

**Oregon's Health Co-Op**  
**Statement of Affairs**  
**March 31, 2017**

	<b>March 02, 2017</b>	<b>March 31, 2017</b>
	<u>Estimated Realizable Value</u>	<u>Estimated Realizable Value</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 11,092,641	\$ 10,513,586
Risk Corridor Receivable	18,814,901	18,814,901
Risk Corridor Receivable Valuation Adjustment	(18,814,901)	(18,814,901)
Amounts Recoverable from Reinsurers	1,638,016	1,660,974
Premiums in Course of Collection	20,846	10,777
Rebates Receivable	31,421	31,421
Fixed Assets	38,585	35,449
Prepaid Expenses	138,304	106,824
Other Assets	937,953	1,164,286
<b>Total Assets</b>	<b>\$ 13,897,765</b>	<b>\$ 13,523,318</b>
<b>LIABILITIES</b>		
Administrative Claims (Class 1)		
Administration of Delinquency Proceedings	\$ 382,176	\$ 372,055
Operations of Delinquency Proceedings	1,895,873	1,832,378
Loss Claims (Class 2)		
Unpaid Claims	13,243,103	13,253,379
Advance Premium Claims	537,073	449,534
Federal Government Claims (Class 3)	2,001,350	1,995,971
Employee Claims (Class 4)	84,000	84,000
State & Local Government Claims (Class 5)	192,012	194,451
General Creditor Claims (Class 6)		
Other	2,165,996	2,226,780
<b>Total Liabilities</b>	<b>20,501,582</b>	<b>20,408,549</b>
<b>EQUITY</b>		
Total Capital & Surplus	(6,603,818)	(6,885,230)
Excess (Deficiency) of Assets over Liabilities	(6,603,818)	(6,885,230)
<b>Total Liabilities and Equity</b>	<b>\$ 13,897,765</b>	<b>\$ 13,523,318</b>

**Notes:**

OHC was ordered into liquidation on March 2, 2017.

**Oregon's Health Co-Op**  
**Statement of Cash and Receipts and Distributions**  
**March 31, 2017**

	Adjusted balance as of March 2, 2017	January 1 through March 31, 2017	Statement of Receipts and Disbursements March 2, 2017 through March 31, 2017	Receipts and Disbursements Since Date of Liquidation
<b>CASH RECEIPTS</b>				
Premiums collected net of reinsurance	\$ (248,428)	\$ (215,002)	\$ 33,426	\$ 33,426
Litigation Recoveries	-	-	-	-
Tax Recoveries	-	-	-	-
Other Cash Provided	-	-	-	-
Sale of Personal Property Inventory	-	-	-	-
Sale of Real Property Inventory	-	-	-	-
Sale of Other Assets	-	-	-	-
Receipts Before Investment Activities	(248,428)	(215,002)	33,426	33,426
Interest and Dividend Receipts	373	373	-	-
Proceeds from investments sold, matured or repaid	3,560	3,560	-	-
Receipts From Investment Activities	3,933	3,933	-	-
<b>Total Cash Receipts</b>	<b>(244,495)</b>	<b>(211,069)</b>	<b>33,426</b>	<b>33,426</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>				
Benefit and Loss Related Payments	1,507,431	1,552,385	(44,953)	(44,953)
Admin Expenses	810,244	1,294,044	(483,800)	(483,800)
Salaries and Benefits	160,172	235,740	(75,567)	(75,567)
Rent, Building and Equipment	18,162	23,882	(5,720)	(5,720)
Taxes & Fees	4,879	7,318	(2,439)	(2,439)
Disbursements	2,500,888	3,113,369	(612,481)	(612,481)
Distributions				
Early Access-Guaranty Associations	-	-	-	-
Total Distributed	-	-	-	-
Disbursements & Distributions Before Investment	2,500,888	3,113,369	(612,481)	(612,481)
Disbursements for Investment Activities	-	-	-	-
<b>Total Cash Disbursements &amp; Distributions</b>	<b>2,500,888</b>	<b>3,113,369</b>	<b>(612,481)</b>	<b>(612,481)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(2,745,384)</b>	<b>(3,324,438)</b>	<b>(579,054)</b>	<b>(579,054)</b>
<b>Beginning Cash Balance:</b>				
Beginning Cash	13,838,024	13,838,024		
<b>Ending Cash Balance</b>	<b>\$ 11,092,640</b>	<b>\$ 10,513,586</b>	<b>\$ (579,054)</b>	<b>\$ (579,054)</b>

**Notes:**

OHC was ordered into liquidation on March 2, 2017.

