



CLERK OF THE COURT

1 **SR**

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13 as the Permanent Receiver for
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10 **IN THE EIGHTH JUDICIAL DISTRICT COURT**
11 **CLARK COUNTY, NEVADA**

13	STATE OF NEVADA, EX REL.)	Case No. A-15-725244-C
14	COMMISSIONER OF INSURANCE, IN HER)	
15	OFFICIAL CAPACITY AS STATUTORY)	Dept. No. 1
16	RECEIVER FOR DELINQUENT DOMESTIC)	
17	INSURER,)	
18)	
19	Plaintiff,)	
20)	
21	vs.)	
22)	
23	NEVADA HEALTH CO-OP,)	
24)	
25	Defendant.)	
26)	
27)	
28)	

22 **THIRD STATUS REPORT**

23 COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as
24 receiver of Nevada Health CO-OP ("NHC," or "the CO-OP"), and CANTILO & BENNETT, L.L.P.,
25 Special Deputy Receiver ("SDR" - SDR and the Commissioner as Receiver are referred to
26 collectively herein as "Receiver"), and file this Third Status Report in the above-captioned
27 receivership.

28 *///*

I. INTRODUCTION AND HISTORICAL BACKGROUND

CO-OP is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization ("HMO"), with a Certificate of Authority granted by the State of Nevada Division of Insurance effective January 2, 2013. NHC was formed under a provision of the Patient Protection and Affordable Care Act ("ACA") providing for the formation of Consumer Operated and Oriented Plans. Having received from the Centers for Medicare and Medicaid Services ("CMS") of the United States Department of Health and Human Services ("HHS") a start-up loan of \$17,080,047, and a "solvency" loan of \$48,820,349, NHC was required to operate as a non-profit, consumer-driven health insurance issuer for the benefit of the public. The CO-OP's primary business was to provide ACA-compliant health coverage to residents of Nevada, and it operated its business for the benefit of Nevadans within the state, save for certain arrangements to provide nationwide health coverage to Nevadans traveling outside the state in certain circumstances. NHC began selling products on and off the Silver State Health Insurance Exchange (the "Exchange") on January 1, 2014. Its products include individual, small group, and large group managed care coverages.

NHC is an Internal Revenue Code 501(c)(29) Qualified Non-Profit Health Insurance Issuer, entitled to tax exemption by the Internal Revenue Service. It is thus required that no part of NHC's net earnings should inure to the benefit of any private shareholder or individual, except that the organization is permitted by the ACA to use any profits to lower premiums, improve benefits, or improve the quality of health care delivered to its members. NHC is likewise disallowed, as a condition of its tax exemption, from dedicating a substantial part of its activities towards attempts to influence legislation, or participate or intervene in political campaigns. NHC does not have a corporate parent.

A July 2015, report from the HHS Office of Inspector General ("OIG") revealed that 21 of the 23 CO-OPs in operation nationwide, including NHC, had incurred net losses as of December 31, 2014. The OIG expressed belief in this report that the conspicuously low rates of enrollment for the CO-OPs, in many cases far lower than initial projections, would limit the ability of these plans to repay the applicable start-up and solvency loans given by CMS. By a

1 letter to members and interested parties dated August 25, 2015, NHC's executive leadership
2 indicated that it had been decided, via a vote of the Board of Directors (which was held on
3 August 15, 2015), that health insurance policies would no longer be offered after December
4 31, 2015, and that the CO-OP would voluntarily cease operations after that date. Two of the
5 members of the Board of Directors resigned on September 29, 2015, and the remaining
6 board members consented to NHC being placed in receivership via unanimous vote shortly
7 thereafter.

8 On October 1, 2015, this Court (which was acting at all relevant times as a
9 receivership court) issued its Order Appointing the Acting Insurance Commissioner, Amy L.
10 Parks as Temporary Receiver of NHC Pending Further Orders of the Court and Granting
11 Temporary Injunctive Relief Pursuant to NRS 696B.270 (the "Temporary Receivership
12 Order"). Further, on October 14, 2015, the Receivership Court entered its Permanent
13 Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health
14 CO-OP (the "Permanent Receivership Order"), appointing the law firm of CANTILO & BENNETT,
15 L.L.P. as SDR of NHC, in accordance with Chapter 696B of the Nevada Revised Statutes.

