

mail # 1162214

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA
VERSUS
LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

MOTION FOR APPROVAL OF THE LAHC SETTLEMENT PLAN

NOW INTO COURT, through undersigned counsel comes James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-approved Receiver, Billy Bostick ("LAHC"), who seeks an order of this Court approving the LAHC Settlement Plan and its implementation, all as more fully explained in the memorandum in support of this motion, which is attached hereto and incorporated herein.

WHEREFORE, mover prays for an order approving the LAHC Settlement Plan and its implementation, all as more fully explained in the memorandum in support of this motion, which is attached hereto and incorporated herein, and for all other appropriate relief.

Respectfully Submitted,

BURGLASS & TANKERSLEY, LLC

BY: 

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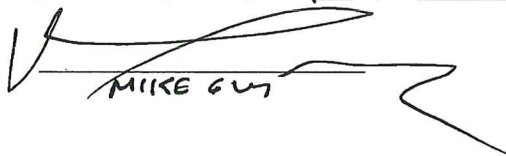
Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

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CERTIFICATE OF SERVICE

I hereby certify that I have not served a copy of the foregoing pleading on any counsel in these proceedings because there are no other parties in these proceedings, this 4th day of OCTOBER, 2018.


MIKE GUY

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

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JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA
VERSUS
LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

ORDER

The Court considering the Motion For Approval of the LAHC Settlement Plan and finding that mover is entitled to the relief granted,

IT IS ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to enter into settlement agreements with settling LAHC claimants upon such terms as both parties to each such agreement consent to and thereafter authorizing and directing LAHC to pay the agreed upon Early Payment amounts agreed upon, to be paid based on availability of funds, a waiver of all federal claims, and in accordance with the terms of any federal government release/waiver, and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all Early Payment amounts will be net of all refunds due LAHC by the settling LAHC Providers.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to make agreed upon changes and to accept electronic signatures to the LAHC Settlement Plan documents as needed and/or requested by LAHC claimants and agreed to by LAHC and to enter into such confidentiality and non-disclosure agreements as may be needed and/or prudent, as deemed by the Receiver to be in the best interest of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to send and receive any and all documents related to the LAHC Settlement Plan by mail, delivery, facsimile and/or electronic transmission (e-mail) and to accept electronic signatures, in the discretion of the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all settling and non-settling LAHC providers be and hereby are permanently enjoined from collecting and/or

attempting to collect member responsibility payments from LAHC, LAHC insureds, policyholders subscribers, members and enrollees in violation of La. R.S. 22:1874, until written notice is given by LAHC as to the amount owed

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to pay the claims of LAHC insureds, policyholders, and subscribers for premium refunds in the approximate amount of One Hundred Twenty Thousand (\$120,000.00) Dollars.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC be and hereby is authorized and directed to discontinue further efforts at claims reconciliation for all settling claimants and all enrollment reconciliation except where necessary to meet the needs of counsel and retained experts in the pending LAHC recovery action, case number 651-069, Section 22, on the docket of the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, other pending or contemplated litigation and/or as needed to address the claims of LAHC health care providers, insureds, policyholders, subscriber, members and/or enrollees who elect not to participate in the LAHC Settlement Plan, if deemed to be in the best interest of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the LAHC Receiver is granted all power and authority to accomplish the task of implementing the LAHC Settlement Plan approved herein and executing any documents related thereto as the Receiver may deem necessary and advisable in the Receiver's discretion.

Baton Rouge, Louisiana, this 03 day of December 2018


JUDGE RICHARD "CHIP" MOORE, III

I HEREBY CERTIFY THAT ON THIS DAY A COPY OF
THE WRITTEN REASONS FOR JUDGMENT /
JUDGMENT / ORDER / COMMISSIONER'S
RECOMMENDATION WAS MAILED BY ME WITH
SUFFICIENT POSTAGE AFFIXED.
SEE ATTACHED LETTER FOR LIST OF RECIPIENTS.

DONE AND MAILED ON December 14, 2018


DEPUTY CLERK OF COURT

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 641 928

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JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA
VERSUS
LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

**MEMORANDUM IN SUPPORT OF MOTION FOR APPROVAL OF THE
LAHC SETTLEMENT PLAN**

MAY IT PLEASE THE COURT:

James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-approved Receiver, Billy Bostick ("LAHC"), seeks an order of this Court approving the LAHC Settlement Plan and ordering same implemented, as hereinafter more fully explained.

I. THE LAHC SETTLEMENT PLAN

A. Background

LAHC was placed in rehabilitation by order of this Court on September 1, 2015, which order was made permanent by further order of this Court on September 21, 2015, **Exhibit A**. From September 1, 2015 through the end of the 2015 Plan Year on December 31, 2015, LAHC continued operations as a qualified health plan on the federal exchange. All health care coverage terminated on December 31, 2015 by order of this Court on December 14, 2015, with notice to all potential LAHC creditors. **Exhibit B**. All potential LAHC creditors were notified of the March 31, 2016 deadline for filing proofs of claim, **Exhibit C**. Claims of LAHC creditors were filed with LAHC, many by the March 31, 2016 deadline established by the Court, and others after that date, with outstanding LAHC claims as shown in the Chart of LAHC Health Care Provider Claims, which is attached hereto and incorporated herein as **Exhibit D**.

Since December 31, 2015, LAHC has been in the process of attempting to reconcile the claims in the face of substantially deficient and incorrect work by prior management and prior third party administrators of LAHC to arrive at a reasonable method for determining payments due to LAHC creditors, particularly as to the outstanding timely filed claims, claims for unearned

premiums and claims for premium refunds pursuant to La. R.S. 22:254(G).¹ LAHC has determined, to the best of its ability given the poor condition of LAHC records and procedures, the reasonable amounts due to LAHC providers, insureds, policyholders, subscribers, members and enrollees for health care benefits which arose prior to cancellation of all health care coverage on December 31, 2015 and received before March 31, 2016 claim filing deadline, as well as the claims for premium refunds. See Exhibit D. All of these claims are due and payable subject to the ability of LAHC to make the required payments.

B. The Statutory Requirement To Honor the Claims of LAHC Providers for Covered Benefits

Pursuant to La. R.S. 22:254(G), LAHC is required to "assure any payments authorized by the Department of Insurance and issued prior to any order of liquidation are honored." As to the outstanding timely filed claims of health care providers (doctors, hospitals, outpatient facilities and the like), insureds, policyholders, subscribers, and members for health care benefits, since no liquidation order has been entered by the Court, LAHC has attempted to determine the amounts owed to each LAHC health care provider and/or provider group showing on the LAHC books and records, the majority of which are payable at agreed upon contract rates, either through a network contractor, such as PHCS, or by direct contract with LAHC, as well as the other outstanding timely filed claims. See Exhibit D. The amount determined by LAHC to be owed to LAHC providers with outstanding timely filed claims is currently estimated at about Twenty Four Million (\$24,000,000.00) Dollars, for which LAHC is unable at present to make full payment due to limited LAHC funds. See Affidavit of the Receiver. Exhibit E.

LAHC proposes to enter into settlement negotiations with these LAHC providers to arrive at an agreed upon amount that LAHC is able to presently pay, which settlement will include:

- 1) An initial current agreed upon partial payment (the "Early Payment" amount) of the outstanding timely filed claims filed with LAHC by settling providers for health care services for LAHC insureds, policyholders, subscribers members and/or enrollees to be paid based on availability of LAHC funds and a waiver of all federal claims, all such

¹ LAHC determined that there are no valid claims for unearned premiums as LAHC coverages were prepaid on a month to month basis and non-refundable, such that for example, December 2015 premiums were due prior to or on December 1, 2015 and when coverages ended on December 31, 2015, all premiums were fully earned.

claims to be treated as priority claims pursuant to La. R.S. 22:254 (G)² and in accordance with the terms of any federal government release/waiver;

- 2) An agreed upon amount for later payment (the "Residual Payment") to be paid in potential future distributions on a pro rata basis to settling LAHC claimants when and if sufficient funds are recovered by LAHC based on availability of funds and receipt of a federal waiver, with all such claims to be treated as priority claims in accordance with the federal government's release/waiver;
- 3) Provider forgiveness of any and all uncollected amounts due from LAHC insureds, policyholders, subscribers, members and/or enrollees for patient responsibility amounts due or claimed to be due (such as co-payments, deductibles, co-insurance and other amounts that are the patient's responsibility) (the "Patient Responsibility") and an agreement to forego all collection activities as to same; and
- 4) A waiver of all future claims against LAHC by settling LAHC claimants. See Attachments 1, 2, 3 and 4.

Because of the likelihood that certain LAHC claimants may desire to modify the terms and conditions of the documents required for the LAHC Settlement Plan to meet specific needs and circumstances and maintain the confidentiality of any settlement terms, LAHC requests authority to make agreed upon changes to the LAHC Settlement Plan documents as needed and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent.

C. Insured and Subscriber Claims for Premium Refunds

Also certain claims filed with LAHC by LAHC insureds, policyholders and subscribers seek a refund of amounts overpaid to LAHC as premiums. Essentially these LAHC claimants contend that they made payments to LAHC that were not owed – payment of an amount not due. Following reconciliation of these claims, LAHC has determined that approximately One Hundred Twenty Thousand (\$120,000.00) Dollars is owed for the valid premium refund claims asserted. LAHC proposes to make a present distribution of the full amount to all of these LAHC claims as a priority claim³, subject to a federal release/waiver.