**Oregon's Health Co-Op**  
**Risk Corridor Receivable and Valuation Adjustment**  
**March 31, 2017**

<b>Description</b>	<b>Balance 3/2/2017</b>	<b>Adjustments</b>	<b>Balance 3/31/2017</b>
Risk Corridor Receivable	18,814,901		18,814,901
Risk Corridor Receivable Valuation Adjustment	<u>(18,814,901)</u>		<u>(18,814,901)</u>
	<u>-</u>		<u>-</u>

**Oregon's Health Co-Op**  
**Amounts Recoverable from Reinsurers**  
**March 31, 2017**

<b>Description</b>	<b>Balance 3/2/2017</b>	<b>Added/ (Applied)</b>	<b>Received</b>	<b>Balance 3/31/2017</b>
ACA Reinsurance	1,593,412.90		22,958.83	1,616,371.73 <sup>A</sup>
Commercial Reinsurance	44,602.73			44,602.73
	<u>\$1,638,015.63</u>	<u>\$0.00</u>	<u>\$22,958.83</u>	<u>\$1,660,974.46</u>

<sup>A</sup> True-up of 2015 federal reinsurance amounts receivable based on actual results.

**Oregon's Health Co-Op  
Premiums in Collections  
March 31, 2017**

<b>Description</b>	<b>Balance 2/28/2017</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/2017</b>
Premium Receivables	\$ 20,845.89		\$(10,068.77)	\$ 10,777.12 <span style="color: red;">A</span>
	<u>\$ 20,845.89</u>		<u>\$(10,068.77)</u>	<u>\$ 10,777.12</u>

A Reduction in premium receivables is due to retro member/group AR clean-up adjustments.

**Oregon's Health Co-Op  
Rebate Receivables  
March 31, 2017**

<b>Description</b>	<b>Balance 2/28/2017</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/2017</b>
RX Rebate Receivables	\$ 31,420.92			\$ 31,420.92
	<u>\$ 31,420.92</u>		<u>\$ -</u>	<u>\$ 31,420.92</u>

**A** RX Rebate Receivable is based on OHC's best estimate. OHC is working with Optum to reconcile the receivable amounts and has requested further information from Optum.

**Oregon's Health Co-Op**  
**Fixed Assets**  
**March 31, 2017**

<b>Description</b>	<b>Balance 3/2/2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 3/31/2017</b>
Furniture and Equipment	\$ 162,279.64			\$ 162,279.64
Accumulated Depreciation	(123,695.09)	(3,135.72)		(126,830.81)
	<u>\$ 38,584.55</u>	<u>\$ (3,135.72)</u>	<u>\$ -</u>	<u>\$ 35,448.83</u>

**Oregon's Health Co-Op  
Prepaid Expenses  
March 31, 2017**

<b>Description</b>	<b>Balance 2/28/2017</b>	<b>Payments Additions</b>	<b>Adjustments</b>	<b>Balance 3/31/2017</b>
Prepaid Expenses	\$ 138,304.38	\$ 938.03		\$ 139,242.41
Monthly Amortization		(32,418.17)		(32,418.17)
	<u>\$ 138,304.38</u>	<u>\$ (31,480.14)</u>	<u>\$ -</u>	<u>\$ 106,824.24</u>



**Oregon's Health Co-Op  
Other Assets  
March 31, 2017**

<b>Description</b>	<b>Balance 3/2/2017</b>	<b>Added/ (Applied)</b>	<b>Received</b>	<b>Balance 3/31/2017</b>
Recoup Receivable	\$ 536,628.36	\$ 171,777.99	\$ 54,555.72	\$ 762,962.06 <sup>A</sup>
ACA Risk Adjustment	401,324.32			401,324.32
	<u>\$ 937,952.68</u>	<u>\$ 171,777.99</u>	<u>\$ 54,555.72</u>	<u>\$ 1,164,286.38</u>

<sup>A</sup> The \$171,777.99 represents additional recoupments identified of \$222,541.01, refunds received during March of \$4,811.79, reversal of prior month non-provider receipts of \$3,792.69, and net of refunds applied to claims payments during March of (\$59,367.51).

