

Ryan T. Schelhaas (WSB No. 6-3321)
Deputy Attorney General
Mackenzie Williams (WSB No. 6-4250)
Senior Assistant Attorney General
Jonathan C. Coppom (WSB No. 7-5548)
Assistant Attorney General
Office of the Attorney General
Kendrick Building
2320 Capitol Avenue
Cheyenne, Wyoming 82002
(307) 777-7876
(307) 777-3687 fax

STATE OF WYOMING)
)
) ss.
COUNTY OF LARAMIE)

IN THE DISTRICT COURT
FIRST JUDICIAL DISTRICT

STATE OF WYOMING ex rel., the Honorable)
Tom Glause, Wyoming Insurance Commissioner)

Petitioner,)

v.)

WINHEALTH PARTNERS,)

Respondent.)

FILED

JAN 31 2017

DIANE SANCHEZ
CLERK OF THE DISTRICT COURT

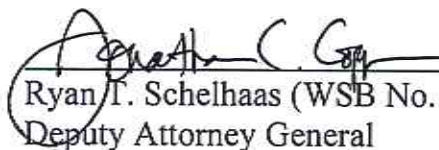
Docket No. 184-929

**SUBMISSION OF THE DECEMBER 31, 2016
WINHEALTH LIQUIDATION REPORT**

This Court ordered the Insurance Commissioner to provide quarterly status updates on the Winhealth Partners receivership in its January 25, 2016 Order for Status Update from Receiver. This filing submits the report covering the fourth quarter as this Court required in its Order.

Scott Pearce continues to serve as the receivership manager under the supervision of Tom Glause, the Wyoming Insurance Commissioner. Mr. Pearce continues to monitor Winhealth's finances, administer the day-to-day responsibilities of the receivership, and is familiar with Winhealth's business operations and financial condition. As part of his duties, Mr. Pearce drafted the receiver's report attached to this filing.

DATED this 31st day of January 2017.


Ryan T. Schelhaas (WSB No. 6-3321)
Deputy Attorney General

Mackenzie Williams (WSB No. 6-4250)
Senior Assistant Attorney General

Jonathan C. Coppom (WSB No. 7-5548)
Assistant Attorney General
Office of the Attorney General
Kendrick Building
2320 Capitol Avenue
Cheyenne, Wyoming 82002
(307) 777-7876
(307) 777-3687 fax

ATTORNEYS FOR STATE OF
WYOMING, EX REL., THE
HONORABLE TOM GLAUSE,
WYOMING INSURANCE
COMMISSIONER

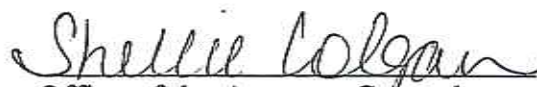
CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of January 2017, the foregoing was served by first-class mail to:

Winhealth Partners
1200 East 20th Street
Cheyenne, WY 82001
Counsel for Winhealth Partners

Cindy Coles Oliver
Franklin D. O'Loughlin
1200 Seventeenth Street
Suite 3000
Denver, CO 80202
Counsel for the Wyoming Life and Health Insurance Guaranty Association

Courtesy Copy to
Judge Thomas T.C. Campbell
First Judicial District Court
309 W. 20th Street
Cheyenne, WY 82001


Office of the Attorney General

DECEMBER 31, 2016
WINHEALTH LIQUIDATION REPORT

I. INTRODUCTION

On January 12, 2016, this Court ordered the receivership to file quarterly updates to keep the Court apprised of the status of Winhealth Partner's ongoing liquidation. This is the fourth update regarding Winhealth's financial status and its liquidation. The receivership, meaning the Commissioner with his deputies and assistants, continued to operate Winhealth's business during the fourth quarter. This report's goal is to advise the Court of all material actions since the last update to this Court and to provide details about ongoing run-off activities.

