

Evergreen Health Inc. in Liquidation
Statement of Assets, Liabilities, and Capital and Surplus (A)
June 30, 2022
(Unaudited)

	September 01, 2017	June 30, 2022
	Estimated Realizable	Estimated Realizable
	Value	Value
	<hr/>	<hr/>
ASSETS		
Cash and Cash Equivalents	\$ 10,121,774	\$ 10,109,151
Investments	12,728,371	600,927
Risk Corridor Receivable	2,421,113	2,384,976
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	-
Rebates Receivable	1,601,406	-
Provider and Other Claims Recoverable	1,093,868	-
Fixed Assets	64,000	-
Prepaid Expenses	281,262	2,039
Investment Income due and accrued	57,525	10,798
Other Assets	17,221	38,324
Total Assets	<u>\$ 32,135,157</u>	<u>\$ 13,146,214</u>
LIABILITIES		
Claims Unpaid	\$ 33,974,661	\$ 21,321,377
Unpaid Claims Adjustment Expenses	200,000	-
Premium Deficiency	1,033,000	-
Aggregate Health Policy Reserves	25,536,535	33,802,001
Premiums Received in Advance	640,668	-
General Expenses Due and Accrued	4,253,848	3,032,154
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>\$ 58,155,533</u>
Capital and Surplus		
Surplus Notes	\$ 12,000,000	\$ 12,000,000
Accumulated Deficit	(46,597,619)	(57,009,319)
Total Capital & Surplus	<u>\$ (34,597,619)</u>	<u>\$ (45,009,319)</u>
Total Liabilities, Capital and Surplus	<u>\$ 32,135,157</u>	<u>\$ 13,146,214</u>

Note:

(A) See Notes to Financial Statements as of June 30, 2022.

Evergreen Health Inc. in Liquidation
Statement of Revenue and Expenses (A)
For The Period September 1, 2017 ("Liquidation date") through June 30, 2022
(Unaudited)

	Date of Liquidation through June 30, 2022
Revenues	\$ (6,000,158)
Change in Net Premium Income Earned	\$ (5,789,002)
Returned Premiums	(211,156)
Total Revenues	(6,000,158)
 Medical and Pharmacy Benefits	
Direct Hospital & Medical Benefits	9,895,386
Direct Prescriptions Drugs	1,058,985
Change in Reinsurance Recoverables	1,412,336
Total Medical and Pharmacy Benefits Expenses	12,366,707
 Claim Adjustment Expenses	 1,964,878
 General Administrative Expenses	
Estate Administration	3,098,618
Employee and Personnel	2,640,902
Facility and Operations	1,408,528
Total General and Administrative Expenses	7,148,048
 Other Adjustments	
Change in Pre-Receivership Liabilities based on adjudication of POC claims	12,947,850
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	16,761,891
 Net Underwriting Gain/(Loss)	(10,717,900)
 Investment Income	 320,205
Realized Gains/(Losses)	(14,006)
Total Investment Income	306,200
Net Operating Gain/(Loss)	\$ (10,411,700)

Notes:

(A) See Notes to Financial Statements as of June 30, 2022.

Evergreen Health Inc. in Liquidation

Notes to the Financial Statements as of June 30, 2022

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 or obligations that may result from various legal and/or collection efforts or claims. 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 June 30, 2022 have been prepared utilizing a liquidation basis of accounting.
5. Evergreen Health, Inc. has adjusted the pre-receivership liabilities based on the Receiver's initial claims report and recommendation. On October 15, 2020, the Circuit Court of Baltimore City approved the Receiver's initial 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 June 30, 2022.
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.