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**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

**IN THE MATTER OF THE)
CONSERVATION OF NEXTLEVEL) No. 2020 CH 4431
HEALTH PARTNERS, INC.)**

**JOINT PETITION TO SET A DATE FOR THE
FIXING OF RIGHTS AND LIABILITIES, AND DEADLINES,
AND PROCEDURES FOR THE FILING OF CLAIMS**

Dana Popish Severinghaus, Acting Director (the “**Director**”) of the Illinois Department of Insurance (the “**Department**”), acting solely in her capacity as statutory and Court affirmed conservator (the “**Conservator**”) of NextLevel Health Partners, Inc., in Conservation (“**NextLevel**”), and NextLevel, pursuant to resolution adopted by its Board of Directors (a copy of which is attached hereto as Exhibit 1), by and through their respective attorneys, request that the Court enter an order (1) setting a date for the fixing of rights and liabilities except as to those persons entitled to file contingent claims, (2) setting a claim filing deadline for the submission of proofs of claim against the assets of NextLevel, (3) setting a final date for the liquidation of enrollees’ contingent claims (if any), including the presentment of evidence to the Conservator of the liquidation of such claims, and (4) approving procedures for the issuance of notice to Potential Claimants (as defined below) of claim filing procedures and deadlines. In support, the Conservator and NextLevel state as follows:

Overview

1. The Conservator and NextLevel seek entry of an order setting a claim filing deadline and procedure in order to facilitate the wind-up of NextLevel’s business and corporate dissolution subject to any applicable regulatory requirements. At present, NextLevel has resolved almost all claims and sold off most of its business. The entry of an order establishing a claim

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filing deadline and a procedure for filing claims against NextLevel's assets is an important step in the process of dissolving NextLevel's corporate existence.

Background and Current Status

2. NextLevel was placed into conservation pursuant to this Court's order entered on June 9, 2020 (the "**Conservation Order**") pursuant to Section 188.1, 215 ILCS 5/188.1, of the Illinois Insurance Code, 215 ILCS 5/1 *et seq.*, (the "**Code**"). Among other things, the Conservation Order affirmed the Director and his successors in office as Conservator of NextLevel, and directed that the Conservator take immediate possession and control of the property, books, records, accounts, assets, business, and affairs of NextLevel and of the premises currently occupied, or thereafter occupied, by NextLevel for the transaction of business, to conserve them for the benefit of the policyholders and creditors of NextLevel and of the public, and to take such actions that the nature of this cause and interests of the policyholders and creditors of NextLevel or the public may require, subject to further orders of the Court.

3. On June 30, 2020, NextLevel entered into a Court- and Department-approved Member Transfer Agreement (the "**Member Transfer Agreement**"), a copy of which is attached as Exhibit 1 to the Declaration of Dr. Cheryl Whitaker, a copy of which is attached hereto as Exhibit 2, (the "**Whitaker Declaration**"). Whitaker Decl. ¶ 3. Under the Member Transfer Agreement, NextLevel transferred to Meridian Health Plan of Illinois, Inc., a subsidiary of Centene Corporation ("**Meridian**"), the following:

- i. Coverage of all individual residents of the State of Illinois to whom NextLevel provided services under NextLevel's contract with the Illinois Department of Health and Family Services ("**HFS**") as part of the HealthChoice Illinois ("**HCIL**") program through HCIL Contract No. 2018-24-801 (the "**Transferred Members**"). *Id.* ¶ 3(a), Ex. 1 § 1.1.
- ii. All of NextLevel's books, records, ledgers, files, data bases, documents, studies, reports, sub-agent files, underwriting files, loss control files, claim

files and other material (the “**Transferred Information**”) relating to the Transferred Members and all contracts between NextLevel and its physicians, hospitals, pharmacies or other health care professionals, independent practice associations, facilities or suppliers that had contracted with NextLevel to provide or arrange for the provision of health care services, dental services, prescription drugs or supplies to such Transferred Members (the “**Provider Contracts**”). *Id.* ¶ 3(b), Ex. 1 §§ 1.1, 4.9, 9.14(a) at p. 45.

iii. All liabilities arising out of services provided or relating to the Transferred Members or Transferred Information, in each case, in respect of periods occurring or services rendered on and after June 30, 2020. *Id.* ¶ 3(c), Ex. 1 §§ 1.3, 9.14(a) at p. 40.

