

NEVADA HEALTH CO-OP, IN RECEIVERSHIP

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FREQUENTLY ASKED QUESTIONS AND ANSWERS (GENERAL)

Below are frequently asked questions and answers (“FAQs”) for the receivership of Nevada Health CO-OP (“NHC”). The FAQs are meant as a general guide, and you should feel free to contact NHC at the address or telephone below if you have further questions.

Question 1: WHAT IS THE STATUS OF NHC?

Answer: NHC is currently in receivership for liquidation pursuant to the *Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent and Placing Nevada Health CO-OP into Liquidation* (the “Liquidation Order”) issued on September 20, 2016, by the Eighth Judicial District Court of Clark County, Nevada, Department Number 1 (the “Receivership Court”), and pursuant to the *Final Order Granting Other Relief Related to Receiver’s Motion for Final Order Finding and Declaring Nevada Health Co-Op to be Insolvent and Placing Nevada Health Co-Op into Liquidation* issued on October 10, 2016 by the Court (together, the “Liquidation Orders”). The Liquidation Orders resulted from the Receiver filing her *Motion for Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related Relief* (the “Motion”) and related hearings held September 20, 2016 and September 26, 2016 (the “September 2016 Hearings”).

NHC was previously ordered into receivership for purposes of rehabilitation and conservation. On October 1, 2015, the Receivership Court issued its Order appointing Acting Insurance Commissioner Amy L. Parks as Temporary Receiver (the “Temporary Order”). Pursuant to the terms of the Temporary Order, the Commissioner, as Receiver (“Receiver”), appointed the firm of CANTILO & BENNETT, L.L.P. as Special Deputy Receiver (“SDR”) of NHC. On October 14, 2015, the Receivership Court entered its *Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP* (the “Permanent Receivership Order”).

On April 6, 2016, the Receivership Court issued its Order appointing Insurance Commissioner Barbara D. Richardson as Receiver of NHC.

The Receiver and SDR are authorized by the Receivership Court to conduct the business of NHC and to administer its affairs for the protection of all CO-OP members, providers, creditors, and the general public.

Question 2: WHY WAS IT NECESSARY TO PLACE NHC IN RECEIVERSHIP INITIALLY?

Answer: The Receivership Court found NHC to be in a financial condition such that the Receiver and SDR should be appointed to conduct the business and administer the affairs of NHC for the protection of NHC secured creditors, insureds, policyholders, general creditors, and the public in general.

Question 3: WHY WAS IT NECESSARY TO PLACE NHC IN LIQUIDATION?

Answer: Pursuant to the Motion and the September 2016 Hearings, the Receivership Court determined that efforts to rehabilitate NHC would be useless, and NHC should be liquidated as set forth in the Receiver's Motion. The Liquidation Order directs the Receiver to liquidate the business of NHC and approves a Proof of Claim ("POC") process for filing and processing claims against NHC.

Question 4: WHAT DOES "RECEIVERSHIP" MEAN?

Answer: Receivership is a protective measure established under Nevada insurance law whereby regulatory officials are authorized to seize control of NHC for the protection of its members, providers, and the public. The Receiver and SDR, through the Order, have been given the authority to run the affairs of NHC in compliance with applicable Receivership Court orders and Nevada law.

Question 5: ARE "REHABILITATION RECEIVERSHIP" AND "LIQUIDATION RECEIVERSHIP" THE SAME THING?

Answer: No. In a rehabilitation/conservation receivership, business continues with the Receiver's supervision as the Receiver attempts to return the company to a financially sound condition. When a company is placed in liquidation receivership, the Receiver is directed to dissolve the company, wind down its affairs, and distribute its assets to its policyholders and creditors. NHC is now in liquidation.

Question 6: IS NHC ISSUING NEW INSURANCE POLICIES?

Answer: No. Before receivership NHC discontinued issuing new coverages. On August 26, 2015, notices were sent out to members, providers, and brokers informing them that NHC would no longer offer new insurance policies as of December 31, 2015.

Question 7: DID THE RECEIVERSHIP ORDERS CANCEL NHC INSURANCE POLICIES?

Answer: No. Active insurance policies remained in effect until December 31, 2015. However, all members should have selected a new health insurer for 2016.

Question 8: WHEN WILL NHC PAY PROVIDER CLAIMS?

Answer: Payments to NHC providers are suspended right now because of the placement of a hold on federal receivable reimbursements due NHC. Similarly, provider payments are also suspended because of uncertainty over the claims priority (*i.e.*, within the NHC receivership) of loans made to NHC by the Centers for Medicare & Medicaid Services ("CMS") before receivership.

