

**Evergreen Health Inc. in Liquidation**  
**Statement of Assets, Liabilities, and Capital and Surplus (A)**  
**September 30, 2023**  
**(Unaudited)**

	<u>September 1, 2017</u> Estimated Realizable Value	<u>June 30, 2023</u> Estimated Realizable Value	<u>September 30, 2023</u> Estimated Realizable Value
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,121,774	\$ 10,687,966	\$ 10,795,498
Investments	12,728,371	-	-
Risk Corridor Receivable	2,421,113	2,384,976	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	2,041	1,020
Investment Income due and accrued	57,525	43,528	46,055
Other Assets	17,221	38,324	38,324
<b>Total Assets</b>	<b><u>\$ 32,135,157</u></b>	<b><u>13,156,835</u></b>	<b><u>\$ 13,265,872</u></b>
<b>LIABILITIES</b>			
Claims Unpaid	\$ 33,974,661	\$ 21,320,816	\$ 21,320,816
Unpaid Claims Adjustment Expenses	200,000	-	-
Premium Deficiency	1,033,000	-	-
Aggregate Health Policy Reserves	25,536,535	33,802,001	33,802,001
Premiums Received in Advance	640,668	-	-
General Expenses Due and Accrued	4,253,848	3,066,245	3,112,789
Ceded Reinsurance Premiums Payable	125,355	-	-
Amount due to Parent, Subsidiaries, and Affiliates	312,906	-	-
Other Liabilities	655,803	-	-
<b>Total Liabilities</b>	<b><u>\$ 66,732,776</u></b>	<b><u>58,189,062</u></b>	<b><u>\$ 58,235,606</u></b>
<b>Capital and Surplus</b>			
Surplus Notes	\$ 12,000,000	12,000,000	\$ 12,000,000
Accumulated Deficit	(46,597,619)	(57,032,228)	(56,969,733)
<b>Total Capital &amp; Surplus</b>	<b><u>\$ (34,597,619)</u></b>	<b><u>(45,032,228)</u></b>	<b><u>\$ (44,969,733)</u></b>
<b>Total Liabilities, Capital and Surplus</b>	<b><u>\$ 32,135,157</u></b>	<b><u>\$ 13,156,835</u></b>	<b><u>\$ 13,265,872</u></b>

**Note:**

(A) See Notes to Financial Statements as of September 30, 2023.

**Evergreen Health Inc. in Liquidation**  
**Statement of Revenue and Expenses (A)**  
**For The Period September 1, 2017 ("Liquidation date") through September 30, 2023**  
**(Unaudited)**

	<u>Date of Liquidation through June 30, 2023</u>	<u>Quarterly Activity</u>	<u>Date of Liquidation through September 30, 2023</u>
<b>Revenues</b>			
Change in Net Premium Income Earned	\$ (5,790,658)	\$ -	\$ (5,790,658)
Returned Premiums	(211,156)	-	(211,156)
Misc Income	1,775	34	1,809
<b>Total Revenues</b>	<b>(6,000,039)</b>	<b>34</b>	<b>(6,000,005)</b>
<b>Medical and Pharmacy Benefits</b>			
Direct Hospital & Medical Benefits	9,895,386	-	9,895,386
Direct Prescriptions Drugs	1,058,985	-	1,058,985
Change in Reinsurance Recoverables	1,412,336	-	1,412,336
<b>Total Medical and Pharmacy Benefits Expenses</b>	<b>12,366,707</b>	<b>-</b>	<b>12,366,707</b>
Claim Adjustment Expenses	1,964,733	-	1,964,733
<b>General Administrative Expenses</b>			
Estate Administration	3,334,994	61,816	3,396,810
Employee and Personnel	2,691,874	7,860	2,699,733
Facility and Operations	1,450,451	6,607	1,457,058
<b>Total General and Administrative Expenses</b>	<b>7,477,319</b>	<b>76,282</b>	<b>7,553,601</b>
<b>Other Adjustments</b>			
Change in Pre-Receivership Liabilities based on adjudication of POC claims	12,947,850	0	12,947,850
Decrease in Premium Deficiency Reserves	1,033,000	-	1,033,000
Decrease in Surplus Interest Expense	396,065	-	396,065
Decrease for Nonadmitted Risk Corridor Receivable Valuation	2,384,976	-	2,384,976
<b>Other Adjustments</b>	<b>16,761,891</b>	<b>0</b>	<b>16,761,891</b>
<b>Net Underwriting Gain/(Loss)</b>	<b>(11,046,907)</b>	<b>(76,248)</b>	<b>(11,123,155)</b>
Investment Income	626,304	138,742	765,046
Realized Gains/(Losses)	(14,006)	-	(14,006)
Total Investment Income	612,298	138,742	751,041
<b>Net Operating Gain/(Loss)</b>	<b>\$ (10,434,609)</b>	<b>\$ 62,494</b>	<b>\$ (10,372,114)</b>

**Notes:**

(A) See Notes to Financial Statements as of September 30, 2023.

**Evergreen Health Inc. in Liquidation**  
**Notes to the Financial Statements as of September 30, 2023**

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 September 30, 2023 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 to the Surplus Note Holders as of September 30, 2023.
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.