II. RECEIVER'S REPORT OF LIQUIDATION OPERATIONS & ACTIVITIES

This report focuses on providing the Court with updates on: (A) the operation and administrative activities of the liquidation process; (B) Winhealth's financial status; (C) the fees and expenses paid by the receivership to perform its duties; and (D) the actions taken by the receivership to marshal assets for the liquidation estate.

A. Winhealth Liquidation Operations and Administrative Activities

The main operational and administrative activities the receivership continues to perform includes, but is not limited to, the: (1) efforts to ensure ongoing compliance with state and federal law; (2) continuing operation of Winhealth's claims run-off in coordination with the Wyoming Life and Health Insurance Guaranty Association (WLHIGA); (3) administration of the proof of claim process; (4) administrative activities required to run the estate; (5) continuing efforts to retain an operational workforce while working to methodically close down the company's affairs; and (6) management of Winhealth's real estate.

1. State and Federal Law Compliance Efforts

The receiver, in conjunction with his staff and receivership manager, has continued to work to ensure Winhealth remains compliant with state and federal law. As reported in the September 30, 2016 status filing, the receivership filed its 2015 annual Federal Tax Return. Winhealth reported no taxes due and approximately \$25,000,000 in net operating losses to be carried forward to future tax years. Winhealth met with its audit and tax vendor in December to plan and schedule the estate's 2016 tax preparation and financial statement compilation work. Fieldwork in support

of preparing the compilation will commence in the first quarter of 2017.

Winhealth did not receive any of the anticipated transitional reinsurance payments during the fourth quarter of 2016. Based upon the most recent data it appears that Winhealth may have approximately \$646,000 in amounts still due under the transitional reinsurance program. The Winhealth estate expected to receive a material payment of the remaining transitional reinsurance in January 2017 but did not. In addition to the transitional reinsurance recovery, Winhealth expected to receive approximately \$130,000 in risk corridor payments during December and January. After inquiring about the pending payment, Winhealth received notification in January 2017 from the Centers for Medicare and Medicaid Services (CMS) that the Winhealth liquidation estate has been placed on an administrative hold due to its liquidation status. As such CMS reserves the right to hold all ACA related receivables due Winhealth. CMS expressly retained the right to hold the remaining federal recoverables and to offset any Winhealth receivables against amounts due the federal marketplace. CMS provided no estimated timeline or expiration date to the administrative hold status. As of January 25, 2017, CMS has placed payments totaling \$541,876 on hold. The Winhealth estate will continue to monitor and pursue collection of all ACA related recoveries.

Winhealth received approximately \$1,603,000 in reinsurance recoveries in October and estimates approximately \$199,000 remaining to be collected from its final billings to a private reinsurance treaty with PartnerRe. Total billings submitted totaled approximately \$1,790,000 in potential recoveries subject to final review and approval by the reinsurer. The remainder is expected to be recovered as additional information is provided to PartnerRe so it can complete its adjudication process.

As reported in the September 30th status filing with this court, the estate has completed the specific decommissioning requirements necessary to terminate the estate's 401(k) retirement plan. All plan participants are now free to complete distributions of their vested plan assets to new retirement programs and accounts. Winhealth continues to track plan participants who have not transferred their balances as of year-end 2016 and will encourage all such participants to transfer

their balances in the next 60 days. The plan has a provision whereby all participants that have not transferred their balances by a date certain will be placed into a secure individual retirement account with the custodian. The Winhealth estate will work to close all administrative requirements associated with the 401(k) plan by the end of the first quarter 2017.

2. Operation of Winhealth's Health Maintenance Organization Business

The receivership has continued to receive, adjust, and facilitate payment of the covered health insurance claims since this Court entered its liquidation order. Winhealth claims staff, supported by Winhealth's financial staff, provider and member services staff, and key third party vendors, performs the administration of the claims run-off work.