D. Discontinue Further LAHC Claim and Enrollment Reconciliation

Due to the complexity and poor state of the LAHC records as to both claims and enrollment, the failure or prior LAHC management and prior LAHC third party administrators to promptly notify LAHC providers of LAHC subscriber and member enrollment terminations and other claims issues and the extensive amount of time and money that would be required for

² La. R.S.22:254(G) requires LAHC to assure payments authorized by the Louisiana Department of Insurance and issued prior to an order of liquidation are honored. The statute further provides that claims for covered benefits and claims for premium refunds be paid as priority claims.

³ La. R.S. 22:254(G) (4) creates a priority class for payment of claims for claims for premium refunds.

reconstructing the LAHC records to properly account for proper enrollment and claim reconciliation, LAHC seeks an order of this Court permitting LAHC to discontinue further efforts at enrollment reconciliation except where necessary to meet the needs of counsel and retained experts in the pending LAHC recovery action, case number 651-069, Section 22, on the docket of the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, other pending or contemplated litigation and/or as needed to address the outstanding claims of settling LAHC health care providers, insureds, policyholders, members, subscribers and/or enrollees, and those non-settling LAHC health care providers who elect not to participate in the LAHC Settlement Plan, if deemed by the Receiver to be in the best interests of LAHC. Due to the cost of performing these reconciliations and the limited overall benefit to all creditors, enrollment reconciliations will be performed only if deemed by the Receiver to be in the best interest of LAHC. It is estimated that this will result in substantial savings to the LAHC estate and leave additional funds available for potential distribution to LAHC claimants.

WHEREFORE, LAHC prays for the entry of an order of this Court granting this Motion for Approval of the LAHC Settlement Plan and ordering same implemented, as follows:

- 1) Authorizing and directing LAHC to enter into settlement negotiations with LAHC health care providers with outstanding timely filed claims for payments authorized by LAHC prior to liquidation and for covered benefits prior to cancellation in order to arrive at an agreed upon amount of payment in full (the "Final Settlement Total"), consisting of an initial partial agreed upon payment (the "Early Payment"), to be paid pursuant to La. R.S. 22:254 (G) and in accordance with the terms of any federal government release/waiver, and to include provider forgiveness of any and all uncollected amounts due from LAHC insureds, policyholders, subscribers, members, and enrollees (the "Patient Responsibility Claims"), and an agreed upon amount of a later payment (the "Residual Payment") to be paid in full (based on availability of funds, a waiver of all federal claims, and in accordance with the terms of any federal government release/waiver, with all such claims to be paid where sufficient LAHC funds are recovered and available.


- 2) That LAHC be authorized and directed to enter into settlement agreements with settling LAHC health care providers upon such terms as both parties to each such agreement consent to and thereafter authorizing and directing LAHC to pay the agreed upon Early Payment amounts agreed upon, to be paid based on availability of funds, a waiver of all federal claims, and in accordance with the terms of any federal government release/waiver.
- 3) That all agreed Early Payment amounts will be net of all refunds due LAHC by the Settling LAHC providers.
- 4) That LAHC be authorized and directed to make agreed upon changes and to accept electronic signatures to the LAHC Settlement Plan documents as needed and/or requested by LAHC claimants and agreed to by LAHC and to enter into such confidentiality and non-disclosure agreements as may be needed and /or prudent, as deemed by the Receiver to be in the best interest of LAHC.
- 5) That LAHC be authorized and directed to send and receive any and all documents related to the LAHC Settlement Plan by mail, delivery and/or electronic transmission (e-mail) and to accept electronic signatures, in the discretion of the Receiver.
- 6) That all settling and non-settling LAHC providers be permanently enjoined from collecting and/or attempting to collect member responsibility payments from LAHC, LAHC insureds, policyholders subscribers, members and enrollees in violation of La. R.S. 22:1874, until written notice is given by LAHC as to the amount owed.
- 7) That LAHC be authorized and directed to pay the claims of LAHC insureds, policyholders and subscribers for premium refunds in the approximate amount of One Hundred Twenty Thousand (\$120,000.00) Dollars.
- 8) That LAHC be authorized and directed to discontinue further efforts at claims reconciliation for all settling claimants and all enrollment reconciliation except where necessary to meet the needs of counsel and retained experts in the pending LAHC recovery action, case number 651-069, Section 22, on the docket of the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, other pending or contemplated litigation and/or as needed to address the claims of LAHC

health care providers, insureds, policyholders, subscriber, members and/or enrollees who elect not to participate in the LAHC Settlement Plan, if deemed to be in the best interest of LAHC.


- 9) That the LAHC Receiver be granted all power and authority to accomplish the task of implementing the LAHC Settlement Plan and to execute any documents related thereto as the Receiver may deem necessary and advisable in the Receiver's discretion.

Respectfully Submitted,

BURGLASS & TANKERSLEY, LLC

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Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

ATTACHMENTS

- 1) PROPOSED TERMS OF LAHC SETTLEMENT PLAN TO ALL LAHC PROVIDERS
- 2) PROPOSED LAHC SETTLEMENT AGREEMENT FORM
- 3) PROPOSED LAHC SETTLEMENT PLAN CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

EXHIBITS

- Exhibit A Permanent Order of Rehabilitation for Louisiana Health Cooperative, Inc. in Rehabilitation of September 1, 2015
- Exhibit B Court order of December 14, 2015 ordering that all LAHC coverage would be terminated on December 31, 2015; and Certificate of Notice provided to all potential LAHC creditors of termination of coverage.
- Exhibit C Court order of January 28, 2016 establishing a deadline of March 31, 2016 for all potential LAHC creditors to file a proof of claim with LAHC; and Certificate of Providing Notice of This Court's Order of January 28, 2016 Establishing a March 31, 2016 Deadline for Filing Claims
- Exhibit D Chart of LAHC Health Care Provider Claims
- Exhibit E Affidavit of the Receiver

ATTACHMENTS

- 1) TERMS OF LAHC SETTLEMENT PLAN TO ALL LAHC PROVIDERS
- 2) PROPOSED LAHC SETTLEMENT AGREEMENT FORM
- 3) PROPOSED LAHC SETTLEMENT PLAN CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

ATTACHMENT 1

TERMS OF LAHC SETTLEMENT PLAN TO ALL LAHC
PROVIDERS

TERMS OF LAHC SETTLEMENT PLAN TO ALL LAHC PROVIDERS

To: All Providers That Have Timely Filed Claims Against Louisiana Health Cooperative, Inc. in Rehabilitation ("LAHC")

THIS SETTLEMENT PLAN OFFER TO PROVIDERS CONTAINS IMPORTANT INFORMATION THAT MAY AFFECT YOUR LEGAL RIGHTS IN THIS MATTER. This Settlement Plan Offer is provided by LAHC in accordance with an order of the Court in this matter dated _____, 2018.

IMPORTANT DEADLINES REGARDING THIS OFFER

Deadline to Accept LAHC Settlement Plan Offer is _____, 2018.

BACKGROUND

On September 1, 2015, James J. Donelon, Commissioner of Insurance for the State of Louisiana, filed the Petition for Rehabilitation in this matter. In connection with the filing of the Petition, the Commissioner and his court approved Receiver, Billy Bostick, conducted the business of LAHC through December 31, 2015, when all health care coverages ended at the end of the 2015 Plan Year. On _____, 2018, LAHC received a Federal Waiver from the United States Department of Justice allowing LAHC to release payments to LAHC providers. On _____, 2018, LAHC filed a Motion To Approve the LAHC Settlement Plan (the "Plan"), which was granted by the Court on _____, 2018. The order approving the Plan may be found at <http://www.lidi.la.gov/industry/financial-regulation/receivership/louisiana-health-cooperative>.

Pursuant to the Plan approved by the Court, LAHC is making Settlement Plan Offers ("Settlement Offers") to all Providers with allowed unpaid claims. All Providers who elect to accept the Settlement Offer ("Settling Providers") will receive an early payment on a portion of their total allowed claims (the "Early Payment"), and any remaining amounts on allowed claims that have not been paid will be fixed (the "Residual Payment").

LAHC Providers that do not accept the Settlement Offer ("Non-Settling Providers") will be paid in accordance with the provisions of La. R.S. 22:254(G) and other applicable law, which payments may be subordinated to payments to Settling LAHC Providers, proof of claims for premium refunds and other LAHC creditors.

LAHC believes that the Settlement Plan is fair and equitable to all parties.

IF YOU HAVE ANY QUESTIONS ABOUT THE SETTLEMENT PLAN, PLEASE SEE THE LAHC WEBSITE AT www.mylahc.org for details.

THE FOREGOING IS ONLY A SUMMARY OF CERTAIN OF THE TERMS OF THE SETTLEMENT PLAN. THE TERMS OF THE SETTLEMENT PLAN AND PROVISIONS OF THE SETTLEMENT AGREEMENT GOVERN THE ACTUAL TERMS AND CONDITIONS OF THE SETTLEMENT PLAN.

For a list of definitions used in this Settlement Plan, please see the last page of this document.

**YOUR SPECIFIC LAHC CLAIM ADJUDICATION AND DETERMINATION IS ATTACHED IN THE CLAIMS
SETTLEMENT SUMMARY AND DETAILS REPORT/FILE**

TERMS OF THE LAHC SETTLEMENT PLAN

1. Availability of Settlement.

The Settlement Plan is made available for acceptance by all Providers. Further, Federal agencies (and/or their successors and/or assigns) and creditors who do not have claims for health care benefits and/or premium refunds are excluded from this Settlement Plan.