16 The Permanent Receivership Order, *inter alia*:

17 (1) Required that the Receiver take immediate and exclusive possession and
18 control of the Property of NHC, including all assets, books, records, property (real and
19 personal), ownership rights (choate or inchoate), legal or equitable of any kind or nature,
20 except as she may deem in the best interest of the receivership estate;

21 (2) Enjoined and restrained all persons, corporations, partnerships, associations
22 and all other entities wherever located from interfering in any manner with the Receiver's
23 possession of the Property or her title to or right therein and from interfering in any manner
24 with the conduct of the receivership;

25 (3) Permanently enjoined and restrained all providers of health care services from
26 seeking payment from any member or enrollee for an amount owed by NHC, interrupting or
27 discontinuing the delivery of health care services to such members or enrollees during the
28 period for which they have paid the required premium, seeking additional or unauthorized

1 payment from such members beyond the payments authorized by prior agreements, or
2 interfering in any manner with the efforts of the Receiver to assure that NHC members or
3 enrollees in good standing receive the health care services to which they are entitled, and;

4 (4) Enjoined and restrained all landlords, vendors, and parties to executory
5 contracts with NHC from discontinuing services to, or disturbing the possession of premises
6 and leaseholds, including of equipment and other personal property, on account of amounts
7 owed prior to the beginning of the receivership, provided that these parties are paid within a
8 reasonable time for expenses properly incurred for premises, goods, or services rendered on
9 or after the date of the receivership.

10 Via a Notice of Substitution of Receiver dated April 6, 2016, Ms. Joanna N. Grigoriev
11 informed interested parties of the receivership estate of the substitution of Commissioner
12 Barbara D. Richardson in place and stead of former Acting Commissioner Amy L. Parks as
13 the Receiver of Nevada Health CO-OP subsequent to Commissioner Richardson's
14 appointment as Commissioner of Insurance for the State of Nevada.

15 The Receiver and the SDR continue to file quarterly status reports, as ordered by this
16 Court.

17 II. RECEIVERSHIP ADMINISTRATION

18 **Completion of Business Relating to Plan Year 2015, Necessary Regulatory Reporting**

19 The last status report was filed on April 6, 2016, and since that date, receivership staff
20 have been continuing to make progress in the resolution and appropriate regulatory reporting
21 of business related to plan year 2015, the final health plan year. Steady progress is being
22 made to adjudicate claims and address NHC's standing issues related to the integrity of
23 records considered necessary for accurate claims adjudications, which also includes
24 progress on the proper division of medical payment responsibility between the health plans
25 and members.

26 As this process continues, the NHC Provider Care Team remains dedicated to keeping
27 interested parties informed, by telephone and by written correspondence, of relevant updates
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1 concerning the status of their claims and operational progress that is being made on the
2 various projects remaining within the receivership estate.

3 As the receivership has progressed, the SDR has received notice of certain
4 circumstances wherein some providers, unwilling or unable to await judicial authorization for
5 the disbursement of receivership funds, have begun to initiate actions to coerce and collect
6 payment from plan members for amounts the providers believe they are owed. These select
7 providers are sometimes seeking complete indemnification of all billed charges, and this
8 includes amounts that are properly payable by NHC in the first instance—and for which the
9 providers may not bill. It is the Receiver’s position that these efforts to extract payment for
10 medical expenses properly reimbursable by NHC are in violation of the terms of the
11 Permanent Receivership Order, are often in breach of “hold harmless” protections contained
12 within NHC’s various provider network agreements, and represent an ongoing source of
13 difficulty for NHC’s plan members.

14 In response, the SDR is sending (and will continue to send) notices to providers,
15 collection agencies, and/or credit reporting bureaus that they may not inappropriately seek
16 payments from members. These notices explain the relevant portions of the Permanent
17 Receivership Order that permit the Receiver to institute a moratorium on the payment of
18 claims, and that restrict the efforts of providers to attempt collection of amounts held pursuant
19 to this moratorium. These notices also warn that continued efforts to obtain payments in
20 violation of this Court’s Order, or to damage the creditworthiness of affected members, shall
21 be met with an enforcement action by the SDR that may result in fines, penalties, and/or the
22 forfeiture of amounts due health care providers. The Receiver plans to take further corrective
23 action, and will advise the Court, if providers and collection agencies do not cease and desist
24 from inappropriate collection activities of member balances—after having been notified to
25 cease such collection activities. There are instances where members owe health care
26 providers amounts for health care services that are not covered by NHC’s insurance, and the
27 provider and collection agencies may pursue collection of these amounts from the members
28 in these circumstances. Thus, any enforcement action in this Court, in response to health

1 care provider or collection agency billings, will not apply to protecting members from
2 collection activities that are not covered by NHC's insurance.