During the liquidation period from January 12, 2016, through December 31, 2016, the receivership processed fifteen claims batches on behalf of the WLHIGA paying approximately \$25,118,430 in claims. Due to a lack of available funding from WLHIGA, the Winhealth estate petitioned this Court for approval to release estate assets to the WLHIGA as "early access" to fund the payment of the remainder of claims Winhealth expects to receive and honor. As of December 31, 2016, Winhealth has paid WLHIGA \$2,051,660 in "early access" payments. The fees chargeable to WLHIGA for the claims handling function through December 31, 2016, are approximately \$399,000. Although the claim volume Winhealth continues to receive has decreased considerably, Winhealth continues to receive additional claims daily. Claims will continue to be adjudicated and set in line for payment as they are received and as funding is made available through the WLHIGA. As of December 31, 2016, Winhealth still had approximately \$14,000 in claims ready for payment after releasing the fifteenth batch of claims. Winhealth plans to release the next batch in January 2017.

Winhealth continues to receive and assess claim appeals and provider reconsiderations in accordance with policy terms and established company procedures. It has coordinated the periodic review and determination of pending appeals with the WLHIGA, which has assigned a representative to actively participate in the periodic review process. In the final quarter of 2016, the Winhealth estate was able to resolve all pending appeals. During the fourth quarter, the appeals

committee considered the three open appeals and upheld all three. The liquidation estate anticipated an increase in appeals following the last multimillion-dollar claim run in October 2016, but to date the appeal spike never materialized to the degree anticipated. Currently, we have no appeals in process, and while we do not expect many to come, there is a chance for additional member appeals and provider reconsiderations to be submitted as the final claims are paid. (Policy terms allow members and providers 180 days from the Winhealth estate's determination to appeal or seek reconsideration.)

Provider reconsiderations have also slowed; 30 letters were issued to providers in the fourth quarter of 2016 advising that the Winhealth estate has upheld its original determination. As of December 31, 2016, the company had received a total of 217 provider reconsiderations of which 76 requests were overturned or amended resulting in additional claim payments of \$163,872.

Winhealth has essentially processed and paid 99% of the company's outstanding claims since the inception of the liquidation. As a result, the estate has updated the credit balance ledgers and has a balance due from certain providers in the amount of approximately \$370,000. During the fourth quarter, the estate collected approximately \$37,000. After releasing the last multimillion-dollar claim batch in October 2016, the estate reconciled the remaining provider claim balances and issued 252 demand letters to those providers with credit balances seeking recovery of the amounts due Winhealth. Providers are given detailed information as to how their balances were determined and are encouraged to remit payment timely as part of the on-going collection effort. The estate has received timely responses from 44 of the providers with balances due and expects the overall estate credit balance ledger to diminish as the providers continue to pay. Collection efforts will continue through the first two quarters of 2017.

As of December 31, 2016, Winhealth had ten open subrogation cases in various stages of resolution. During the fourth quarter of 2016, the estate closed four cases and collected \$30,000. Currently, the estate has one case awaiting payment; two additional cases waiting on settlements; three cases in some form of litigation or active negotiation with legal counsel; two cases in direct negotiations with a third party; one case in direct negotiations with a member; and a final case

where the parties have been completely unresponsive. In an effort to increase collection results, the estate has sought the assistance of the Wyoming Attorney General's office on certain cases. The total amount of potential recovery from the ten cases above is approximately \$213,000. After factoring a bad debt allowance largely based upon similar historical recoveries the estate anticipates a realistic recovery estimate of approximately 30% to 40% of the pending balances due.

As of December 31, 2016, Winhealth has closed all known workers' compensation cases and has no immediate cases pending. There is a possibility that the WYWC could reopen a case or Winhealth could receive other notification that a case has been reopened. The estate will continue to monitor and work with WYWC.

As of December 31, 2016, Winhealth has addressed and closed 15 complaints and has 3 open and pending complaints. The Wyoming DOI reserves the right to reopen closed complaints if it receives additional information and warrants further consideration. The Winhealth estate continues to work in cooperation with the Wyoming DOI to resolve the remaining open complaints. The estate expects to continue to receive complaints through the first and second quarters of 2017 as efforts continue to wind down the core operations of Winhealth.

