and the
23 petition addressing POCs submitted by the United States that was recently filed with the
24 Court.

25 b. Accounting Services and General Accounting and Administrative.
26 The Receiver continued additional work on the accounting for the Meritus Companies in
27 liquidation, including identifying assets, claims and liabilities on a liquidation basis.

1 **Summary of Payments**

2 5. Legal Counsel. During the reporting period, the total amounts (fees and
3 expenses) that have been paid to Lewis Roca Rothgerber Christie, LLP as legal counsel are
4 \$14,136.52 for Meritus Mutual and \$13,667.55 for MHP for a combined amount of
5 \$27,804.07. During the reporting period, the total amounts (fees and expenses) that have
6 been paid to Faegre Baker Daniels LLP as legal counsel are \$5,283.35 for Meritus Mutual
7 and \$5,283.35 for MHP for a combined amount of \$10,566.70. Work was performed and
8 invoices were submitted for additional services and amounts during the reporting period
9 but not paid until after December 31, 2018. Because of the timing, those payments will be
10 referenced in the next status report.

11 6. Special Deputy Receiver. During the reporting period, the total amounts
12 (fees and expenses) that have been paid to the Special Deputy Receiver are \$5,040.00 for
13 Meritus Mutual and \$4,680.00 for MHP for a combined amount of \$9,720.00. Work was
14 performed and invoices were submitted for additional services and amounts during the
15 reporting period but not paid until after December 31, 2018. Because of the timing, those
16 payments will be referenced in the next status report.

17 7. Regulatory Services Group. During the reporting period, no invoices from
18 Regulatory Services Group with respect to Meritus Mutual or MHP were paid. Work may
19 have been performed and invoices submitted for additional services and amounts during
20 the reporting period but not paid until after December 31, 2018. Because of the timing,
21 those payments, if any, would be referenced in the next status report.

22 WHEREFORE, the Receiver requests that the Court enter the Order re Petition
23 No. 29 Accepting Ninth Status Report for the Period Ending December 31, 2018 in the
24 form lodged concurrently with this Petition after expiration of the objection period.

25 Dated this 28th day of January, 2019.

26 FAEGRE BAKER DANIELS LLP

27 By: /s/ Joel Glover (#034018)
28 Joel A. Glover
Attorneys for Receiver

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COPY of the foregoing mailed this
28th day of January, 2019 to the
attached Master Service List

/s/ Brenda McHenry
Brenda McHenry

1 SUPERIOR COURT OF ARIZONA
2 COUNTY OF MARICOPA

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

4 **MASTER SERVICE LIST**

5 Keith Schraad, Receiver
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10 Liane Kido, Deputy Receiver
11 Arizona Department of Insurance
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16 1275 West Washington Street
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11 Darren Ellingson
12 Special Deputy Receiver
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