3 Because NHC is an ACA CO-OP, and in order to secure the estate's right to claim
4 against the several federal receivables programs in place to enhance CO-OP revenues for
5 the first few effective plan years, the receivership estate is required to submit to CMS, *inter*
6 *alia*, medical service utilization data (including claims expenses and associated costs),
7 demographic and risk group data (e.g., diagnostic codes and modifiers), and information
8 regarding enrollment status for several of NHC's 2015 health plans. NHC is required to
9 participate in these reporting programs as part of the statutory framework established by the
10 ACA. These federal programs include, *inter alia*, Cost Sharing Reduction ("CSR")
11 Reconciliation, Federal Transitional Reinsurance, Risk Adjustment, and the Risk Corridor. As
12 discussed in the First Status Report, the promised federal receivables attached to these
13 mandatory report submissions form a substantial part of NHC's complete financial picture.
14 The non-receipt of these federal receivables has presented a significant shortfall in assets for
15 the CO-OP and contributed to the discontinuation of its plan operations.

16 Nevada Health CO-OP submitted risk adjustment and reinsurance data to CMS in
17 advance of the May 2, 2016, final data submission deadline for the 2015 benefit year. The
18 SDR supplemented the required attestation forms with a general disclosure informing CMS of
19 data issues involving the submission. The SDR will provide updated risk adjustment and
20 reinsurance information to CMS after work is completed on finalizing data issues. Data
21 submissions relating to the Risk Corridor are likewise expected to be due on July 31, 2016,
22 and the Receiver believes that such submissions will be prepared and ready for submission
23 by that date. The CSR Reconciliation reporting deadline was met on June 3, 2016. The
24 submission of CSR data related to plan year 2014 was accepted at that time. The 2015 CSR
25 submission was also accepted, and NHC is working to resolve some data issues for plan
26 utilization involving this submission. The applicable CSR attestation was successfully
27 submitted and processed on June 15, 2016. The SDR is working on medical expense
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1 accumulator data which impacts amounts recoverable under the above-mentioned federal
2 receivables programs.

3 Historically, and as of the receivership date, NHC has not had the infrastructure to
4 administer its affairs without the use of third-party contractors. The Receiver has pared down
5 these third-party contractors and cut their costs, but it is still necessary to use third-party
6 contractors because NHC does not have the employee infrastructure and systems to
7 administer its claims and affairs without these contractors. To this end, the Receiver has
8 engaged (or continued the engagement of) the below-mentioned third parties to perform
9 services for the NHC receivership which are essential for claims administration and/or asset
10 recoveries. The use of these third-party contractor services will diminish over time.

11 THIRD-PARTY CONTRACTORS

12 The following is a list of independent contractors currently assisting the receivership
13 estate:

- 14 (1) Change Healthcare Solutions, LLC to perform paper claims scanning services.
- 15 (2) Eldorado, a division of Mphasis Corporation, to provide a hosting service for
16 claims data and information.
- 17 (3) Truven Health Analytics, Inc. to assist with CSR reporting to CMS.
- 18 (4) Indegene Healthcare to serve as the third-party submitter, as required by CMS,
19 of risk adjustment and reinsurance data to the CMS EDGE server.
- 20 (5) The Jacobson Group to provide claims adjustment staffing support to the NHC
21 claims department.
- 22 (6) Redcard to perform check processing and delivery to health care providers, and
23 delivery of Explanation of Benefit disclosures to plan members.

24 Several former vendors and service providers have already received disavowal notices
25 because their services are no longer essential to NHC's present functions. The Receiver will
26 continue to disavow or terminate agreements that, in her judgment, are no longer necessary
27 to estate operations, and shall apprise the affected parties of their continuing right to assert
28 potential claims against NHC for payment arising from such disavowals or terminations. To

1 save costs, the SDR has completed the process of internalizing customer service and
2 telephone call answering functions, as well as dedicated enrollment and eligibility staff, to
3 further the administration of claims for members and providers.