3. Proof of Claims Process

Winhealth has received 59 properly submitted proof of claim (POC) packets from potential creditors. The receivership estate has inspected the returned packets for completeness and logs the document into the control list. Winhealth has made a basic determination of the class priority associated with each properly received POC. Given the limited amount of assets Winhealth ultimately expects to recover relative to the ultimate liability of the liquidation estate, the company will not expend time and limited resources at this time to completely determine proof of claim packets for classes of creditors below the policyholder class who are unlikely to receive any payment. In the unlikely event that Winhealth recovers assets sufficient to pay all approved obligations in the policyholder class of creditors, the company will then consider and determine the next priority class of claims. All creditors with properly submitted POCs that fall into priority classes below the policyholder class will receive notice regarding the limited assets in the

liquidation estate. All such creditors will be provided further notice and the future opportunity to “prove up” their claim in the unlikely event the estate recovers additional assets sufficient to pay into their respective class.

Winhealth has determined and approved seven POCs totaling approximately \$70,000 for creditors who provided services that exceeded WLHIGA’s statutory coverage limit of \$300,000 per member. These “overcap” claims were included in the approved claim billing to PartnerRe. In addition to the overcap claims, the estate owes the WLHIGA approximately \$22.2 million for claims they have funded through December 31, 2016. At this time, it does not appear the Winhealth estate will be able to pay all approved creditor claims in the policyholder class of priority.

In addition to the properly submitted POC packets reported above, the Winhealth estate received in excess of 3,600 improperly submitted POCs from various medical providers seeking to have policy-related claims addressed through the POC process. The original POC packets issued to all known potential creditors and providers clearly instructed providers not to submit policy related claims through the POC process. After the entry of the liquidation order, medical providers with covered policy related claims for Winhealth members were notified and directed to continue to submit their claims through the established in-take process prior to liquidation. Essentially all properly submitted medical claims have been adjudicated in accordance with Winhealth policy terms and paid through the WLHIGA. All medical providers that submitted improper POCs seeking policy related claims payments were notified of the error and advised their claims would be addressed through the WLHIGA.

4. Winhealth’s Additional Administrative Activities

In addition to providing claims handling services to the WLHIGA, Winhealth continued to provide final run off services through December 31, 2016, and transitioned all policy administration services associated with the Administrative Services Run-Out Agreement with the Cheyenne Regional Medical Center (CRMC) to CRMC’s new third party administrator. As of January 1, 2017, Winhealth will no longer act in the capacity as third party administrator for the “BestLife” program, CRMC’s self-insured health plan. After meeting with representatives of

CRMC in September 2016 to review the on-going needs to complete the run-off and administrative transition of “BestLife,” the parties agreed to complete all administrative activities as of December 31, 2016. Winhealth continues to assist CRMC and their new third party administrator through periodic data reporting and addressing ad hoc inquiries, but will no longer actively manage the comprehensive policy administration of BestLife.

5. Actions to Maintain an Operational Workforce at Winhealth

As reported in the prior Winhealth status reports, the receivership offered retention bonuses to ensure enough staff remained with Winhealth to operate the run-out of the estate including the claims handling function for the WLHIGA. To date the retention program has been effective in helping to keep certain key staff members with the liquidation estate.

As of December 31, 2016, the Winhealth estate had 9 full time employees, 2 part-time employees, and 2 hourly contractors. Because of both voluntary resignations and consolidation of certain non-essential positions, the estate expects to have 6 full time employees, 2 part-time employees, and 2 hourly contractors as of February 17, 2017. The staff reductions since June 30, 2016, have reduced Winhealth’s monthly payroll expense to approximately \$70,000, including payroll withholding and benefit contributions. The receivership supervisor continues to review the necessary staffing requirements needed to manage the liquidation to completion, and the estate will honor a final retention payment to the remaining group of essential employees necessary to complete the balance of the run-off. The receivership supervisor will prepare a final staffing recommendation to the receiver during the first quarter of 2017.

