

Evergreen Health Inc. in Liquidation
Statement of Affairs
June 30, 2022
(Unaudited)

	September 01, 2017 Estimated Realizable Value	June 30, 2022 Estimated Realizable Value
ASSETS (A)		
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	\$ 32,135,157	\$ 13,146,214
LIABILITIES (B)		
Expenses of Administration (Class 1)		
Receivership Administration	\$ 346,419	\$ 117,059
Other Approved Agreements	710,464	-
Post-Receivership Claims	6,899,402	721
Members of the Health Maintenance Organization (Class 2)	-	12,867
Healthcare Providers (Class 3)	25,859,582	21,307,789
Federal Government Claims (Class 4)	25,737,890	33,802,001
Employee Claims (Class 5)	35,185	-
Taxes and Debts Due any State or Local Government (Class 6)	-	-
General Creditor Claims (Class 7)	7,143,834	2,940,834
Other	-	-
Total Liabilities	\$ 66,732,776	\$ 58,181,272
EQUITY		
Surplus Notes	\$ 12,000,000	\$ 12,000,000
Accumulated Deficit	(46,597,619)	(57,035,058)
Total Capital & Surplus	\$ (34,597,619)	\$ (45,035,058)
Total Liabilities, Capital and Surplus	\$ 32,135,157	\$ 13,146,214

Notes:

(A) See Notes to Statement of Affairs (1), (2), (3), and (4) as of June 30, 2022.

(B) See Notes to Statement of Affairs (1), (2), (3), (4), (5), and (6) 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	\$ (6,000,193)
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	1,408,768
Total General and Administrative Expenses	7,148,288
Other Adjustments	
Change in Pre-Receivership Liabilities based on adjudication of POC claims	12,922,386
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	16,736,427
Net Underwriting Gain/(Loss)	(10,743,638)
Investment Income	320,205
Realized Gains/(Losses)	(14,006)
Total Investment Income	306,200
Net Operating Gain/(Loss)	\$ (10,437,439)

Notes:

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

Evergreen Health Inc. in Liquidation

Notes to the Statement of Affairs 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. adjusted the pre-receivership liabilities reported based on Proof of Claims ("POCs") received by the claim filing deadline as of July 31, 2018. On October 8, 2019, the Receiver received an order from the Court clarifying the distribution priority. Pursuant to the Court's order, the Receiver proposes to make distributions to Class 2 members, Class 3 providers and hospitals pro rata without priority given to any one category among them. In addition Evergreen Health 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 initial claim report and recommendation for Class 2 and Class 3 claims. Class 4 claims have been reconciled by Evergreen to reports provided by and prepared for CMS. Class 5, 6, and 7 claims received have not been adjudicated by Evergreen based on assets available for distribution as of the date of these financial statements.
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.