2. Agreed Settlement Plan Early Payment and Settlement Plan Residual Payment.

Each Settling Provider will be paid an agreed upon Settlement Plan Early Payment (the "Early Payment") of the net contractual/allowed principal amount and an agreed upon remaining amount of its claims (the "Residual Payment") against LAHC. No interest, statutory penalties, or contractual penalties or late payment adjustments of any kind, contractual or otherwise, or reversion to "billed charges" regardless of when accrued, incurred, or assessed, will be included in the Settlement Plan, and uncollected co-payment amounts, deductibles, coinsurance and all other member and patient responsibility amounts will be waived by the Settling Providers, whether a participating provider or a non-participating. Further, the Early Payment will be net of all refunds due LAHC by the Settling Provider.

The calculation of the Settlement Plan payments for allowed timely filed LAHC claim is as follows:

$$\text{Final Settlement Total} = \text{Early Payment} + \text{Residual Payment}$$

The Early Payment and the Residual Payment proposed by LAHC for each Provider has been determined by LAHC based on available information regarding claims filed with LAHC and LAHC records and is found on the LAHC Claims Summary and Detail Reports provided.

Unless otherwise agreed in writing by LAHC, these are the amounts applicable to the Settling Provider identified on the LAHC Claim Summary and Detail Reports for purposes of this Settlement Plan only.

3. Deadline for Acceptance.

The deadline for acceptance of the Settlement Plan Election Period will expire on _____, 2018.

The Settlement Plan is further conditioned on the acceptance during the Settlement Plan Election Period of the Agreed Early Payment and Residual Payment.

4. LAHC Settlement Plan Agreement.

By accepting the Settlement Plan, a Settling Provider agrees to execute the Settlement Plan Agreement (the "Settlement Plan Agreement"), which will set forth the Early Payment and the Residual Payment, and provide for general mutual releases of LAHC and LDI, and all other persons and entities for all claims of the Settling Provider whatsoever, including without limitation, all claims against LAHC insureds, policyholders, subscribers, members and enrollees for the services which are the subject of the Settlement Plan, the Early Payment and the Residual Payment and to forgo any and all patient responsibility collection and balance billing attempts as to LAHC insureds, policyholder, subscribers, members and enrollees. In addition, by accepting the Settlement Plan each Settling Provider shall be deemed to have withdrawn and dismissed its right to oppose and/or object to the LAHC Settlement Plan and/or to the Early Payment and/or to the Residual Payment.

5. Early Payment

Payment of the Early Payment amount will be made to Settling Providers by LAHC, subject to availability of cash and in sequential date order based on the date of LAHC's receipt of the executed LAHC Settlement Agreement on a first come, first served basis.

In an effort to avoid unnecessary administrative costs, distribute a portion of available assets, and conserve remaining assets for final distribution, it is the Receiver's intention to negotiate a Settlement Plan with each group of affiliated providers. A group may have multiple tax identification numbers ("TINs") associated with it. It is the Receiver's intention to pay all claims at the group level. Providers of all TINs aggregated under a group of providers must all agree and individually sign and execute a single Settlement Agreement, with an authorized signature for each TIN in the group.

Payments will be made to Settling Providers with preference and priority over payments to be made to Non-Settling Providers.

6. Payment of the Proof of Claims of LAHC Insureds, Policyholders, Subscribers, Members and Enrollees for Premium Refunds.

Payment of the claims of LAHC insureds, policyholders, subscribers, members and enrollees for premium refunds will be made subject to availability of cash as priority claims at the same time payment is made to Settling Providers.

7. Payment of Residual Payment to Settling Providers

Residual Payments shall be made to the Settling Providers either in full or on a pro rata basis based on availability of funds only after LAHC has paid all Early Payments owed to Settling Providers and all amounts owed to the LAHC Proof of Claims of LAHC insureds, policyholders, subscribers, members and enrollees for premium refunds ("Premium Refunds").

8. Payment of Claims of Non-Settling Providers.

Payments shall be made for the claims of Non-Settling Providers only after all Early Payment amounts due to Settling Providers and all amounts due as Premium Refunds have been paid in full and it is determined by LAHC that LAHC has additional funds available for payment in full or on a pro rata basis of available funds for Non-Settling Providers and Residual Payments for Settling Providers.

NOTICE: The provisions of the Settlement Plan Agreements and any applicable orders of the Court control over the description contained in this Settlement Plan.

NOTE: All provisions of the Settlement Plan are and remain subject to LAHC's receipt of a federal release of federal claims asserted which permits payment of LAHC provider claims and other matters.

HOW TO ACCEPT THIS SETTLEMENT PLAN OFFER

Providers that wish to accept the terms of this Settlement Plan must do so in writing, which must be received by LAHC on or before expiration of the Settlement Plan Election Period noted above. Acceptance must be made on the form that is attached to this Settlement Plan.

DEFINITIONS USED IN THIS SETTLEMENT PLAN OFFER

"Early Payment" means the amount agreed to by Settling Providers and LAHC as to the amount of the payment from LAHC to be paid as partial payment of the full allowed amount for "Payable Claim Lines" or full payment for "Pended Claim Lines" of each Settling Provider's claim upon the terms and conditions of an agreed upon and executed Settlement Plan Agreement, which agreement shall include a set amount to be paid on the agreed upon full amount of the claims of a Settling Provider, consisting of an Early Payment and a Residual Payment, and includes waiver and forgiveness of uncollected co-payments, deductibles or co-insurance and forgoing any and all patient responsibility collection and balance billing attempts as to LAHC insureds, policyholders, subscribers, members and enrollees.

"Claims of LAHC Insureds, Policyholders, Subscribers, Members and Enrollees" means those claims asserted and allowed or denied by LAHC as to LAHC insureds, policyholders, subscribers, members and enrollees for premium refunds pursuant to La. R.S. 22:254(G)(4).

"Claims Settlement Summary and Details Reports" means the reports or files LAHC provides as part of the Settlement Plan to each known LAHC provider or group of providers indicating all outstanding timely filed claims against LAHC in summary and in detail with the agreed upon Early Payment and Residual Payment amounts which constitutes the Receiver's determination of amounts payable to providers under contractual allowables and amounts payable under court approved process for determining amounts available for Early Payment. The Claims Summary and Details Report will also include the Receiver's determination for ineligible, duplicate, denied, or untimely claims for provider reconciliation purposes only.

"Court" means the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana in case number 640-928 entitled "*James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*"

"LDI" means the Louisiana Department of Insurance.

"LAHC" means Louisiana Health Cooperative, Inc. in Rehabilitation.

"LAHC Premium Refund Claims" means those Proof of Claims asserted and allowed by LAHC of LAHC insureds, subscribers, members and enrollees for premium refunds pursuant to La. R.S. 22:254(G).¹

"Non-Settling Providers" means providers who elect not to participate in the Settlement Plan.

"Patient Responsibility" means uncollected co-payment amounts, deductibles, co-insurance amounts, member out of pocket amounts and any other amounts due from and/or claimed to be due from LAHC insureds, policyholders, subscribers and/or members.

"Payable Claim Lines" means remaining timely filed LAHC unadjudicated provider claim adjudicated by LAHC as eligible for Early Payment and Residual Payment. Some claim lines may be bundled in accordance with industry standard and/or Medicare guidelines.

¹ La. R.S. 22:254(G)(4) also provides for payment of claims for unearned premiums. LAHC determined that there are no valid claims for unearned premiums as LAHC coverages were prepaid on a month to month basis and non-refundable, such that, for example, December 2015 premiums were due prior to or on December 1, 2015 and when coverages ended on December 31, 2015, all premiums were fully earned.

"Pended Claim Lines" means remaining timely filed LAHC adjudicated provider claim lines, adjudicated by LAHC as eligible for Early Payment-only. These claim lines include claims with missing authorization, missing itemized bill, or outside of an LAHC member's coverage.

"Provider" means a physician, hospital, skilled nursing facility, home health agency, or other duly licensed institution or health professional which has provided professional and/or hospital services between January 1, 2014 and December 31, 2015 when all LAHC coverage ended, within the scope of his/her/its license, to LAHC insureds, policyholders, subscribers, members and enrollees and which timely filed a claim for such services in accordance with the LAHC Claims Filing deadline established by the Court.

"Provider Group" means two or more providers who are affiliated with, associated with, or controlled by an organization and have separate tax identification numbers.

"Residual Payment" means the amount agreed to by Settling Providers and LAHC as to the remaining full amount of the allowed and agreed upon payment due from LAHC to be paid after payment of the Early Payment and payment of all amounts due to LAHC insureds, subscribers, members and enrollees for premium refunds, to be paid on a pro rata basis based on the availability of funds.

"Settlement Plan" means the process approved by the Court by which LAHC determines the amount of each Provider's claims against LAHC, or by which LAHC and a provider otherwise agree to the amount of the Settling Provider's claim amount as shown in the Claims Settlement Summary and Details Reports, the agreed upon Early Payment and Residual Payment, and the terms and conditions of an LAHC Settlement Agreement.

"Settlement Plan Agreement" means the executed Settlement Plan Agreement and General Release which establishes Early Payment and Residual Payment, and provides for such other terms as agreed to by the Settling Provider and LAHC.

"Settlement Plan Election Period" means the date by which the Settlement Plan must be accepted by a Settling Provider in order to participate in the Settlement Plan.

"Settlement Plan Confidentiality and Non-Disclosure Agreement" means the executed LAHC Confidentiality and Non-Disclosure Agreement which establishes the agreement of LAHC and Settling Providers to maintain the confidentiality of certain information, data and terms of the Settlement Plan and all related documents.

"Settling Providers" means LAHC providers who elect to participate in the Settlement Plan and enter into a Settlement Plan Agreement and General Release as to the terms and conditions of the Settlement Plan Agreement.