6. Winhealth’s Real Estate

The receivership continues to work from the Winhealth home office located at 1200 East 20th Street, Cheyenne, Wyoming. The home office will continue to serve as the designated location to manage Winhealth’s liquidation estate through the final phase of the claims run-off process with the WLHIGA. In December 2016, the Winhealth estate completed a compromise and settlement transaction intended to resolve all claims associated with a \$6 million loan made by CRMC to Winhealth in 2015. As part of the settlement transaction, title to the Winhealth home

office, which was pledged as collateral for the 2015 loan, was transferred to CRMC, in exchange for a cash payment of \$3 million. CRMC has filed a proof of claim for the unpaid loan balance.

As part of the comprehensive compromise and settlement transaction, CRMC and the Winhealth estate agreed to a short-term lease agreement through June of 2017 to allow the Winhealth liquidation estate sufficient time to complete its run-off efforts. On October 19, 2016, the parties sought and obtained this Court's approval of the compromise and settlement agreement. On December 16, 2016, the parties closed the transaction, the Winhealth estate will continue to operate in a reduced portion of the building under the short-term lease agreement and CRMC is now the owner of the building.

B. Winhealth's Financial Status

The receivership has prepared a cash-basis income statement for the year ending December 31, 2016, and a statutory based balance sheet for Winhealth as of December 31, 2016. During that period, the receivership received a total of approximately \$12,009,270 in cash receipts and paid approximately \$8,747,603 in disbursements. As of December 31, 2016, the receivership held cash and cash equivalents totaling \$7,596,380, which includes \$849,410 in money market funds that are reported as short-term investments. In addition to cash and cash equivalents, Winhealth's other recoverable assets are comprised of Affordable Care Act (ACA) receivables associated with Winhealth's participation in the Federal marketplace, reinsurance, and provider refunds. Winhealth reported \$18,018,090 in ACA receivables, which is comprised of a risk corridor receivable that remains highly uncertain as to its collectability. Past experience and marketplace practice suggests the ACA risk corridor receivable will only be paid to insurers to the extent funding has been collected by the federal government. In 2015 and 2016, \$631,912 of a total of \$5,066,640 in risk corridor for the 2014 plan was collected. This amounts to 12.47% of the risk corridor obligation being paid for the 2014 plan year. During November, Winhealth received notification from CMS to expect approximately \$168,000 in additional risk corridor funding during 2017. At this time the receivership cannot estimate the amount or timing of any additional risk corridor payments due Winhealth.

Winhealth's reinsurance program is comprised of transitional reinsurance associated with the ACA, private treaty reinsurance placed with PartnerRe, and reinsurance placed with the Wyoming Small Employers Health Reinsurance Pool, WSEHRP. On December 31, 2016, Winhealth reported transitional reinsurance receivables of approximately \$646,000, private treaty reinsurance receivables through PartnerRe of approximately \$199,000, and reinsurance receivables from WSEHRP of approximately \$85,000. The receivership collected \$1,603,916 in October from PartnerRe and expects to recover the remaining \$199,000 during the first quarter of 2017. On January 18, 2017, Winhealth collected \$454,783 from the WSEHRP. The payment received resulted in WSEHRP overpaying Winhealth by \$369,951. The overpayment is the result of Winhealth owing WSEHRP for claims that were paid by both PartnerRE and WSEHRP. Winhealth did not collect any payments from CMS for transitional reinsurance during the fourth quarter. During January of 2017, Winhealth received notification from CMS that it was scheduled to receive \$410,922 in transitional reinsurance reimbursement during January. As mentioned above, this amount was placed on hold and is not expected to be paid until the hold on Winhealth's account is lifted. The estate cannot predict when it will collect the remaining balance of \$646,000,

Winhealth has billed approximately \$370,000 of known provider refunds that are recoverable from providers on claims that it overpaid. This amount is included in other current assets in the attached balance sheet. The receivership expects to complete the collections in 2017 and at this time does not anticipate a material allowance for collectability.

As of December 31, 2016, Winhealth reported \$27,807,166 in current liabilities. The majority of the current liabilities are comprised of unpaid claims totaling \$257,500, \$22,227,084 due the WLHIGA for claims paid through December 31, 2016, ACA payables totaling \$25,312, and a loan for \$3,516,301.