4 In cases where NHC members are found to be entitled to refunds of premiums they
5 should not have been required to pay, such as in the case where they have successfully
6 appealed an earlier enrollment determination and have their account status adjusted
7 retroactively, these refunds are being processed and paid to members in due course. The
8 Receiver continues to adjudicate and pay such premium refunds to members as appropriate
9 circumstances arise. As of the date of filing for this Third Status Report, the receivership
10 estate has paid approximately \$66,857.17 in premium refunds to members since
11 receivership. Likewise, the receivership staff continues to process and provide necessary tax
12 disclosures (e.g., 1095-B health insurance enrollment forms) to certain off-exchange
13 members who are required to receive such documents for their records. The SDR estimates
14 that the vast majority of these disclosures have already been delivered to plan enrollees.

15 NHC also continues to receive inquiries from certain of the CO-OP's former brokers
16 regarding commissions they believe they are owed as part of their business with the CO-OP
17 in plan years 2014 and 2015. In October 2015, brokers were advised that commission
18 payments were being suspended by NHC because of its hazardous financial condition. It is
19 the Receiver's position that claims for broker commissions fall into the residual classification
20 provided under NRS 696B.420(g), which may not be paid until claims of higher-priority (e.g.,
21 members and health care providers) have been paid in full.

22 **Ongoing Receivership Considerations**

23 As covered in prior status reports, when there are severe circumstances concerning
24 the health or quality of life of a member being under threat, or other exigent circumstances
25 exist that pose potential harm, these circumstances have merited the Receiver's
26 determination that certain ad hoc hardship payments to members and/or providers should be
27 made. These hardship payments have been made to maintain otherwise irreplaceable health
28 care, such as vital oncology services, psychological and behavioral health, life-sustaining

1 prescriptions, and to prevent, if possible, balance billing to NHC's members that cannot be
2 otherwise resolved with health care providers. It has become receivership practice, in these
3 hardship cases, to condition such payments on the provider's acquiescence to a "claw-back"
4 agreement, permitting the Receiver after notice and hearing to seek to recover from the
5 provider any sums as ordered by the Receivership Court.

6 The decision to make these payments in the interest of certain of NHC's providers and
7 members under hardship necessarily takes into account prior correspondence received from
8 CMS which provided notice to the Receiver that CMS was terminating, effective December
9 21, 2015, the loan agreement held between NHC and CMS. CMS also communicated their
10 intention to accelerate the loan payments, declaring that the remaining unpaid loan balance,
11 together with all interest thereon, fees, costs, and expenses were immediately due and
12 payable by NHC to CMS, without further notice or right to cure.

13 In order to obtain clarification concerning the Receiver's rights and obligations under
14 Nevada's state receivership statutes and related laws as to whether any hardship payments
15 could be made, the Receiver filed a Motion for Order Authorizing Payments (the "Hardship
16 Payments Motion") with this Court, dated February 19, 2016, and filed February 22, 2016,
17 seeking, *inter alia*, a judicial determination that the Receiver, pursuant to NRS 696B.330, as
18 well as paragraphs 8 and 14(n) of the Permanent Receivership Order, is permitted to
19 establish a procedure for the orderly disposition or resolution of claims or controversies
20 involving the receivership estate. As well, the Hardship Payments Motion sought judicial
21 authorization, pursuant to paragraphs 14(n) and 17(b) of the Permanent Receivership Order,
22 to continue paying such hardship claims that the Receiver deemed appropriate, as well as
23 ratification of such hardship payments already made, and affirming the Receiver's continuing
24 power to pay the same.

25 After a short and uncontested hearing held on February 24, 2016, this Court entered
26 its Order Granting Special Deputy Receiver, Cantilo & Bennett, L.L.P.'s First Motion, on
27 Order Shortening Time, for Order Authorizing Payments, which granted the Hardship
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1 Payments Motion in all respects. This Order approving the Hardship Payments Motion
2 became final and unappealable on March 28, 2016.

3 **Post-Receivership Hardship Claim Payments Made by the Receiver of NHC**

4 After the institution of these receivership proceedings, the Receiver has thus far paid
5 over \$8,400,000 in hardship claim payments to different providers and medical services,
6 including, but not limited to, pharmacy and prescription drug benefits, psychological care and
7 treatment, providers whose own hazardous financial condition justified a determination by the
8 Receiver that outstanding medical claims be paid presently as a hardship, and other
9 specialized facility claims. These hardship claim payments to providers and/or members
10 extended necessary care to health plan members, covered emergency services, vital
11 prescription medicines, avoided balance billing of members, and/or addressed dire financial
12 circumstances that necessitated these hardship payments.