The Receiver is working with CMS to have the hold on payments lifted and to resolve the claims priority of the CMS loans, but the matter is unresolved and the Receiver's work on this is still ongoing. The Receiver is making every effort to make additional payments to providers for services rendered initially during the

receivership period (which commenced on October 1, 2015), as well as thereafter for services rendered prior to receivership. Claims will be paid as funds become available and issues are resolved with CMS pursuant to Receivership Court approval. We understand the difficulties that providers and members face, and the Receiver will continue all efforts to resolve these matters as soon as possible.

Providers are not required, and should not file a POC form for their claims. However, providers should closely review the POC instructions and all related notice materials for detailed guidance regarding deadlines and submission requirements for Provider claims (see additional details in POC FAQ below).

In the meantime, it is imperative that providers do not bill members for amounts that are the responsibility of the CO-OP. By order of the receivership court, providers are enjoined and restrained from seeking payment from CO-OP members for any amount owed by the CO-OP. Failure to abide by the terms of the Permanent Receivership Order and existing agreements or arrangements with NHC may result in waiver of the right to collect payments, and may also result in enforcement action by the SDR.

For more information and to stay up to date about these matters, please review the status reports posted quarterly at www.nevadahealthcoop.org.

Question 9: WILL ALL CLAIMS BE PAID IN FULL, AND IF SO, WHEN?

Answer: It is not yet certain whether there will be enough assets to pay all classes of claims in full. We are unable to advise you at this time how soon claims will be evaluated and paid, but this is a top priority for the receivership team. Any questions regarding this receivership or the affairs of NHC may be directed to POC@nevadahealthcoop.org.

Question 10: IS THERE A RECEIVERSHIP WEB SITE?

Answer: Yes. For copies of documents and additional information regarding the liquidation of NHC, please visit the SDR's web site at www.nevadahealthcoop.org.

Question 11: WILL MEMBERS BE RESPONSIBLE FOR DOCTOR AND HOSPITAL BILLS NOT PAID BY NHC?

Answer: Members are responsible for copays, coinsurance, deductibles, and any portion of a provider's bill that is not covered by NHC. Providers are permitted to bill members for the "member responsibility" portion of their claims (*i.e.*, copay, coinsurance, deductible). However, for any portion of a claim that is NHC's responsibility to pay, health care providers are barred by contract or by the terms of the Permanent Receivership Order from seeking payment from members for amounts owed by NHC. Any member who is billed by a provider for an amount owed by NHC should advise NHC immediately at the above address or telephone number.

Question 12: WILL BROKER COMMISSIONS BE PAID BY THE RECEIVERSHIP?

Answer: Brokers must submit a POC form to file a claim against NHC. The claim process will be subject to Receivership Court approval based upon Nevada statutes governing this receivership, and pursuant to these statutes, the claims of agents fall below the health care claims of members and providers. The Receiver will process broker claims only if it appears that assets will be available for distribution to that class of claims, pursuant to Nevada Revised Statutes 696B.330.

Question 13: HOW DO I PRESENT CLAIMS THAT I HAVE UNDER ONE OF NHC'S POLICIES?

Answer: To file a claim against NHC you must submit the provided POC form (unless you are a healthcare provider, as discussed further below) after carefully reviewing the related POC instructions. The POC form must be fully completed, notarized, and provide the necessary documentation to substantiate your claim.

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FREQUENTLY ASKED QUESTIONS AND ANSWERS **RELATED TO PROOF OF CLAIM (POC)**

Question 14: WHEN MUST A POC BE FILED?

Answer: The Liquidation Order establishes April 28, 2017, as the claims filing deadline (the “Deadline”) for the submission of NHC’s claims. It is advisable to keep a copy of the POC and proof of its timely mailing and/or receipt. Any POC sent by U.S. Mail will be deemed timely filed so long as it is received within three business days after the Deadline.

Question 15: WHERE DO I FILE MY POC?

Answer: It is recommended that you return the POC form using Certified Mail, Return Receipt Requested, or another method providing proof of delivery. Please retain a copy for your records, and submit the original signed form to:

Nevada Health CO-OP
ATTN: Special Deputy Receiver/POC
840 S. Rancho Drive #4-321
Las Vegas, Nevada 89106

You may also submit your POC by e-mail, to POC@nevadahealthcoop.org, so long as the e-mail includes an executed and sworn (*i.e.* signed and notarized) POC. Claimants submitting by e-mail may wish to contact NHC to confirm that their POC was received, particularly if they have attached large files. Claimants are responsible for assuring that their claims are received by the deadline!