Winhealth had \$1,016,308 in trade payables and accrued expenses on December 31, 2016. The receivership will consider pre-liquidation obligations through the proof of claims process. As some of the accrued expenses are essential services necessary to carry out both the receivership activity and the claims run off, those expenses are being paid. \$137,498 in overpaid premiums,

primarily owed to members who were part of the federal exchange, and \$627,163 in premium credits owed to groups for contractual obligations that were insured during 2014 and 2015, account for an additional \$764,661 of the current liabilities on December 31, 2016. As overpaid premiums are reconciled, the amounts may be paid. A copy of the receiver's December 31, 2016 cash-basis income statement and balance sheet for Winhealth are attached to this report.

C. The Receivership's Incurred Administrative and Operations Expenses

Under the authority of this Court's liquidation order, the receivership retained professional services and incurred expenses necessary to allow it to perform all of its duties and obligations associated with the liquidation estate's run-off of Winhealth. An accounting of all fees and expenses paid during the period from January 1 through December 31, 2016, is included in the cash basis income statement. The Commissioner, through his managing receiver, carefully reviewed all expenses and approved only those he deemed proper under the liquidation order and the Wyoming Insurance Code. As reflected in the attached cash-basis income statement, Winhealth reported net operating income of \$274,496 during the liquidation period through December 31, 2016. Winhealth also received \$2,987,171 in a settlement from CRMC. During 2016 Winhealth's cash balance increased by \$3,261,667. To accomplish the work necessary to advance and manage the liquidation, including the claims run off process on behalf of the WLHIGA, the receivership has incurred and paid administrative expenses to essential vendors and retained Winhealth staff. As of December 31, 2016, the receivership paid \$2,678,113 in payroll and benefits to Winhealth staff including the retention payments discussed earlier in this report.

In addition to retained staff, the receivership continues to use key service vendors in support of the liquidation and run off. The material expense payments paid to date are associated with preserving Winhealth's access to provider networks, maintaining the policy administration systems, and the comprehensive accounting system. Winhealth continues to rely on certain data submission vendors and actuarial services in support of the ACA required claims and data reporting associated with Winhealth's participation in the federal marketplace. In addition to the \$2,678,113 in payroll and benefits expenses discussed above, an additional \$1,407,000 was paid

in 2016 to key vendors. Payroll, key vendor payments, and the transitional reinsurance fee paid represented approximately 95% of the administrative expenses paid by the receivership through December 31, 2016.

D. Marshalling Winhealth's Assets

On a much reduced basis, Winhealth continues to receive and adjudicate claims on behalf of the WLHIGA as funding is made available. The Winhealth estate filed the necessary pleadings and received this Court's approval to release early access payments to the WLHIGA as necessary to continue to fund approved health claims. Winhealth continues to pursue asset recoveries from both private reinsurance treaties as well as ACA recoveries associated with the federal marketplace. Finally, Winhealth continues to actively seek recovery of outstanding provider credit balances and subrogation obligations due the liquidation estate.

III. CONCLUSION

The receivership continues to work cooperatively with the WLHIGA to pay Winhealth's providers' covered claims subject to statutory limitations, continues to ensure that Winhealth has the employees it needs to pay claims and complete the run-off of the liquidation estate, and continues to work to maximize the value of the estate.