4. At the close of such transaction, Centene Corporation, Meridian Health Plan of Illinois, Inc. and NextLevel released a press release announcing the Member Transfer Agreement. *See id.* ¶ 4, Ex. 1. The press release was widely distributed by multiple sources. *Id.* ¶ 4.

5. In connection with the transfer of assets and liabilities as set forth in the Member Transfer Agreement, NextLevel remained responsible for all claims for services and liabilities arising out of the Provider Contracts, medical claims liabilities, and premium refund/adjustment demands relating to the period on or prior to June 30, 2020. *Id.* ¶ 5, Ex. 1 § 1.4(j).

6. Each Provider Contract entitled the provider to prepare and submit claims to NextLevel within 180 days from the date of service. Providers whose claims had service dates of June 30, 2020 were notified that they would have an additional four days until the end of December (*i.e.*, providers with a service date of June 30, 2020 had until December 31, 2020 to submit claims). Each such Contract also authorized NextLevel to deny payment for any claims that fail to meet NextLevel’s submission requirements, including for expiration of the filing time limit. *Id.* ¶ 6.

7. Since July 1, 2020, when NextLevel ceased to be a functioning health plan, acting under the Conservator's supervision, NextLevel has paid and otherwise resolved approximately \$49,586,829.90 in claim liabilities, representing nearly all of its financial obligations with respect to claims by providers. *Id.* ¶ 7. One provider claim remains, asserted by Kindred THC, LLC d/b/a Kindred Hospital in the amount of \$300,000, which is highly disputed by NextLevel. NextLevel is not aware of any other provider with the right to make a claim. *Id.*

8. Nor is NextLevel aware of any contingent claim that could be presented. *Id.* ¶ 8. A contingent claim is one that is known to have occurred or been incurred, but as to which liability is unknown as of the date the rights and liabilities of the company in receivership and its claimants and other creditors are fixed by order of the court. Contingent claims most often are those held by third parties against insureds of an insurer in liquidation that underwrote casualty (liability) insurance. NextLevel has no reason to believe that there is or could be any contingent claim of an enrollee, since all of its enrollees were transferred in the Centene transaction, and NextLevel did not underwrite any insurance that would cover a claim brought by a third party against an (now former) enrollee. *Id.*

9. NextLevel is preparing for dissolution pursuant to a plan to be submitted to the Department consistent with these proceedings and in compliance with applicable Illinois law. *Id.* ¶ 9.

10. On June 30, 2020, NextLevel provided contractual notice of the transactions contemplated by the Member Transfer Agreement to all providers (including physicians; nursing homes; health departments; hospitals; home health providers; aging/waiver providers; audiology providers; and DME/orthotic/prosthetic providers, and transportation providers) by posting a notice entitled "NextLevel Meridian Transition Provider Claims Memo" on NextLevel's

provider notice webpage and by faxing such notice to such providers (the “**June 30, 2020 Memo**” a copy of which is attached hereto as Exhibit 2 to the Whitaker Declaration). *Id.* ¶ 10.

11. From July 2020 to December 2020, NextLevel and HFS held transition status meetings (the “**Transition Status Meetings**”) to monitor what actions HFS and NextLevel had to take in order to close out NextLevel (*i.e.*, final reports and other items due to HFS, status of payments and claims). From July 2020 to October 2020, these meetings were held bi-weekly, and from November 2020 to December 2020, they were held monthly. *Id.* ¶ 11. The contents of the June 30, 2020 Memo were reiterated during these Transition Status Meetings. *Id.*

12. From June 2020 to December 2020, HFS scheduled monthly working group meetings (the “**Monthly Working Group Meetings**”) for open communication and mediation of outstanding issues and providing updates as necessary to the other attendees. *Id.* ¶ 12. Provider trade associations raised any claims issues they had at these meetings on behalf of their enrollees and NextLevel and Meridian responded and provided additional detail. *Id.* During one of these Monthly Working Group Meetings, NextLevel provided an update in which it explained the transaction, what it meant for the providers, and NextLevel’s progress on resolving outstanding claims. *Id.* NextLevel reiterated that providers would bill NextLevel through June 30, 2020 and then bill Meridian thereafter pursuant to the terms of the Member Transfer Agreement. *Id.* NextLevel staff at the meetings also provided links for more information and their own contact information to make themselves available. *Id.* Providers that reached out to HFS about issues were directed by HFS to NextLevel staff. *Id.*