Other terms are defined elsewhere in the Settlement Plan Agreement.

NOTE: All provisions of the Settlement Plan are and remain subject to LAHC's receipt of a federal release of federal claims asserted which permits payment of LAHC provider claims

ATTACHMENT 2

**PROPOSED LAHC SETTLEMENT
AGREEMENT FORM**

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

LAHC SETTLEMENT PLAN AGREEMENT AND GENERAL RELEASE

The appearing parties are James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator and Billy Bostick, Court approved Receiver, of Louisiana Health Cooperative, Inc. in Rehabilitation ("LAHC"), and _____, appearing on its own behalf and on behalf of the following entities (the "Settling Provider/Providers"). This agreement is effective as of _____, 201__.

List of Settling Providers Included	Tax Identification Number	Address
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To be identified

DEFINITIONS USED IN THIS AGREEMENT

"Early Payment" means the amount agreed to by Settling Providers and LAHC as to the amount of the payment from LAHC to be paid as partial payment of the full allowed amount for "Payable Claim Lines" or full payment for "Pended Claim Lines" of each Settling Provider's claim upon the terms and conditions of an agreed upon and executed Settlement Plan Agreement, which agreement shall include a set amount to be paid on the agreed upon full amount of the claims of a Settling Provider, consisting of a partial Early Payment and a Residual Payment, and includes waiver and forgiveness of uncollected co-payments, deductibles or co-insurance and forgoing any and all patient responsibility collection and balance billing attempts as to LAHC insureds, policyholders, subscribers, members and enrollees.

"Claims of LAHC Insureds, Policyholders, Subscribers, Members and Enrollees" means those claims asserted and allowed or denied by LAHC as to LAHC insureds, policyholders, subscribers, members and enrollees for premium refunds pursuant to La. R.S. 22:254(G)(4)¹ or claims for covered benefits paid out of pocket pursuant to La. R. S. 22: 254 (G)(3).²

¹ La. R.S. 22:254(G)(4) provides for priority payment of claims of LAHC insureds, policyholders and subscribers for premium refunds, as well as claims for unearned premiums. LAHC determined that there are no valid claims for

"Claims Settlement Summary and Details Reports" means the reports or files LAHC provides as part of the LAHC Settlement Plan to each known LAHC provider or group of providers indicating all outstanding timely filed claims against LAHC in summary and in detail with the agreed upon Early Payment and Residual Payment amounts which constitutes the Receiver's determination of amounts payable to providers under contractual allowables and amounts payable under court approved process for determining amounts available for Early Payment. The Claims Summary and Details Report will also include the Receiver's determination for ineligible, duplicate, denied, or untimely claims for provider reconciliation purposes only.

"Court" means the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana in case number 640-928 entitled "*James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*"

"LDI" means the Louisiana Department of Insurance.

"LAHC" means Louisiana Health Cooperative, Inc. in Rehabilitation.

"LAHC Premium Refund Claims" means those Proof of Claims asserted and allowed by LAHC from LAHC insureds, policyholders, subscribers, members and enrollees for premium refunds pursuant to La. R.S. 22:254(G).³

"Non-Settling Providers" means providers who elect not to participate in the LAHC Settlement Plan.

"Patient Responsibility" means uncollected co-payment amounts, deductibles, co-insurance amounts, member out of pocket amounts and any other amounts due from and/or claimed to be due from LAHC insureds, policyholders, subscribers and/or members.

"Payable Claim Lines" means uncollected timely filed LAHC unadjudicated provider claim lines adjudicated by LAHC as eligible for Early Payment and Residual Payment. Some claim lines may be bundled in accordance with industry standard and/or Medicare guidelines.

"Pended Claim Lines" means remaining timely filed LAHC unadjudicated provider claim lines, adjudicated by LAHC as eligible for Early Payment only. These claim lines include claims with missing authorization, missing itemized bill, or outside of an LAHC member's coverage.

"Provider" means a physician, hospital, skilled nursing facility, home health agency, or other duly licensed institution or health professional which has provided professional and/or hospital services between January 1, 2014 and December 31, 2015 when all LAHC coverage ended, within the scope of his/her/its license, to LAHC insureds, policyholders, subscribers, members and enrollees and which

unearned premiums as LAHC coverages were prepaid on a month to month basis and non-refundable, such that, for example, December 2015 premiums were due prior to or on December 1, 2015 and when coverages ended on December 31, 2015, all premiums were fully earned.

² La. R.S. 22:254(G)(3) provides for priority payment of claims for covered benefits. LAHC determined that in a relatively few instances, LAHC members paid out of pocket for health care services not reported by their providers.

³ See footnote 1 above.

timely filed a claim for such services in accordance with the LAHC Claims Filing deadline established by the Court.

"Provider Group" means two or more providers who are affiliated with, associated with, or controlled by an organization and have separate tax identification numbers.

"Residual Payment" means the amount agreed to by Settling Providers and LAHC as to the remaining full amount of the allowed and agreed upon payment due from LAHC to be paid after payment of the Early Payment and payment of all amounts due to LAHC insureds, subscribers, members and enrollees for premium refunds, to be paid on a pro rata basis based on the availability of funds.

"Settlement Plan" means the process approved by the Court by which LAHC determines the amount of each Provider's claims against LAHC, or by which LAHC and a provider otherwise agree to the amount of the Settling Provider's claim amount as shown in the Claims Settlement Summary and Details Reports, the agreed upon Early Payment and Residual Payment, and the terms and conditions of an LAHC Settlement Plan Agreement.

"Settlement Plan Agreement" means this document, the executed LAHC Settlement Plan Agreement which establishes Early Payment and Residual Payment, and provides for such other terms as agreed to by the Settling Provider and LAHC.

"Settlement Plan Election Period" means the date by which the Settlement Plan must be accepted by a Settling Provider in order to participate in the Settlement Plan.

"Settlement Plan Confidentiality and Non-Disclosure Agreement" means the executed LAHC Confidentiality and Non-Disclosure Agreement which establishes the agreement of LAHC and Settling Providers to maintain the confidentiality of certain information, data and terms of the Settlement Plan and all related documents.

"Settling Providers" means LAHC providers who elect to participate in the Settlement Plan and enter into a Settlement Plan Agreement and General Release as to the terms and conditions of the Settlement Plan Agreement.

Other terms are defined elsewhere in the LAHC Settlement Plan or the LAHC Settlement Plan Agreement

NOTE: All provisions of the LAHC Settlement Plan are and remain subject to LAHC's receipt of a federal release of federal claims asserted which permits payment of LAHC provider claims and other matters.

RECITALS

WHEREAS, Louisiana Health Cooperative, Inc. operated as a qualified health plan under the Patient Protection and Affordable Care Act ("ACA") from January 1, 2014 to December 31, 2015 for the 2014 Plan Year and the 2015 Plan Year.

WHEREAS, Louisiana Health Cooperative, Inc. was placed in rehabilitation on September 1, 2015 and continued providing health coverage for Louisiana residents through December 31, 2015.

WHEREAS, the Settling Provider/Providers may or may not have Provider contracts with LAHC.

WHEREAS, the Settling Provider/Providers provided certain health care services to LAHC insureds, policyholders, subscribers, members and/or enrollees during the period from January 1, 2014 to December 31, 2015 for which the Settling Provider/Providers did not receive payment.

WHEREAS, the LAHC Third Party Administrators did not properly notify Settling Provider/Providers of insured, policyholder, subscriber, member and/or enrollee terminations during the period from January 1, 2014 to December 31, 2015.

WHEREAS the Settling Provider/Providers filed claims in the manner established by the Receivership Court for payment for certain health care services provided for LAHC insureds, policyholders, subscribers, members and/or enrollees for which LAHC has not yet issued payment.

WHEREAS, LAHC and the Settling Provider/Providers agree that the Settling Provider/Providers is entitled to payment at agreed upon rates for all timely filed claims for health care services provided by the Settling Provider/ Providers to LAHC insureds, policyholders, subscribers, members and enrollees provided prior to December 31, 2015 and allowed by LAHC as valid claims.

WHEREAS, the Parties agree that there may be insufficient funds available to LAHC to pay the Settling Provider/Providers all amounts due at contract or agreed upon rates for all services provided by the Settling Provider/Providers to LAHC insureds, policyholders, subscribers, members and enrollees for services allowed by LAHC as valid claims.

WHEREAS LAHC and the Settling Provider/Providers have agreed to settle all claims of the Settling Provider/Providers against LAHC on the terms and conditions set forth herein.

WHEREAS LAHC and the Settling Provider/Providers agree to the amount to be paid to the Settling Provider/Providers as the Early Payment and a waiver of all federal claims permitting payment of all such claims, subject to LAHC's receipt of a federal waiver for permitting payment of LAHC priority claims, and a waiver of all federal claims permitting payment of all such claims.

WHEREAS LAHC and the Settling Provider/Providers agree to the amount to be paid to the Settling Provider as the Residual Payment Amount in the event LAHC obtains sufficient funds for a future distribution to all LAHC claimants for claims for covered benefits prior to cancellation, based on the availability of full and/or pro rata LAHC funds and a waiver of all federal claims permitting payment of all such claims.

WHEREAS the Settling Provider/Providers has agreed to participate in the LAHC Settlement Plan approved by the Court in the case of *"James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc."*, case number 640-928 on the docket of the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, on the terms and conditions approved by the Court.