WINhealth Partners
Balance Sheet
December 31, 2016

Assets	December 2016	December 2015
Current Assets		
Cash	\$ 6,746,970	\$ 3,485,303
Short Term Investments	849,410	847,820
Investment Income Due and Accrued	251	473
Premiums Receivable	80,621	129,538
ACA Receivables	18,018,090	18,674,563
Reinsurance Claims Receivable	929,430	9,717,738
Pharmacy Rebates Receivable	-	58,067
Federal Income Tax Receivable	-	-
Prepaid Expenses	-	56,518
Other Current Assets	373,696	370,598
Total Current Assets	26,998,468	33,340,618
Fixed Assets		
Land & Building	-	2,069,670
Fixed Assets	12,047	36,571
Non-admitted Fixed Assets	47,177	298,327
Total Fixed Assets	59,224	2,404,568
Nonadmitted Assets		
Nonadmitted Assets	(18,351,279)	(19,318,026)
Total Assets	\$ 8,706,413	\$ 16,427,160
Liabilities and Net Worth		
Current Liabilities		
Accounts Payable - Claims	\$ 257,500	\$ 22,086,908
Payable Guarantee Association	22,227,084	-
Accounts Payable - Trade	945,617	1,764,891
ACA Payables	25,312	7,019,135
Accrued Expenses	70,691	249,927
Advance Premiums	137,498	280,971
Reserve For Risk Sharing Agreements	627,163	721,253
Short Term Loan Affiliate	3,516,301	3,056,712
Total Current Liabilities	27,807,166	35,179,797
Net Worth		
Contributed Capital	4,785,038	4,785,038
Retained Earnings—Prior Year	(4,219,649)	1,693,684
Retained Earnings—Current Year	(1,314,863)	(5,913,333)
Nonadmitted Assets	(18,351,279)	(19,318,026)
Total Capital & Surplus	(19,100,753)	(18,752,637)
Total Liabilities and Net Worth	\$ 8,706,413	\$ 16,427,160