13. During all of these meetings, NextLevel staff repeatedly announced to providers that NextLevel would be strictly adhering to timely filing guidelines for both first time claims and claims disputes pursuant to Ill. Admin. Code tit. 89, §140.20 (2018) and each of the Provider

Contracts. *Id.* ¶ 13. Next Level staff also reiterated the need for providers to require their enrollees to submit any outstanding NextLevel claims with valid dates of service of June 30, 2020 or prior as soon as possible, pursuant to the June 30, 2020 Memo and August 24, 2020 Memo (as defined below). *Id.*

14. On August 24, 2020, NextLevel staff posted a provider notice entitled “NextLevel Health Provider Memo – Final Claims Submission Guidelines” on NextLevel’s provider notice webpage (the “**August 24, 2020 Memo**” a copy of which is attached hereto as Exhibit 3 to the Whitaker Declaration). *Id.* ¶ 14. HFS approved the August 24, 2020 Memo on August 24, 2020 prior to NextLevel’s posting of the same. *Id.* The August 24, 2020 Memo made clear that claims with dates of service for 2016 and 2017 were no longer eligible for payment and that claims with dates of service for 2018 through June 30, 2020 may be considered by NextLevel. *Id.* The August 24, 2020 Memo further made clear that NextLevel was strictly adhering to the 180-day timely filing deadline requirements pursuant to Ill. Admin. Code tit. 89 §140.20 (2018) and each of the Provider Contracts; providers with dates of service for June 30, 2020 could submit claims until December 31, 2020 for consideration of payment. *Id.* The August 24, 2020 Memo clarified that NextLevel would strictly enforce a timely claims dispute policy of 90 days from the date of notification or denial being issued for the claims dispute and reconsideration process. *Id.*

15. Following the August 24, 2020 Memo, NextLevel staff continued to communicate with providers and answer claims status questions and/or submission issues to assist providers in submitting claims before the final timely filing deadline of December 31, 2020. *Id.* ¶ 15. On August 26, 2020, NextLevel staff emailed a copy of the August 24, 2020 Memo to lead contacts for various provider member organizations who participate in the Monthly Working Group Meetings, explicitly asking such email recipients to forward the August 24, 2020 Memo to their

members and encourage their members to submit all outstanding claims to NextLevel as soon as possible. *Id.* On December 14, 2020, NextLevel staff emailed nursing home long-term care association group leaders to provide clarity for nursing home provider members on the guidelines set forth in the August 24, 2020 Memo. *Id.*

16. On January 1, 2021, NextLevel posted an update on its website indicating that the NextLevel portal would be available through close of business on January 29, 2021 for providers to check on the status of claims previously submitted (the “**January 1, 2021 Notice**” a copy of which is attached hereto as Exhibit 4 to the Whitaker Declaration). *Id.* ¶ 16. The January 1, 2021 Notice further indicated that the deadline for timely claims submission with dates of service of June 30, 2020 or prior had passed and that all new claims submissions received on or after January 1, 2021 would be denied. *Id.* The June 30, 2020 Memo and the August 24, 2020 Memo were also posted on the same page of the NextLevel website where the January 1, 2021 Notice was posted for reference. *Id.* ¶ 16, Exs. 2-3.

17. On February 2, 2021, the NextLevel provider portal on NextLevel’s website was made inactive and providers were advised that the only method to check on the status of previously submitted claims is to email NextLevel staff at provider.services@nlhpartners.com. *Id.* ¶ 17. NextLevel received requests at that email address, many of which related to existing claims that NextLevel was already trying to close. *Id.*

Steps Requisite to Dissolution

18. NextLevel’s dissolution will be completed through a regulatory process for voluntary dissolution under the supervision of the Director and the Department pursuant to 50 Ill. Admin. Code §2410.10 *et seq.*, and pursuant to applicable provisions of the Business Corporation Act, 805 ILCS 5/12.1 *et seq.*