**Oregon's Health Co-Op**  
**Footnotes**  
**March 31, 2017**

- 1 **Company Information.** Oregon's Health CO-OP ("OHC") was a Consumer Operated and Oriented Plan ("Co-Op") domiciled in Oregon and placed in to liquidation on March 2, 2017.
- 2 **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of January 1, 2017 through March 2, 2017 as the pre-liquidation period. The assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. Private reinsurance receivables are only posted when billed to reinsurers. Federal Reinsurance is estimated based on projected 2016 EDGE Server outcome, no amounts have been recorded for State Reinsurance. In addition, the statements do not provide accruals for all future administrative expenses to liquidate the company or costs to pursue or litigate claims against others.
- 3 **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
- 4 **Cash and Cash Equivalent.** The majority of cash and cash equivalent of the company are held in two main cash accounts: the operating account held at US Bank, and the premium receipts account held at OnPoint Credit Union. Additionally there are special reserve funds held at the State of Oregon Treasury.
- 5 **Risk Corridor Receivable and Reserve.** These accounts represent funds due to OHC under the 2014 and 2015 ACA Risk Corridor program. The amount is fully reserved for as the expectation of receipt is not likely. No amounts have been recorded for 2016 risk corridor, even though there will most likely be an amount receivable related to the 2016 premium year.
- 6 **Amounts Recoverable from Reinsurers.** This receivable represents funds due to OHC from the company's private reinsurer in the amount of \$44,603 and for estimated amounts due from CMS for 2016 federal reinsurance.
- 7 **Premiums in Course of Collections.** Represents estimated remaining premium receivables, including APTC and CSR.
- 8 **Rebates Receivable.** Estimated value of net receivable to OHC's pharmacy PBM for rebates and final invoicing.
- 9 **Fixed Assets.** Estimated value of personal property such as office furniture and equipment.
- 10 **Prepaid Expenses.** Estimated value of prepaid vendor costs.
- 11 **Other Assets.** Estimated value remaining of 2015 individual risk adjustment due from CMS and provider refunds expected to be received.
- 12 **Administrative Claims (Class 1).** Unless otherwise noted, the Liquidation Statement of Assets, Liabilities & Surplus contains liquidation claim liabilities by priority class pursuant to Oregon Statute, and are reported as gross filed amounts. The Administrative Claims liability represent receivership costs, including legal fees, needed to administer the delinquency proceedings of OHC.
- 13 **Loss Claims (Class 2).** Loss Claims liability numbers are based upon the most current available information related to medical claims received or expected to be received and processed by OHC's Third Party Administrator (TPA), and advanced premiums received as determined by OHC's TPA.
- 14 **Federal Government Claims (Class 3).** Federal Government Claims relate to net advanced APTC, CSR and other ACA fees that are due to CMS.

- 15 **Employee Claims (Class 4).** Per Oregon Statue, Employee Claims are defined as "compensation or wages actually owing to salaried employees other than officers of the insurer, for services rendered within three months prior to the commencement of the delinquency proceeding, but not exceeding \$2,000 for each such employee."
- 16 **State & Local Government Claims (Class 5).** State & Local Government Claims relate to net ACA state exchange fees, premium assessment fees and county personal property taxes.
- 17 **General Creditor Claims (Class 6).** General Creditor Claims represent vendor and landlord liabilities that are outside of the delinquency proceeding activities. Unpaid broker commissions and employee liabilities exceeding the maximum \$2,000 per employee are also included in this class.
- 18 **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. The excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the company or costs to pursue or litigate claims against others.