WINhealth Partners
Cash Based Income Statement
2016

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Cash Balance Beginning of Month	\$ 3,485,303	\$ 2,660,625	\$ 2,184,706	\$ 2,890,045	\$ 2,793,234	\$ 2,713,874	\$ 4,247,300	\$ 3,742,126	\$ 5,231,270	\$ 5,031,402	\$ 4,502,565	\$ 4,024,636	\$ 3,485,303
REVENUE													
Premium Revenue	\$ 16,113	\$ (44,454)	\$ (285,497)	\$ 680	\$ (45,173)	\$ (12,539)	\$ 1,434	\$ (21,211)	\$ 784	\$ 2,383	\$ 3,000	\$ (11)	\$ (384,491)
Risk Corridor	-	-	72,430	-	-	-	-	-	-	10,705	-	-	83,135
Risk Adjustment	-	-	3,348	-	-	-	-	(2,857,867)	-	-	-	-	(2,654,519)
Pharmacy Rebates	17,070	33,102	-	77,851	23,004	-	-	84	-	-	-	(100,708)	50,403
Miscellaneous Revenue	2,898	-	-	(7)	-	-	-	-	-	-	-	-	2,891
TOTAL REVENUE	36,081	(11,352)	(209,719)	78,524	(22,169)	(12,539)	1,434	(2,676,994)	784	13,088	3,000	(100,719)	(2,902,561)
PLAN EXPENSES													
Total Medical Expenses	65,437	(184,593)	(111,413)	(26,426)	(67,534)	(315,944)	(55,954)	2,420,736	(37,473)	1,963,902	(25,937)	17,783	3,642,584
Reinsurance & Recoveries:													
Premium	-	334,249	-	-	-	-	-	-	-	-	-	-	334,249
Recoveries	-	(76,150)	(1,312,166)	-	-	(1,822,752)	-	(6,612,787)	-	(1,603,916)	-	-	(11,427,771)
Subrogation	(2,811)	(2,288)	(17,447)	(17,087)	(6,645)	(42)	-	-	(6,735)	(652)	(4,551)	(4,732)	(62,990)
Total Reinsurance	(2,811)	255,811	(1,329,613)	(17,087)	(6,645)	(1,822,794)	-	(6,612,787)	(6,735)	(1,604,568)	(4,551)	(4,732)	(11,156,512)
TOTAL PLAN EXPENSES	62,626	71,218	(1,441,026)	(43,513)	(74,179)	(2,138,738)	(55,954)	(4,192,051)	(44,208)	359,334	(30,488)	13,051	(7,513,926)
GROSS MARGIN	(26,544)	(82,570)	1,231,307	122,037	52,010	2,126,199	57,388	1,513,057	44,992	(346,246)	33,488	(113,770)	4,611,348
Management Fees													
TPA & Wellness Management Fees	117,894	-	-	-	233,232	-	-	233,232	-	-	-	-	584,358
GENERAL & ADMINISTRATIVE EXPENSES													
Payroll Expenses	241,716	192,325	379,647	163,890	158,481	229,998	350,782	153,046	109,546	101,281	133,916	88,222	2,302,849
Employee Benefits	5,823	31,389	24,953	935	56,670	29,147	134,515	15,898	45,260	17,046	10,641	1,987	375,264
Commissions & Exchange Fees	(133)	(5)	(15,633)	-	-	(274)	-	(193)	-	-	-	-	(16,238)
Consulting Services	9,043	28,195	25,178	8,253	8,508	64,194	1,164	-	3,525	9,823	6,562	6,919	169,350
Marketing & Notification Expenses	1,784	-	1,306	1,204	473	-	-	-	-	-	-	-	4,767
Health Plan Materials	101	-	-	2	-	2,336	-	-	-	-	-	-	2,439
Building Expenses	6,801	8,518	4,862	3,138	8,278	9,361	8,198	7,578	8,020	5,853	8,801	8,240	87,648
IT Maintenance and Supplies	52,193	61,149	62,921	20,798	85,347	46,891	52,458	36,547	67,333	37,043	69,774	36,388	628,842
Office Expenses	24,366	5,529	17,280	5,760	1,760	6,758	4,799	3,694	4,727	6,993	1,500	5,004	88,170
Outsourced Services	112,954	62,411	22,741	12,616	43,419	200,551	8,513	2,032	4,336	2,653	133,311	2,738	608,475
Insurance Expenses	-	-	-	-	-	305	-	-	-	-	-	-	305
Licenses and Fees	441,665	3,734	2,599	2,469	3,896	3,686	2,380	10,363	2,365	1,960	147,431	1,900	624,448
Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Expenses	19,824	288	250	-	-	-	-	-	-	-	-	-	-
Total General & Administrative Expenses	916,137	393,533	526,102	219,065	364,830	592,953	562,809	257,405	245,112	182,852	511,936	151,398	4,924,132
NET GENERAL & ADMINISTRATIVE EXPENSES	798,244	393,533	526,102	219,065	131,598	592,953	562,809	24,173	245,112	182,852	511,936	151,398	4,339,774
TOTAL EXPENSES	978,763	464,751	(914,924)	175,552	290,651	(1,545,785)	506,855	(3,934,646)	200,904	542,186	461,448	164,449	(2,569,797)
INCOME (LOSS) FROM OPERATIONS	(824,788)	(476,103)	705,205	(97,028)	(79,588)	1,533,246	(505,421)	1,488,884	(200,120)	(529,098)	(478,448)	(265,168)	271,574
Interest Expense	-	-	-	-	-	61	-	-	-	-	-	-	61
Investment Income	110	184	134	217	228	241	247	260	252	261	519	331	2,984
INCOME (LOSS) BEFORE FIT	(824,678)	(475,919)	705,339	(96,811)	(79,360)	1,533,426	(505,174)	1,489,144	(199,868)	(528,837)	(477,929)	(264,837)	274,496
Settlement CRMC	-	-	-	-	-	-	-	-	-	-	-	2,987,171	2,987,171
NET INCOME (LOSS)	(824,678)	(475,919)	705,339	(96,811)	(79,360)	1,533,426	(505,174)	1,489,144	(199,868)	(528,837)	(477,929)	2,722,334	3,261,667
Cash Balance End of Month	\$ 2,660,625	\$ 2,184,706	\$ 2,890,045	\$ 2,793,234	\$ 2,713,874	\$ 4,247,300	\$ 3,742,126	\$ 5,231,270	\$ 5,031,402	\$ 4,502,565	\$ 4,024,636	\$ 6,746,970	\$ 6,746,970