19. The Conservator and NextLevel have been cooperating to develop an efficient and equitable process for distributing NextLevel's assets and dissolving the company. To facilitate NextLevel's dissolution, the Conservator and NextLevel wish to fully identify all remaining valid claims against NextLevel's assets and pay such claims in full. For purposes of determining the population of persons who may have claims against NextLevel, as disclosed on NextLevel's books and records, to whom actual notice of the procedures and deadlines for the filing of claims must be mailed, the Conservator has accepted NextLevel's representations that: (i) there are no enrollee claims, (ii) there is only one provider claim (Kindred THC Chicago, LLC d/b/a Kindred Hospital), (iii) there are two claims of general creditors (Illinois Department of Revenue and XL Insurance Company), (iv) there is one claim due the federal government (Department of the Treasury - Internal Revenue Service), (iv) there is the proprietary claim of NextLevel Health Innovations, Inc. as NextLevel's sole shareholder, and (v) there are no other potential claimants disclosed on the books and records. In addition to mailing the Notice to these five Potential Claimants (as defined in Paragraph I, below) identified by NextLevel, the Conservator intends to mail a Notice to the United States c/o the United States Department of Justice.

20. The proof of claim procedure requested in this petition will facilitate such dissolution by ensuring satisfaction of all applicable statutory and regulatory requirements, including (without limitation) payment of all corporate obligations and disposition of remaining assets. *See, e.g.*, 50 Ill. Admin. Code § 2410.60; 805 ILCS 5/12.75. At the conclusion of such proof of claim procedure, the distribution of NextLevel's assets, and with the filing of the Conservator's "Petition to Terminate the Proceedings and for Other Relief" the Conservator will request the issuance of an order releasing and barring the assertion of any claims against the

Conservator and her Special Deputy Receiver and their respective predecessors, successors, agents and employees relating to the administration of the NextLevel conservation.

21. Following payment in full of all higher priority timely-filed claims allowed in the proceedings and NextLevel's dissolution as described in Paragraph 18, above, any remaining funds (less a post-closing reserve as provided for under 215 ILCS 5/211.1) will be distributed to NextLevel Health Innovations, Inc. at the ninth statutory priority level 215 ILCS 5/205(1)(i), ("Priority Level I").

22. NextLevel Health Innovations, Inc. has informed both NextLevel's Board and the Conservator that, subsequent to its receipt of any distribution to be made at Priority Level I and in accordance with all applicable law, it intends to distribute all of said distribution of the remaining assets to its shareholders.

23. As of December 31, 2021, NextLevel reported assets in the approximate amount of \$23,317,399.00 and known liabilities in the approximate amount of \$15,353,708.63. The Conservator therefore believes that NextLevel is currently solvent. Upon the conclusion of the evaluation of claims pursuant to the deadlines and procedures prayed for herein, the subsequent distribution of NextLevel's assets on those claims allowed by order of this Court, the subsequent distribution of the remaining assets to NextLevel Health Innovations, Inc., and NextLevel's dissolution under the supervision of the Director and the Department, the Conservator will seek entry of an order discharging the dissolved NextLevel from conservation and terminating these proceedings.

Supporting Statutory Authority

24. An HMO is subject to the provisions of Article XIII, 215 ILCS 5/187 *et seq.*, ("**Article XIII**"). *See* 215 ILCS 125/5-3(a); *see also* 215 ILCS 125/5-6 (a) (operation of HMO

“governed by the same provisions governing the rehabilitation, liquidation or conservation of insurance companies”).

25. Furthermore, 215 ILCS 5/205(3) (priority of distribution of general assets), 215 ILCS 5/208(1) (time to file claims), and 215 ILCS 5/209 (proof and allowance of both non-contingent and contingent claims) make clear that Article XIII’s provisions governing the inter-related provisions for claims fixing (215 ILCS 5/194(a)), proof and adjudication, and payment/asset distribution apply to conservation, as well as in rehabilitation and liquidation.

26. Section 194(a), 215 ILCS 5/194(a), authorizes the Court to set a date as of which the rights and liabilities of NextLevel and its creditors, stockholder, and all other persons interested in its assets, except for persons entitled to file contingent claims, shall be determined (the “**Rights Fixing Date**”).

27. Section 208(1), 215 ILCS 5/208(1), authorizes the Court to set a date by which a proof of claim must be presented to the Conservator in order for the claim asserted therein to constitute a timely-filed claim against the assets of NextLevel in Conservation (the “Claim Filing Deadline.”).