WHEREAS LAHC and the Settlement Provider/Providers agree to maintain the confidentiality of matters related to the LAHC Settlement Plan, this Agreement, and certain other matters as shown in the

LAHC Settlement Plan Confidentiality and Non-Disclosure Agreement, which is being executed with this Agreement.

WHEREAS LAHC and the Settling Provider/Providers appear herein and in the LAHC Settlement Plan Confidentiality and Non-Disclosure Agreement, through a duly authorized, empowered and acting representative and each warrant, represent and agree that the execution of both Agreements, and all related documents, has been duly approved by the Court in this matter and the Settling Provider's/Providers' governing body.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREED UPON EARLY PAYMENT, RESIDUAL PAYMENT AND FINAL SETTLEMENT

AGREED UPON EARLY PAYMENT (if federal waiver granted): \$ _____

AGREED UPON RESIDUAL PAYMENT (where sufficient funds are available): \$ _____

AGREED UPON FINAL SETTLEMENT TOTAL: \$ _____

The Settling Provider agrees to accept the sum of the Early Payment, plus the Residual Payment amount as the Final Settlement Total of \$ _____ (\$) Dollars, which the Parties agree is the maximum amount of any potential recovery from LAHC for the Settling Provider/Providers, subject to the availability of cash to be distributed on a pro rata basis and LAHC's receipt of a federal release.

The Settling Provider agrees to accept as an Early Payment the sum of _____ (\$) Dollars, which the Parties agree is a partial distribution of funds LAHC owes to the Settling Provider/Providers for payment of the claims of the Settling Provider/Providers, subject to the availability of cash to be distributed on a pro rata basis and a federal release.

The Early Payment will be disbursed to the Settling Provider by LAHC only after LAHC's receipt of a waiver from the United States Department of Justice permitting payment of LAHC claims and approval by the Receivership Court of the LAHC Settlement Plan.

As further consideration for this Agreement, the Settling Provider/Providers may be entitled to receive payment up to the Residual Payment Amount, in full or in part based on LAHC's receipt of a waiver from the United States Department of Justice permitting payment of LAHC claims, LAHC's recovery of funds from pending litigation and/or from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services ("CMS"), and/or from other sources in sufficient amounts to permit additional payment and approval by the Receivership Court of such additional payment.

No interest, statutory penalty, contractual penalty or late payment penalty or adjustment, reversion to billed charges, attorneys' fees or other types of payment, regardless of when accrued, incurred or assessed, will be included in either the Early Payment or the Residual Payment.

The Settling Provider/Providers agree to waive all uncollected Patient Responsibility payments, such as co-payment amounts, deductibles, co-insurance amounts, member out of pocket amounts and any other amounts due from and/or claimed to be due from LAHC insureds, policyholders, subscribers and/or members, provided that those amounts collected prior to the date of this Agreement are not required to be returned pursuant to this Agreement.

COURT APPROVAL

This LAHC Settlement Plan is subject to approval by the Court of the LAHC Settlement Plan and proposed Order (the "LAHC Settlement Plan Order"). The LAHC Settlement Plan Order must (1) approve the LAHC Settlement Plan, (2) approve the terms and conditions of the proposed LAHC Settlement Plan Agreement, including the Terms of the LAHC Settlement Plan to all providers and the proposed LAHC Settlement Plan Confidentiality and Non-Disclosure Agreement, and all related documents, (3) authorize LAHC to solicit and enter into LAHC Settlement Plan Agreement on the same terms and conditions as set forth in the Terms of the LAHC Settlement Plan to all Providers, and (4) approve all other relief sought in the LAHC Settlement Plan.

RELEASE BY SETTLING PROVIDER/PROVIDERS

In consideration of the terms of this Agreement, the Settling Provider/Providers does hereby expressly grant to LAHC a full and complete release and discharge from any and all claims of any nature or kind that are the responsibility of LAHC or an LAHC insured, policyholder, subscriber, member and/or enrollee that the Settling Provider/Providers has, had, or may have against LAHC or an LAHC insured, policyholder, subscriber, member and/or enrollee arising out of or in any manner related to any services or supplies provided by the Settling Provider/Providers to an LAHC insured, policyholder, subscriber, or member and/or enrollee, including any portion of a health care claim which is an uncollected Patient Responsibility.

Acknowledgement. Each of the Parties to this Agreement acknowledge that this Agreement is made and executed knowingly and willingly by each Party of its own free will, that each Party knows all of the relevant facts and rights in connection herewith, that each Party has not been improperly influenced or induced to make and enter into this Agreement as a result of any act or action on the part of any other Party or any employee, agent, attorney or representative of any other Party, or any employee, agent, attorney or representative of any Party to this Agreement, that each Party had the opportunity to have this document and all related documents reviewed by an attorney of choice, and that each Party has full power and authority to execute and deliver this Agreement through its undersigned representatives.

Each of the Parties to this Agreement agree that this Agreement constitutes the entire agreement between the Parties as to the subject matters encompassed in this Agreement and shall not be modified, altered or discharged except by a writing signed by each of the Parties.

NOTICE

All notices and other communications hereunder shall be in writing and shall be deemed given and delivered only after being (a) personally delivered, (b) sent by a nationally recognized overnight courier, postage prepaid or (c) mailed, by registered or certified mail, postage and registration or certification charges prepaid to:

To LAHC: Attention: Billy Bostick, Receiver
Louisiana Health Cooperative, Inc. In Rehabilitation
9543 Fenway Avenue
Baton Rouge, LA 70809

To Settling Provider/Providers: Attention:

ENTIRE AGREEMENT, GOVERNING LAW

The LAHC Settlement Plan Agreement constitutes the entire agreement between the Parties as to the subject matters encompassed herein and shall not be modified, altered or discharged except by a writing signed by all Parties to this agreement. The parties agree that to the extent federal law does not apply, the LAHC Settlement Plan Agreement shall be governed by the laws of the State of Louisiana and subject to the venue and jurisdiction of the Court in the Nineteenth Judicial District Court, without giving effect to choice of law or conflict of law principles or rules.

MISCELLANEOUS

Amendment. This Agreement may be amended, waived or modified only in writing signed by the Parties

Relationship of the Parties. This Agreement does not create any obligation on the Parties to enter into a business relationship with each other or to refrain from entering into a business relationship with any third party. This Agreement does not create a joint venture, partnership or employment relationship between the Parties; it being understood that the Parties are independent of each other. The Parties do not acquire any intellectual property rights under this Agreement. Any confidential information provided by a Party to any other Party is provided on an "as is" basis without warranties of any kind.

None of the provisions of this Agreement are intended to create or shall be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and all related agreements.

No Third-Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person or entity other than LAHC, the Settling Provider/Providers and their respective successors and assigns, any rights, remedies, obligations or liabilities whatsoever.

Successors and Assigns. This Agreement shall be binding on the Parties and their successors, but the Settling Provider/Providers may not assign this Agreement without the prior written consent of LAHC, which consent shall not be unreasonably withheld.

Publicity. The Parties agree not to use, in advertising, publicity, marketing or other activities, any designation of any other Party, or the existence of this Agreement or any negotiations underway between the Parties without the express written consent of the Parties.

Severability. In the event that any provision or term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall be interpreted as if the invalid or unenforceable provision had not been a part hereof.

Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings in this regard. No Party shall assign its rights or obligations under this Agreement without the prior written consent of the Parties.

Counterparts. This Agreement may be executed in counterparts with the same effect as if the signatures on such counterparts appeared on one document, and each such counterpart shall be deemed to be an original. Delivery of a photocopy, pdf., document, or facsimile of an executed counterpart of a signature page to this Agreement shall be as effective as a delivery of a manually executed counterpart of this Agreement.

Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

Authority. Each person executing this Agreement represents that he or she has the authority to enter into this Agreement on behalf of the entity set forth above his or her signature below.

Signature. Each Party consents to be bound by the facsimile signature of an authorized agent of the other Parties to this Agreement.

This Agreement has been approved and signed by the Parties after adequate opportunity for full review and consultation with their respective counsel.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals as of the Effective Date.

By signing here, signer represents and acknowledges that signer has authority from all entities included as Settling Providers and from the appropriate corporate board or other corporate entity authority responsible for making the decision to enter into this agreement to enter into this agreement under the terms and conditions shown herein, as evidenced by the signature of the designated representative of each settling provider below, and as shown by the Resolution of _____, attached hereto and incorporated herein, and as shown by the Resolutions of each of the following included entities:

List of Entities Included

ENTITY

FEDERAL TAX IDENTIFICATION #

TO BE IDENTIFIED

SETTLING PROVIDER/PROVIDERS

By: _____

Authorized Representative
Position:

Witnesses:

Name: _____

Print: _____

Name: _____

Print: _____

Sworn to and subscribed before me Notary this _____ day of _____, 201__.

Notary Public
Bar Roll Number: _____

LOUISIANA HEALTH COOPERATIVE, INC. IN REHABILITATION ("LAHC")

By: _____

Billy Bostick, Receiver

WITNESSES:

Name: _____

Name: _____

Print: _____

Print: _____

Sworn to and subscribed before me Notary this _____ day of _____, 201__.