13 **Post-Receivership Non-hardship Claim Payments Made by the Receiver of NHC**

14 Certain members and other providers have called or written receivership staff to
15 inquire as to when non-hardship claim payments will be made, and when the suspension on
16 claims and other general creditor payments will be lifted. There are two reasons why non-
17 hardship claim payments are now suspended and delayed from being paid by NHC in
18 receivership. Both of these reasons are because of CMS actions and delays that have had a
19 substantial and harmful impact on NHC—and the Receiver of NHC would be paying non-
20 hardship claim payments (as currently authorized—or as may be further authorized by this
21 Court) if it were not for these CMS actions.

22 **Reason # 1 for Suspension and Claims Payment Delay:**

23 NHC received approximately \$65.9 million of loans from CMS before receivership as
24 funds for the start-up and solvency of this health insurer. After receivership began, CMS
25 demanded loan repayment and asserted a superpriority to be repaid on its loans before all
26 other claims of NHC. The Receiver is working with CMS in an attempt to resolve this
27 superpriority issue without resorting to Court proceedings. If Court proceedings are
28 necessary to resolve the superpriority issues with CMS, it would likely result in very

1 prolonged delays before resolving this priority issue. As a consequence, settlement
2 discussions are still ongoing with CMS in the hopes of resolving the superpriority issues
3 outside of Court litigation. Until there is clarity on the superpriority status of CMS loan claims,
4 it has stymied the Receiver's ability to pay non-hardship claim payments in the receivership;
5 thus, this is the first reason for claim suspension and claim payment delays.

6 **Reason # 2 for Suspension and Claims Payment Delay:**

7 CMS placed a hold on all reimbursements due NHC under the federal receivables
8 program. The CMS reimbursements due NHC should be in the tens of millions after the 2015
9 Risk Corridor claim is submitted to CMS in July, and there is more than \$15 million presently
10 due from CMS. NHC's claim liabilities are also in the tens of millions, so federal receivables
11 from CMS are essential and critical before the Receiver can make meaningful claims
12 distributions in the receivership. As noted by "Reason # 1" above, however, no payments
13 (not even small ones) may be made on non-hardship claims without resolution of CMS's
14 assertion of federal superpriority for payment of its loans before all other claims. According to
15 CMS, the placement of the hold on federal receivable reimbursements due NHC is, at least in
16 part, because of the above-mentioned loans that are now claimed due by CMS.

17 **Other Receivership Administrative Matters**

18 As always, the Receivership continues to update various interested parties and
19 creditors with periodic mass mailings of notices and disclosures as necessary. The estate
20 also maintains a professional customer service and call handling team, and a medical
21 management team, to address questions from all sources. The volume of telephone calls
22 has continued to drop over the months following the discontinuation of the health plans as
23 questions are answered and pending matters resolved. The Receiver has also recently sent
24 another mass mailing to all health care providers, notifying them again that they are not
25 authorized to bill members for health care services covered by NHC. The letter also reminds
26 the providers that if they inappropriately bill members (and do not take actions to rescind
27 such inappropriate billings to members), they will potentially be subject to an enforcement
28 action before this Court, including potential fines, penalties, and forfeiture of balances due.

1 The SDR maintains and regularly updates NHC's internet web site, located at
2 <http://www.nevadahealthcoop.org>, with electronic copies of all major notices, forms,
3 documents, and general disclosures.

4 The receivership staff has been committed to resolving Health Insurance Casework
5 System complaints and other formal complaints delivered through the Nevada Division of
6 Insurance and Nevada Governor's Consumer Health Advocate remain. Subsequent to the
7 end of plan year 2015, the receivership estate experienced a substantial drop-off in the
8 number of complaints registered concerning NHC, and now there are fewer than ten open
9 complaints, from any of the above sources, remaining to be resolved. Before and just after
10 receivership, there had been hundreds of unresolved complaints made concerning NHC.

11 **Continued Implementation of Wind-Down Plan**

12 The Receiver will file with the Court a motion to liquidate, declare insolvency, establish
13 a claim deadline, and approve claim and notice procedures for NHC. It is expected that this
14 motion will be filed with the Court in the very near future, and this motion will establish an
15 equitable plan for the continued wind down and use of the receivership's remaining resources
16 in accordance with Nevada law. In this motion, the Receiver will seek approval for a proof of
17 claim process and proposed proof of claim forms, a deadline for the filing and rendering
18 absolute of claims against the receivership estate in which claims must be both non-
19 contingent and liquidated as to amount, a proposed claim processing procedures, and a
20 proposed Receivership Appeal Procedure.