Question 16: ARE HEALTH CARE PROVIDERS (“PROVIDERS”) REQUIRED TO SUBMIT A POC FORM?

Answer: No. Providers, such as physicians or hospitals, are exempt from being required to use the POC form for existing claims that they already have filed with NHC, or new claims that they may file. If you have claims that have not yet been submitted to NHC, please submit them as they have previously been presented to NHC.

Providers should not submit duplicate claims (*i.e.*, claims that have been previously submitted to NHC), as this will delay the processing time for all claims. However, they may re-submit claims that require correction. Providers who have received any partial claim payment are not required to submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified by NHC in receivership.

Providers are not required to re-file existing claims with NHC. These existing claims, along with any new claims received by April 28, 2017, will be considered timely filed so long as they comply with the established procedures for processing

claims in the normal course of business of NHC (e.g., in most cases, claims filed for the first time more than 12 months after the date of service are considered late-filed by NHC and may be denied by the SDR for this reason). However, all new Provider claims filed after the Receiver's April 28, 2017, Deadline will be considered late-filed claims and ineligible for payment. Providers may contact 1-855-606-2667, or e-mail POC@NevadaHealthCoop.org, to verify that all of their claims have been timely submitted and are being processed.

Question 17: WHAT IF I DO NOT FILE MY CLAIM BY THE DEADLINE?

Answer: Failure to timely file your claim before the Deadline will cause your claim to be classified as late and made ineligible for a distribution of assets, if any, from NHC. Claims must be non-contingent and liquidated in amount by the Deadline to share in NHC's assets.

Question 18: DO I NEED AN ATTORNEY TO FILE A POC?

Answer: No. The receivership procedures are designed to enable claimants to avoid that expense, though you may engage counsel if you so desire.

Question 19: WHAT INFORMATION IS REQUIRED WHEN I FILE MY CLAIM?

Answer: The POC instructions and a POC form. All blanks on the POC form must be completed. The POC form must be notarized, and sufficient information and documentation to support your claim must be attached.

Question 20: WHAT BACKUP DOCUMENTATION SHOULD I FILE WITH MY POC?

Answer: You should file all of the supporting documentation that you have. For example, you should include itemized copies of any bills for which you are requesting reimbursement, copies of the checks by which you paid the bills, copies of medical records or reports that support the billing, etc. If other documentation is required to process the POC, the SDR will contact you and request it.

Question 21: CAN A POC BE SUPPLEMENTED?

Answer: Yes. Assuming you submitted a claim on or before the Deadline, you can file supplemental information prior to the Deadline. The Deadline is the date by which all claims must be non-contingent (see question 21(a) below) and liquidated (see question 21(b) below). Supplemental information should be submitted to complete the original claim, because if a claim is still contingent and/or unliquidated after the Deadline, it will be permanently barred from payment or reimbursement. Additionally, a supplemental POC should be filed (1) for any additional reimbursements or payments not requested in your initial POC, or (2) to complete the claim filed in your initial POC.

Question 21(a): WHAT IS A CONTINGENT CLAIM?

Answer: A contingent claim is a claim that has not been asserted or one for which payment is not yet owed, because it is dependent upon a future event or an event that may never happen. Claims that remain contingent after the Deadline (April 28, 2017) will be permanently barred from payment or reimbursement.

Question 21(b): WHAT IS AN UNLIQUIDATED CLAIM?

Answer: An unliquidated claim is one for which liability has been established, but the exact amount has not been determined. For example, an unliquidated liability claim is one that the parties agree (or a court has ruled) is owed, but for which the parties have not agreed upon the amount and no judgment has been rendered so determining. Claims that remain unliquidated after the Deadline (April 28, 2017) will be permanently barred from payment or reimbursement.

Question 22: HOW WILL I KNOW WHETHER MY POC WAS RECEIVED?

Answer: To reduce expenses to the receivership estate, the SDR will not be sending acknowledgement of receipt of the POC forms. You will, however, receive notice of any decision on your claim at the address you have provided to the SDR on the POC form (it is therefore very important to keep the SDR advised of any change in address).

Question 23: WHAT KIND OF NOTICE WILL I RECEIVE WHEN A DECISION IS MADE ON MY CLAIM?

Answer: A “Notice of Claim Determination” will be issued for all Proofs of Claim. The Notice of Claim Determination will set forth whether or not your claim has been approved for payment, and (in most cases) if approved, for how much. If you disagree with the decision set forth on this Notice of Claim Determination, you can appeal in accordance with the Receivership Appeal Procedure (“RAP”). The Receivership Appeal Procedure is found on the CO-OP web site, and a copy can be mailed to you on request.