Notary Public
Bar Roll Number: _____

ATTACHMENT

Executed Confidentiality and Non-Disclosure Agreement for the LAHC Settlement Plan

**LIST OF SETTLING PROVIDERS INCLUDED IN LAHC SETTLEMENT PLAN AGREEMENT
AND SIGNATURE OF AUTHORIZED REPRESENTATIVE OF EACH ACKNOWLEDGING AUTHORITY TO ENTER
INTO THIS AGREEMENT WITH ATTACHED ENTITY RESOLUTIONS**

ENTITY _____ **FEDERAL TAX IDENTIFICATION #** _____

TO BE IDENTIFIED

ENTITY: _____

Name: _____
Authorized Representative

Print: _____

STATEMENT OF AUTHORITY:

Resolution Attached: _____

RESOLUTION ADOPTED AT A MEETING OF THE MANAGERS/BOARD OF DIRECTORS OF
_____ ("Settling Provider")

BE IT RESOLVED by the Managers/Board of Directors of _____ ("Settling Provider"), a business entity organized under the laws of the State of Louisiana and domiciled in _____, that _____, a duly authorized representative and agent of the Settling Party be and hereby is authorized and empowered in the name of and on behalf of the Settling Party and all listed affiliates and related entities, to execute the LAHC Settlement Plan Agreement and the LAHC Confidentiality and Non-Disclosure Agreement for the LAHC Settlement Plan (the "Agreements") with James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator and Billy Bostick, Court appointed Receiver, of Louisiana Health Cooperative, Inc. in Rehabilitation ("LAHC"), copies of which are attached hereto, and to perform and do all things required of this Company, including but not limited to executing the Agreements and granting the releases in the Agreements.

BE IT FURTHER RESOLVED by the Managers/Board of Directors of the Company that the said authorized representative and agent of the Settling Provider is hereby authorized and empowered to execute and deliver any and all agreements as said authorized representative and agent may, in his/her sole discretion, deem fit and proper, and as may be required by LAHC in order to consummate the Agreements.

CERTIFICATE

This is to certify I am Secretary of the Settling Provider, and that the above is a true and correct copy of a resolution adopted on _____, 2018, by the Managers/Board of Directors of the Settling Provider at a lawfully held meeting of the Managers/Board of Directors of Settling Provider, at which meeting all of the Managers/Board of Directors of the Settling Provider were present and voted unanimously in favor thereof.

Dated: _____, 2018.

Secretary

COUNTERSIGNED:

SETTLING PROVIDER

By: _____
Managing Member/Chairman of the Board of Directors

TO BE EXECUTED BY EACH MEMBER OF PROVIDER GROUP

ATTACHMENT 3

**PROPOSED LAHC SETTLEMENT PLAN
CONFIDENTIALITY AND NON-DISCLOSURE
AGREEMENT**

LAHC Settlement Plan Confidentiality and Non-Disclosure Agreement

This agreement (the "Agreement") is entered into on _____, 2018 by and between Louisiana Health Cooperative, Inc. in Rehabilitation ("LAHC") and the _____ ("LAHC Provider").

LAHC obtained an order of rehabilitation on September 1, 2015 in case number 641-928 from the 19th Judicial District Court for the Parish of East Baton Rouge, Louisiana (the "Order"), and the Louisiana Commissioner of Insurance was appointed Rehabilitator of Louisiana Health Co-Operative, Inc. ("LAHC") and Billy Bostick was appointed Receiver for LAHC.

LAHC and LAHC Provider have entered and/or will enter into an agreement (the "LAHC Settlement Plan Agreement") as to the LAHC Settlement Plan (the "Proposed Arrangement") pursuant to which each will be and/or have been granted access to the other's documents, data, records and information related to health care services provided to LAHC policyholders, insureds, subscribers, members, and enrollees by the LAHC Provider (all collectively the "the Claims Data").

Both parties to this Agreement agree to permit access to the Claims Data and information in conjunction with participation in the LAHC Settlement Plan, including, but not limited to, the LAHC Settlement Plan Agreement, only under an obligation of strict confidentiality and upon such terms and conditions as set forth in this Agreement.

The Parties agree that neither Party will disclose the Claims Data and/or the terms of the LAHC Settlement Plan, and/or information of any kind regarding the LAHC Settlement Plan Agreement, except with the written consent of LAHC and/or an order of the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana in case number 641-928 (the "Receivership Court") specifically permitting disclosure.

THEREFORE in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions:

"Confidential Information" means any information or material, in whatever form or manner relating to the business of either Party which (a) is not generally known, and (b) which one Party may obtain knowledge of through or as a result of the relationship established hereunder with the other Party, access to the Other Party's premises, or communications with the Other Party's employees or independent contractors. Confidential Information includes but is not limited to the following types of information, and other information of a similar nature: claims, processes, standard operating procedures (SOPs), protocols and procedures; algorithms; databases, computer systems, software (including source code); systems, passwords, data review criteria, contract rates, claims data, settlement terms and conditions, equipment; designs; drawings; formulas; data; reports; memoranda; notes; records; research; experiments; business plans and strategies; marketing techniques and materials; marketing plans; customer names and other information related to customers; patient information; pricing information; cost information, sales volumes and sales projections; commercial opportunities; and organizational, technical (including without limitation know-how, patent applications, invention disclosures, trade secrets and technology that are not fully developed, patented or patentable),

financial information, and the terms and conditions of any settlement. Confidential Information also includes the existence of this Agreement and the existence and terms of any negotiations between the Parties related to the LAHC Settlement Plan, both written and oral. The term "Confidential Information" does not include (a) information that is in the possession of the Other Party without obligation of confidence; (b) information that is now or later becomes publicly available without violation of this Agreement; and (c) development by independent means of information.

"Permitted Representatives" means a Party's officers, employees, directors, agents, consultants, counsel and advisors, who need to know the Confidential Information for the Proposed Arrangement.

2. Permitted Uses.

Without the prior written consent of the Other Party, each Party agrees to hold in confidence and not to disclose Confidential Information received hereunder to any person or entity except as permitted by this Agreement.

Each Party agrees that it shall not use in any way for its own account or the account of any third party, nor disclose to any third party, any such Confidential Information revealed to it by the other Party for any purpose other than to carry out its express rights and obligations under this Agreement and/or the LAHC Settlement Plan Agreement. Each Party shall protect the other Party's Confidential Information from disclosure or abuse with the same degree of care it uses to protect its own Confidential Information of a similar nature, but in no event with less than reasonable care.

The Parties agree to use the Confidential Information received hereunder solely for the purpose of the Proposed Arrangement and further agree to limit dissemination of Confidential Information to those of the Permitted Representatives who have a need to know for purposes of the Proposed Arrangement and who are bound by an obligation of confidentiality.

Each Party shall maintain throughout the term of this Agreement appropriate and adequate safeguards, policies and procedures to protect Confidential Information against unauthorized use, disclosure, alteration or destruction.

If the LAHC Provider receives a request under a subpoena or order issued by a court of competent jurisdiction or a governmental body, to disclose all or any part of the Confidential Information, the LAHC Provider agrees, to the extent lawful, to (i) seek an order of the Receivership Court to prevent disclosure; (ii) make reasonable efforts to notify LAHC of the impending disclosure in time for LAHC to appear and oppose the disclosure, (iii) consult with LAHC on the advisability of taking legally available steps to resist or narrow such request, (iv) if disclosure of such Confidential Information is required, furnish only that portion of the Confidential Information which the LAHC Provider is required to disclose, and (v) permit LAHC at LAHC's expense to obtain an order or other reliable assurance that confidential treatment will be accorded to such disclosed Confidential Information.

3. Miscellaneous.

Compliance with Laws; Reporting Obligations: Each Party shall comply with all Applicable Laws. "Applicable Laws" are the international, federal, state, and local laws, rules and regulations that relate to the conduct of the parties' business and the performance by the parties of their respective obligations under this Agreement.

If either Party gains unauthorized access to protected health information ("PHI") and/or personally identifiable information ("PII"), as the terms are defined under The Health Insurance Portability and Accountability Act of 1996, each Party agrees that it shall immediately report to the other Party any incidents of unauthorized access to PHI and/or PII or any incidents of unauthorized use, reproduction or disclosure of PHI and/or PII of which it becomes aware and shall take reasonable measure to protect the security and privacy of the PHI and PII and to fully comply with all applicable state and federal laws and regulations regarding the PHI and PII.

Limited Effect: This Agreement does not create any obligation on the Parties to enter into a business relationship with each other or to refrain from entering into a business relationship with any third party. This Agreement does not create a joint venture, partnership or employment relationship between the Parties; it being understood that the Parties are independent of each other. Neither Party acquires any intellectual property rights under this Agreement, except the limited right to use Confidential Information as set forth above. THE CONFIDENTIAL INFORMATION IS PROVIDED BY THE PARTIES ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND.

Governing Law: This Agreement shall be governed by the laws of the State of Louisiana without giving effect to choice-of-law or conflict-of-law principles or rules and venue of any matters related to this Agreement and/or the LAHC Settlement Agreement and General Release shall be in the Receivership Court in the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

Amendment: The matters set forth in this agreement may not be amended or waived by the Party's except by a separate writing expressly amending or waiving all or part of this agreement.

Authority: The Parties executing this Agreement agree that each has the authority to enter into this Agreement on behalf of the entity set forth above the Party's signature below.

Notices: All notices and other communications hereunder shall be in writing and shall be deemed given and delivered only after being (a) personally delivered, (b) sent by a nationally recognized overnight courier, postage prepaid or (c) mailed, by registered or certified mail, postage and registration or certification charges prepaid to the addresses by each Parties' signature below.

Publicity: The Parties agree not to use, in advertising, publicity, marketing or other activities, any designation of the other Party, or the existence of this Agreement or any negotiations underway between the Parties without the express written consent of the Other Party.

This Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings in this regard. Neither Party shall assign its rights or obligations under this Agreement without the prior written consent of the other Party.

Acknowledgments: The LAHC Provider understands and acknowledges that all Confidential Information disclosed is and shall remain confidential.