21 As of the date of filing of this Third Status Report, NHC currently has nineteen
22 employees, two of whom are employed on a part-time basis. The number of active
23 employees working directly for NHC, understandably, continues to decline as the estate
24 reduces standing operations, though certain employee separations are in departments which
25 still remain essential to the estate going forward. The Receiver is evaluating the ongoing
26 staffing needs of the receivership, and will elect to reorganize business operations, hire
27 additional employees, or contract with appropriate and skilled agencies as necessary to
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1 accomplish the remaining work—subject to such measures enhancing payments that can
2 eventually be made to health care providers and members.

3 Certain of the estate's continuing functions, specifically those related to ongoing
4 contact with and customer service of NHC's former members, the adjudication of remaining
5 medical claims, and the organization of the previously-described proof of claim process, and
6 resolution of matters with CMS will continue as long as necessary for the benefit of providers
7 and members.

8 **Receivership Assets**

9 The Receiver's evaluation of the assets and liabilities of the CO-OP is ongoing, and
10 adjusted periodically to accommodate new authorized payments, receipts, and transfers.
11 Below is an overview of some key asset matters thus far identified by the Receiver (other
12 than those already mentioned herein):

13 (1) The potential amount due from reinsurers and reinsurance programs must be
14 further quantified as claims adjudications continue. There is the potential, as claims are
15 incurred and reported, for substantial amounts to be due the CO-OP from PartnerRe America
16 Insurance Company ("PartnerRe"), its private reinsurer. NHC may also receive a refund of as
17 much as 35% of net profits under the PartnerRe reinsurance arrangement, contingent upon a
18 number of conditions. However, because not all medical claims have been adjudicated,
19 amounts due from reinsurers will need to be further quantified in the future. The Receiver is
20 also taking steps to preserve and enhance reinsurance recoveries for the CO-OP through the
21 expeditious adjudication of NHC's claims.

22 (2) The unrestricted cash assets of the CO-OP have fluctuated with post-
23 receivership expenses and claim payments, as well as with the Receiver's receipt of
24 member-related premiums. The unrestricted cash assets of the CO-OP as of May 31, 2016,
25 were approximately \$12,929,377. The vast majority of NHC's currently available and liquid
26 assets have been confirmed to consist primarily of bank deposits. The restricted cash assets
27 of NHC (*i.e.*, a special deposit with the Nevada Division of Insurance) are approximately
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1 \$762,010 as of May 31, 2016. The combined restricted and unrestricted cash assets of NHC
2 total approximately \$13,691,387 as of May 31, 2016.

3 (3) These updated financials are all estimates, and shall remain so for as long as
4 the amounts the estate expects to receive, from CMS and from other sources, remain
5 uncertain. As mentioned, the Receiver is working hard to resolve matters with CMS by out-
6 of-court resolution, which remains a top priority.

7 (4) The Receiver is enclosing, as Exhibit 1 attached hereto, a cash flow report for
8 NHC for the time period covering the inception of the receivership through May 31, 2016.
9 This report reflects a summary of disbursements and collections made by NHC during this
10 period.

11 III. CONCLUSION

12 In compliance with the Receivership Court's instructions for a status report regarding
13 the affairs of the CO-OP, the Receiver has submitted the aforementioned report and remains
14 available to present further on any matters in this report as the Receivership Court may deem
15 necessary.

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1 The Receiver requests that the Court approve this Third Status Report and the actions taken
2 by the Receiver.

3 DATED this 6th day of July, 2016.

4 Respectfully submitted:

5 Barbara D. Richardson, Commissioner of
6 Insurance of the State of Nevada, in her
7 Official Capacity as Statutory Receiver of
8 Delinquent Domestic Insurer

9 By: /s/ Cantilo & Bennett, L.L.P.
10 Special Deputy Receiver
11 By Its Authorized Representative
12 Patrick H. Cantilo

12 Respectfully submitted by:

13 ADAM PAUL LAXALT
14 Attorney General

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the 6th day of July 2016, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **THIRD STATUS REPORT** on all parties receiving service by electronic transmission through the Wiznet system in this action to:

Barbara D. Richardson, Commissioner
State of Nevada Department of Business and Industry
Division of Insurance
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/s/ Marilyn Millam
An employee of the Attorney General