28. Section 209(1), 215 ILCS 5/209(1), sets forth the elements that must be stated in a proof of claim.

29. Section 209(4)(a), 215 ILCS 5/209(4)(a), authorizes the Court to establish a date by which “insureds” (or, in the instance of NextLevel, “enrollees”) who have filed a contingent claim on or before the Claim Filing Deadline may present evidence to the Conservator that they have liquidated their contingent claim by payment for purposes of having the allowed portion of their claim participate in any distributions that may be made at the fourth statutory priority level,

215 ILCS 5/205(1)(d) (the “**Contingent Claim Evidentiary Deadline**”). (As noted above, NextLevel has no reason to believe that there are or could be any such claims.)

30. NextLevel and the Conservator also seek to have the Contingent Claim Evidentiary Deadline established as the final date by which non-enrollee creditors of NextLevel asserting contingent claims can present evidence, including evidence by which their claim may be estimated, to the Conservator in support of their contingent claim for purposes of having the allowed portion of their claim participate in any distributions that may be made at the fourth and seventh statutory priority levels, 215 ILCS 5/205(1)(d) and (g), as applicable. *See* 215 ILCS 5/209(6) and (7).

31. Section 209(4)(b), 215 ILCS 5/209(4)(b), provides that any “insured” (here, enrollee) who was unable to fully liquidate their timely-filed contingent claim and present evidence of same to the Conservator on or before the Contingent Claim Evidentiary Deadline may, nevertheless, have their claim allowed at the fifth statutory priority level, 215 ILCS 5/205(1)(e).

32. Section 209, *supra*, sets forth the procedures by which the Conservator evaluates timely-filed claims, issues her recommendation for the allowance or disallowance of claims, processes objections to her recommendations, and presents her contested and uncontested recommendations to the Court for approval.

33. Section 210, 215 ILCS 5/210, sets forth the procedures for the distribution of assets on claims allowed in these proceedings.

34. Except as otherwise provided in the Code, 215 ILCS 5/205(1) sets forth the priorities of distribution with respect to the assets of NextLevel’s assets.

35. 215 ILCS 125/5-6(a) modifies 215 ILCS 5/205(1) as follows:

- i. For purpose of determining the priority of distribution of general assets, claims of enrollees and enrollees' beneficiaries shall have the same priority as established by Section 205 of the Illinois Insurance Code for policyholders and beneficiaries of insureds of insurance companies. If an enrollee is liable to any provider for services provided pursuant to and covered by the health care plan, that liability shall have the status of an enrollee claim for distribution of general assets; and,
- ii. Any provider who is obligated by statute or agreement to hold enrollees harmless from liability for services provided pursuant to and covered by a health care plan shall have a priority of distribution of the general assets immediately following that of enrollees and enrollees' beneficiaries as described herein, and immediately preceding the priority of distribution described in paragraph (e) of subsection (1) of Section 205 of the Illinois Insurance Code.

36. The Conservator and NextLevel have determined that to effectively and promptly protect the interests of NextLevel's enrollees, beneficiaries, creditors, shareholder, and of the public, it is necessary or advisable to enter an order under Sections 194, 208, and 209, *supra*, setting a Rights Fixing Date and a Claim Filing Deadline, and establishing a procedure for the filing of proofs of claim against the assets of NextLevel in order that such claims, if allowed by order of the Court, may share in any distribution(s) of NextLevel's assets as may be authorized by the Court upon the application of the Conservator. Accordingly, the Conservator and NextLevel propose that the Court enter an order setting a Rights Fixing Date and a Claim Filing Deadline, and approving procedures pursuant to which the Conservator shall issue actual and constructive notice to Potential Claimants of the claim filing deadline and procedures.