Each Party recognizes that monetary damages would not be a sufficient remedy for LAHC for breach of this Agreement and that LAHC is entitled to equitable relief, as well as preliminary and permanent

injunctive relief and monetary damages, as a remedy for breach of this Agreement, as well as costs and expenses incurred in enforcing this Agreement, including reasonable attorneys' fees, as well as and in addition to all other remedies available in law or at equity.

Breach of the terms hereof shall give rise to irreparable harm, and it is agreed that enforcement of the terms hereof may be by means of injunction or other equitable remedy in addition to any other remedy available.

If any term of this Agreement shall to any extent be invalid or unenforceable, this Agreement shall be interpreted as if the invalid or unenforceable provision had not been a part hereof.

Miscellaneous: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Each person executing this Agreement represents that he or she has the authority to enter into this Agreement on behalf of the entity set forth above his or her signature below.

Each Party consents to be bound by the facsimile and/or electronic signature of an authorized agent of a Party to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

Louisiana Health Cooperative, Inc. in Rehabilitation
9543 Fenway Avenue
Baton Rouge, LA 70809

By: _____
Billy Bostick, Receiver

Date:

Name:
The LAHC Provider
Date:
Tax Identification

LIST OF LAHC PROVIDER TAX IDENTIFICATION NUMBERS INCLUDED:

EXHIBITS

- Exhibit A Permanent Order of Rehabilitation for Louisiana Health Cooperative, Inc. in Rehabilitation of September 1, 2015
- Exhibit B Court order of December 14, 2015 ordering that all LAHC coverage would be terminated on December 31, 2015; and Certificate of Notice provided to all potential LAHC creditors of termination of coverage
- Exhibit C Court order of January 28, 2016 establishing a deadline of March 31, 2016 for all potential LAHC creditors to file a proof of claim with LAHC; and Certificate of Providing Notice of This Court's Order of January 28, 2016 Establishing a March 31, 2016 Deadline for Filing Claims
- Exhibit D Chart of LAHC Health Care Provider Claims
- Exhibit E Affidavit of the Receiver

Exhibit A

Permanent Order of Rehabilitation for Louisiana Health
Cooperative, Inc. in Rehabilitation of September 1, 2015



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FILED AND RECORDED
EAST BATON ROUGE PARISH, LA
CLERK OF COURT AND RECORDER

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

STATE

SEP 21 2015

BY 
DEPUTY CLERK OF COURT

FILED: _____

DEPUTY CLERK

PERMANENT ORDER OF REHABILITATION AND INJUNCTIVE RELIEF

C NOW INTO COURT, **M**

This matter came for hearing on September 21, 2015 pursuant to the order entered in this matter on September 1, 2015:

PRESENT: Assistant Attorney General Michael Charles Guy, attorney for James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative ("LAHC"), and the Court appointed Receiver, Billy Bostick (the "Receiver")

And the Court, considering the verified petition, the verification and testimony of Caroline Brock, Deputy Commissioner of Financial Solvency for the Louisiana Department of Insurance and Billy Bostick, Receiver, and finding that the requirements for rehabilitation under the provisions of La. R.S. 22:2001, et seq., have been met, and the law and the evidence entitling the plaintiff to the relief sought herein, and the Court being satisfied from the allegations therein and finding that the defendant named herein is an insurer as defined in and under Louisiana law and that the interests of creditors, policyholders, members, subscribers, enrollees, and the public will probably be endangered by delay, and the Court finding that the law and the evidence is in favor of granting the relief prayed for herein,

IT IS ORDERED, ADJUDGED AND DECREED that sufficient cause exists for the Permanent Rehabilitation of Louisiana Health Cooperative, Inc. ("LAHC").

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC shall be and hereby is placed into rehabilitation under the direction and control of the Commissioner of Insurance for the State of Louisiana (the "Commissioner"), his successors and assigns in his office and his agents, designees, and/or employees, subject to the further written orders of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner or

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EXHIBIT

A

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any deputy, be and hereby is confirmed as Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Billy Bostick be and hereby is confirmed Receiver of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner as Rehabilitator or his appointees and/or the Receiver or Deputy Receiver be allowed and are authorized to employ and authorize the compensation of accountants, clerks, attorneys and such assistants as he deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, to be paid out of the funds or assets of LAHC in the possession of the Receiver and/or Rehabilitator or coming into LAHC's possession.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator be and hereby is permanently vested by operation of law with the title to all property, business, affairs, accounts, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, records and other assets of LAHC, and is ordered to direct the rehabilitation of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator, the Receiver, their agents and/or employees, shall be and hereby are directed to take possession and control of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of LAHC, including all real property, whether in the possession of LAHC or its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or agents, and of the premises occupied by LAHC for its business, conduct all of the business and affairs of LAHC, or so much thereof as he may deem appropriate, manage the affairs of LAHC, and to rehabilitate same, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC, its policyholders, subscribers, members, enrollees, officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, creditors, banks, savings and loan associations, and/or



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other entity or person acting for or on behalf of LAHC shall be and hereby are permanently enjoined from disposing of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of LAHC, including all real property, and from the transaction of the business of LAHC, except with the concurrence of the Commissioner, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to La. R.S. 22:2006, any and all persons and entities shall be and hereby are permanently enjoined from obtaining preferences, judgments, attachments or other like liens or the making of any levy against LAHC, its property and assets while in the Commissioner's possession and control.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in accordance with La. R.S. 22:2036 the Rehabilitator shall be and hereby is permanently vested with and/or shall maintain the authority to enforce, for the benefit of LAHC policyholders, subscribers, members, and enrollees and LAHC, contract performance by any provider or other third party who contracted with LAHC, and for such other relief as the nature of the case and the interest of LAHC, LAHC's policyholders, subscribers, members, enrollees, creditors or the public may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is entitled to the right to enforce or cancel, for the benefit of the policyholders, subscribers, members, enrollees of LAHC, and LAHC, contract performance by any party who had contracted with LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC providers and contractors are required to abide by the terms of their contracts with LAHC and to provide services to LAHC members under the terms of such contracts in order to ensure continuation of services for LAHC policyholders, subscribers, members, and enrollees until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is entitled to permit such further operation of LAHC as he may deem necessary to be in the best interests of the policyholders, subscribers, members, and enrollees, and creditors of LAHC and the orderly rehabilitation of LAHC.



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³ *Clara P. [Signature]*
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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all authority of all officers, directors, and managers of LAHC shall be and hereby is terminated and all authority of said officers, directors and managers be and hereby is vested in the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator and Receiver of LAHC and his assistants shall be and hereby are allowed and authorized to:

- a) Employ and authorize the compensation of accountants, clerks, and such assistants as he deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, out of the funds or assets of LAHC in the possession of the Rehabilitator and the Receiver or coming into LAHC's possession;
- b) Defend or not defend legal actions wherein LAHC or the Rehabilitator or Receiver is a party defendant, commenced prior to or subsequent to the entry of the order herein, without the authorization of the Court, except, however, in actions where LAHC is a nominal party, as in certain foreclosure actions and the action does not affect a claim against or adversely affect the assets of LAHC, the Rehabilitator or Receiver may file appropriate pleadings in his discretion;
- c) Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this rehabilitation proceeding;
- d) Collect all debts, which are economically feasible to collect and which are due and owing to LAHC;
- e) Take possession of all of LAHC's securities and certificates of deposit on deposit with any financial institution or any other person or entity, if any, and convert to cash so much of the same as may be necessary, in his judgment, to pay the expenses of administration of rehabilitation.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any officer, director, manager, trustee, agent, adjustor, contractor, or third party administrator of LAHC and any person who possesses or possessed any executive authority over, or who exercises or exercised any control over any segment of LAHC's affairs shall be and hereby are required to fully cooperate with the Rehabilitator, the Receiver and his assistants, notwithstanding their dismissal pursuant to this order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all attorneys employed by LAHC as of the date of the order entered herein shall, within ten (10) days notice of the order entered herein, report to the Receiver or Rehabilitator on the name, company, claim number and status of each file they are handling on behalf of LAHC. Said report shall also include an account of any funds received from or on behalf of LAHC. All attorneys described herein are hereby discharged as of the date of this order unless the Receiver or Rehabilitator retains their services in writing. All attorneys employed by LAHC who are in possession of litigation files or other material, documents or records belonging to or relating to work



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performed by the attorney on behalf of LAHC shall deliver such litigation files, material, documents or records intact and without purging to the Receiver notwithstanding any claim of a retaining lien, which, if otherwise valid, shall not be extinguished by such turn-over of documents.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that reinsurance amounts due to or payable by LAHC shall be remitted to, or disbursed by the Receiver at the Receiver's discretion and with the consent of the court where required by law. The Receiver shall handle reinsurance losses recoverable or payable by LAHC. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary unless otherwise authorized by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, including statutory deposits, in its possession, custody or control any funds, accounts and any other assets of LAHC, shall be and hereby is ordered to immediately transfer title, custody and control of all such funds, accounts, or assets to the Receiver, and instructed that the Receiver has absolute control over such funds, accounts and other assets. The Receiver may change the name of such accounts and other assets withdraw them from such bank, savings and loan association or other financial institution or take such lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association, or other financial institution, person or entity shall freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, in its possession, custody or control any funds, accounts and any other assets of LAHC, shall not be permitted to freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the control of the Rehabilitator, the Receiver or his appointees without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to LAHC shall maintain such service and transfer any such accounts to the Receiver as of the date of the order entered



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⁵ *Blaise J. P.*
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herein, unless instructed to the contrary by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that upon request by the Receiver, any company providing telephone services to LAHC shall provide a reference of calls from the number presently assigned to LAHC to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any data processing service which has custody or control of any data processing information and records, including, but not limited to, source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to LAHC shall be and hereby are required to transfer custody and control of such records to the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the United States Postal Service shall be and hereby is directed to provide any information requested by the Receiver regarding LAHC and to handle future deliveries of LAHC's mail as directed by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator and his assistants shall be and hereby are authorized to conduct an investigation of LAHC and its subsidiaries and affiliates to uncover and make fully available to the Court the true state of LAHC's financial affairs. In furtherance of this investigation, LAHC, its subsidiaries, its affiliates, owners, officers, directors, managers, trustees, agents, employees, servants, adjustors, accountants, actuaries, attorneys, contractors, consultants, or third party administrators, LAHC shall make all books, documents, accounts, records and affairs, which either belong to or pertain to LAHC available for full, free and unhindered inspection and examination by the Commissioner during normal business hours, Monday through Friday, from the date of the order entered herein. LAHC and the above-specified entities shall fully cooperate with the Rehabilitator, including, but not limited to, the taking of oral testimony under oath of LAHC and its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and subsidiaries and any other person or entity who possesses any executive authority over, or who exercises any control over, any segment of the affairs of LAHC in both their official, representative, and individual capacities and the production of all documents that are calculated to disclose the true state of LAHC's affairs.



