

Evergreen Health Inc. in Liquidation
Statement of Assets, Liabilities, and Capital and Surplus (A)
March 31, 2021
(Unaudited)

	<u>September 01, 2017</u> <u>Estimated Realizable</u> <u>Value</u>	<u>March 31, 2021</u> <u>Estimated Realizable</u> <u>Value</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,121,774	\$ 11,255,028
Investments	12,728,371	655,145
Risk Corridor Receivable	2,421,113	2,384,975
Risk Corridor Receivable Valuation Adjustment	(2,421,113)	-
Amounts Recoverable from Reinsurer	1,468,061	-
Amounts due from Federal and State Programs	2,621,380	-
Premiums in Course of Collection	2,080,289	191,554
Rebates Receivable	1,601,406	1,782,173
Provider and Other Claims Recoverable	1,093,868	136,434
Fixed Assets	64,000	-
Prepaid Expenses	281,262	6,348
Investment Income due and accrued	57,525	8,618
Other Assets	17,221	38,324
Total Assets	<u>\$ 32,135,157</u>	<u>\$ 16,458,599</u>
LIABILITIES		
Claims Unpaid	\$ 33,974,661	24,742,575
Unpaid Claims Adjustment Expenses	200,000	-
Premium Deficiency	1,033,000	-
Aggregate Health Policy Reserves	25,536,535	33,382,001
Premiums Received in Advance	640,668	-
General Expenses Due and Accrued	4,253,848	3,075,520
Ceded Reinsurance Premiums Payable	125,355	-
Amount due to Parent, Subsidiaries, and Affiliates	312,906	-
Other Liabilities	655,803	-
Total Liabilities	<u>\$ 66,732,776</u>	<u>\$ 61,200,097</u>
Capital and Surplus		
Surplus Notes	\$ 12,000,000	\$ 12,000,000
Accumulated Deficit	<u>(46,597,619)</u>	<u>(56,741,498)</u>
Total Capital & Surplus	<u>\$ (34,597,619)</u>	<u>\$ (44,741,498)</u>
Total Liabilities, Capital and Surplus	<u>\$ 32,135,157</u>	<u>\$ 16,458,599</u>

Note:

(A) See Notes to Financial Statements as of March 31, 2021.

Evergreen Health Inc. in Liquidation
Statement of Revenue and Expenses (A)
For The Period September 1, 2017 ("Liquidation date") through March 31, 2021
(Unaudited)

	Date of Liquidation through March 31, 2021
Revenues	\$ (5,808,898)
Medical and Pharmacy Benefits	
Direct Hospital & Medical Benefits	10,184,191
Direct Prescriptions Drugs	1,058,985
Change in Reinsurance Recoverables	1,412,336
Total Medical and Pharmacy Benefits Expenses	12,655,513
Claim Adjustment Expenses	1,965,680
General Administrative Expenses	
Estate Administration	2,893,005
Employee and Personnel	2,599,118
Facility and Operations	1,341,597
Total General and Administrative Expenses	6,833,720
Other Adjustments	
Change in Pre-Receivership Liabilities based on adjudication of POC claims	12,992,889
Decrease in Premium Deficiency Reserves	1,033,000
Decrease in Surplus Interest Expense	396,065
Decrease for Nonadmitted Risk Corridor Receivable Valuation	2,384,976
Other Adjustments	16,806,929
Net Underwriting Gain/(Loss)	(10,456,882)
Investment Income	328,852
Realized Gains/(Losses)	(15,850)
Total Investment Income	313,003
Net Operating Gain/(Loss)	\$ (10,143,879)

Notes:

(A) See Notes to Financial Statements as of March 31, 2021.

Evergreen Health Inc. in Liquidation

Notes to the Financial Statements as of March 31, 2021

1. Evergreen Health, Inc. ("Evergreen") was ordered into Rehabilitation on July 31, 2017 and Liquidation on September 1, 2017. As a result of the Liquidation all policies were terminated as of September 30, 2017.
2. Evergreen is currently evaluating legal actions and remedies. No amounts are currently recorded in the financial statements for litigation expenses.
3. The financial statements are prepared by the Receiver from information available to, known, or estimated by the Receiver as of the date of the financial statements. The financial statements are unaudited. Failure of the numbers to add in all cases is due to rounding. Amounts reported in the financial statements do not include all possible recoveries that may result from various legal and/or collection efforts. Inclusion of an item as a liability is not admission by the Receiver that such amount is owed. The estimates reflected will continue to be updated as the Receiver gathers additional information.
4. Evergreen Health, Inc.'s financial statements as of March 31, 2021 have been prepared utilizing a liquidation basis of accounting.
5. Evergreen Health, Inc. has adjusted the pre-receivership liabilities based on the receiver's claims report and recommendation. On October 15, 2020 the Circuit Court of Baltimore City approved the receiver's claim report and recommendation.
6. Evergreen Health, Inc.'s financial statements as of September 1, 2017 reflected interest payable to the Surplus Note Holders in the amount of \$396,065. These amounts were not approved by the MIA, no amounts were paid to the Surplus Note Holders, and no amounts are reported as due the Surplus Note Holders as of March 31, 2021.
7. On April 27, 2020 the U.S. Supreme Court ruled the federal government owes health insurers (including Co-Ops) amounts due from the Risk Corridor Programs for years 2014 through 2016 as part of Affordable Care Act. Evergreen's gross recovery due from the Risk Corridor Program is approximately \$2.4 million as a result of Evergreen's settlement with CMS on January 19, 2017. Evergreen intends to utilize the "right of offset" to offset the amounts due Evergreen from CMS under the Risk Corridor Program against amounts due from Evergreen to CMS under the Risk Adjustment Program. These amounts have been reported on a "gross basis" within these financial statements.