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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC shall not engage in any advertising or solicitation whatsoever, other than that approved by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC, its members, subscribers, enrollees, and policyholders, officers, directors, employees, managers, trustees, agents, adjusters, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and any other partnership, company or entity controlled by same and/or other persons acting for or on behalf of LAHC, or subject to their control, and all other persons or entities who have access to, control or possession of the property, assets, and affairs of LAHC shall be and hereby are permanently enjoined except with the express permission of the Receiver:

- a) from disposing of or encumbering any of the property or assets of LAHC;
- b) from disposing of any records or other documents belonging of LAHC or relating to the business and affairs of the of LAHC;
- c) from the transaction of any business by, for, or on behalf of LAHC, including, but not limited to:
 - i) writing, issuance or renewal of any certificate of coverage, insurance policy, binder, or endorsement to an existing policy or certificate of coverage;
 - ii) payment of claims and of any policy or certificate of coverage benefits;
 - iii) incurring of any claim or loss adjustment expense;
 - iv) incurring of any debt or liability; and
 - v) interfering with the acquisition of possession by the exercise of dominion and control over the property of LAHC by the Rehabilitator or the Rehabilitator's conduct of the business and affairs of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are permanently enjoined from instituting and/or taking further action in any suits, proceedings, and seizures against LAHC, the Commissioner in his capacity as rehabilitator of LAHC, the Receiver, and any affiliates, subsidiaries, insurers, its officers, directors, employees, managers, trustees, agents, adjusters, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or representatives of same, to prevent any preference, judgment, seizure, levy, attachment, or lien being rendered against LAHC, its estate and assets, and/or its members, subscribers, enrollees, and policyholders, the Commissioner in his capacity as rehabilitator and/or liquidator, the Receiver, any affiliates, subsidiaries, insurers, its officers, directors, employees, managers,



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trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators of same, and the making of any levy against LAHC, its property or assets.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except with the concurrence of the Rehabilitator or until further written order of this Court, all suits, proceedings, and seizures against LAHC and/or its respective members/enrollees/subscribers shall be and hereby are stayed in order to prevent the obtaining of any preference, judgment, seizure, levy, or lien, and to preserve the property and assets of LAHC, including, but not limited to, suits and proceedings and all litigation where:

- a) LAHC is a party;
- b) A member, subscriber, enrollee, policyholder or any other person who is named as a party to the litigation claims insurance coverage under any policy of insurance, subscriber agreement or certificate of coverage issued or assumed by LAHC;
- c) The litigation involves or may involve the adjudication of liability or determines any possible rights or obligations of any member, subscriber, enrollee, policyholder or person as to any insurance policy, subscriber agreement, or certificate of coverage issued or assumed by LAHC, or determines any possible future liability of LAHC with regard to any insurance policy, subscriber agreement or certificate of coverage issued or assumed by LAHC;
- d) LAHC would otherwise be obligated to provide a defense to any party in any court pursuant to any policy of insurance, subscriber agreement, or certificate of coverage issued or assumed by LAHC;
- e) The ownership, operations, management and/or control of LAHC is at issue; and
- f) Any party is seeking to create, perfect or enforce any preference, judgment, attachment, lien or levy against LAHC or its assets or against any member, subscriber, enrollee and/or policyholder of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any action in any suit or proceeding against the Commissioner in his capacity as Rehabilitator of LAHC, the Receiver, and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner in his capacity as rehabilitator of LAHC, and their representatives, agents, employees, or attorneys, when acting in accordance with this Order and/or as Rehabilitator, Receiver, or Deputy Receiver of LAHC are barred.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there shall be no liability on the part of, and that no cause of action of any nature shall exist against the Commissioner in his capacity as Commissioner or Rehabilitator and/or regulator of LAHC, the Receiver and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner as Commissioner and/or regulator of LAHC, and/or their assistants,



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Mark R. [Signature]
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representatives, agents, employees, or attorneys, for any action taken by them when acting in accordance with the orders of this Court and/or in the performance of their power and duties as Rehabilitator, Receiver, Commissioner and/or regulator of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all participating and non-participating providers of LAHC shall be and hereby are permanently enjoined from seeking to collect and/or collecting any amounts claimed as payment for services rendered to LAHC, its enrollees, members, subscribers, and policyholders from any said enrollee, member, policyholder and/or subscriber of LAHC, except for amounts that are member obligations as defined in the member agreement, including but not limited to, co-payments, deductibles, and co-insurance.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are permanently enjoined from interfering with these proceedings, or with the Rehabilitator's possession and control; from interfering with the conduct of the business of LAHC by the Rehabilitator; from wasting the assets of LAHC, and from obtaining preferences, judgments, attachments or other like liens or the making of any levy against LAHC or its property and assets while in the possession and control of the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all premiums and all other debts and payables due to LAHC shall be paid to the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is permitted to notify every holder of a certificate of coverage, subscriber agreement, or contract of insurance issued by LAHC and every known provider and other creditor of LAHC of the order of rehabilitation and injunction entered herein within forty-five (45) days of the date of this order, notwithstanding the provisions of La. 22:2011.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all contracts between LAHC and any and all persons or entities providing services to LAHC and its policyholders, members, subscribers and enrollees shall remain in full force and effect unless canceled by the Receiver, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as Rehabilitator and for such other relief as the nature of the case and the interests of LAHC's members, enrollees, subscribers, policyholders, providers and other creditors, or the public, may require, including but not limited to the Receiver's appointment and authorization to prosecute



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all action which may exist on behalf of LAHC members, subscribers, enrollees, policyholders, or creditors against any existing or former officer, director or employee of LAHC or any other person.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as Commissioner and for such other relief as the nature of the case and the interests of LAHC's members, enrollees, subscribers, policyholders, providers and other creditors, or the public, may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Matthew Stewart, Norrie Falgoust, Jimmy Henry, and Rudy Babin be and hereby are appointed as Process Servers for service of all process and further pleadings on LAHC.

Baton Rouge, Louisiana, this 21st day of September, 2015.


DISTRICT COURT JUDGE DONALD JOHNSON

RESPECTFULLY SUBMITTED,

JAMES D. "BUDDY" CALDWELL
LOUISIANA ATTORNEY GENERAL

By:


MICHAEL CHARLES GUY, ESQ. (#25406)

Assistant Attorney General

P.O. Box 94005


Baton Rouge, LA 70904

(225) 326-6400

Attorneys for JAMES J. DONELON,

Commissioner of Insurance for the State of Louisiana

as Rehabilitator of Louisiana Health Cooperative, Inc.

EAST BATON ROUGE PARISH
2015 SEP 21 AM 5:15

DEPUTY CLERK OF COURT

I hereby certify that on this day a notice of the above judgment was mailed by me, with sufficient postage affixed, to Michael Guy and Sue Buser

Done and signed on September 21, 2015


Deputy Clerk of Court

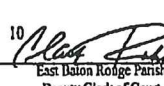
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NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

VERIFICATION

STATE OF LOUISIANA
COUNTY/PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned authority, duly commissioned and qualified within and for the State and Parish aforesaid personally came and appeared:


CAROLINE BROCK

a person known by me, Notary Public, to be a competent major, who, after first being duly sworn by me, did depose and say:


That she is the Deputy Commissioner of Financial Solvency for the Louisiana Department of Insurance and is familiar with Louisiana Health Cooperative, Inc.

That she has read the foregoing Consent Permanent Order for Rehabilitation and Injunctive Relief, and the allegations contained therein are true and correct to the best of her personal knowledge.

EAST BATON ROUGE PARISH
2015 SEP 21
CAROLINE BROCK
DEPUTY CLERK OF COURT


CAROLINE BROCK
DEPUTY COMMISSIONER OF FINANCIAL SOLVENCY
FOR THE LOUISIANA DEPARTMENT OF INSURANCE

Sworn to and subscribed before me,
Notary, this 21st day of SEPTEMBER, 2015.


NOTARY PUBLIC
Bar Roll Number: 25406
MIKE G. V.
COMMISSIONER OF INSURANCE

CERTIFIED
TRUE COPY

SEP 22 2015



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Exhibit B

Court order of December 14, 2015 ordering that all LAHC coverage would be terminated on December 31, 2015; and Certificate of Notice provided to all potential LAHC creditors of termination of coverage