Relief Requested and Proposed Order

WHEREFORE, the Conservator and NextLevel request that the Court enter an order directing and ordering that:

A. The rights and liabilities of NextLevel and its creditors, except for those persons entitled to file contingent claims, are fixed as of the entry of the Order prayed for herein (the “**Rights Fixing Date**”). *See* 215 ILCS 5/194(a);

B. All claims must be presented to and filed with the Conservator in the form of a proof of claim meeting the requirements of 215 ILCS 5/209(1), as hereinafter described, on or before a date 60 (sixty) days (or, if that date falls on a weekend or a holiday, the first business day thereafter) from the entry of the Order prayed for herein (the “**Claim Filing Deadline**”);

C. The final date by which evidence supporting the liquidation of any enrollee’s timely filed contingent claim must be actually received by the Conservator is 90 (ninety) days (or, if that date falls on a weekend or a holiday, the first business day thereafter) following the entry of the Order prayed for herein (the “**Contingent Claim Evidentiary Deadline**”) and that no such contingent claim shall be allowed for purposes of participating in any distributions of NextLevel’s assets that may be made on claims allowed at the fourth priority level, 215 ILCS 5/205(1)(d), except to the extent that such claim has been liquidated with payment and the claimant has presented to and filed with the Conservator evidence of liquidation on or before the Contingent Claim Evidentiary Deadline;

D. The final date by which evidence supporting any non-enrollee’s timely filed contingent claim, including evidence by which their claim may be estimated, must be actually received by the Conservator is the Contingent Claim Evidentiary Deadline, and that no such contingent claim shall be allowed for purposes of participating in any distributions of NextLevel’s assets that may be made on claims allowed at the fourth or seventh priority levels, 215 ILCS 5/205(1)(d) and (g), unless the evidence relied upon is submitted to the Conservator on or before the Contingent Claim Evidentiary Deadline;

E. Consistent with 215 ILCS 5/209(1)(a), a proof of claim shall consist of a statement signed by the claimant or on behalf of the claimant that includes the following:

- i. The particulars of the claim, including consideration given for it;
- ii. The identity and amount of the security on the claim;
- iii. The payments made on the debt, if any;
- iv. That the sum claimed is justly owing and that there is no setoff, counterclaim, or defense to the claim;
- v. Any right of priority of payment or other specific right asserted by the claimant;
- vi. The name and address of the claimant and the attorney, if any, who represents the claimant; and
- vii. The claimant's social security or federal employer identification number;

F. Consistent with 215 ILCS 5/209(2), if a claim is based on a document, the document, unless lost or destroyed, shall be filed with the proof of claim. If the document is lost or destroyed, a statement of that fact and of the circumstances of the loss or destruction shall be included in the proof of claim;

G. Except as otherwise provided in 215 ILCS 5/209(7) (if applicable), a proof of claim must identify a known loss or occurrence;

H. Paragraphs C, D and E notwithstanding, the Conservator shall accept as a timely filed proof of claim documentation of an open claim pending in NextLevel's books and records that, taken as a whole, complies with the requirements of 215 ILCS 5/209(1)(a), including but not limited to claims of any shareholders based on ownership of stock;

I. To the extent practicable, within seven (7) days from the entry of the Order prayed for herein, the Conservator shall provide both actual and constructive notice of the deadlines and procedures for the filing of claims (the "**Notice**") to all persons, companies, and

entities that NextLevel's books and records, as determined by the Conservator in her sole discretion, disclose have or may have claims against NextLevel, NextLevel's property or assets, or a NextLevel enrollee or policyholder, and the United States of America through the United States Department of Justice (the "**Potential Claimants**");

J. If requested by the Conservator and to facilitate the Conservator's issuance of actual Notice, NextLevel shall provide the Conservator with access to its books and records for purposes of the Conservator's identification of Potential Claimants, and NextLevel shall assist in the transfer to the Conservator of the names and addresses of said Potential Claimants in a format acceptable to the Conservator;

K. The Notice shall inform Potential Claimants that all claims must be presented to and filed with the Conservator in the form of a proof of claim meeting the requirements of 215 ILCS 5/209(1), as set forth above in Paragraph E, on or before a date 60 (sixty) days (or, if that date falls on a weekend or a holiday, the first business day thereafter) from the entry of the Order prayed for herein (the "**Claim Filing Deadline**"); and, subject to 215 ILCS 5/208(2) and (3), the Claim Filing Deadline shall be the last day by which any such proof of claim may be received by the Conservator for purposes of participating in any distributions of assets that may be made on timely filed claims that are allowed in these proceedings;

L. The Notice shall further specify that for purposes of these claim filing procedures, the terms "presented to and filed with the Conservator" and "received by the Conservator" mean that in order for a proof of claim to be timely filed, the Conservator must either have physical possession of the proof of claim form on or before the Claim Filing Deadline, the proof of claim form must have been delivered to the United States Postal Service for delivery to the Conservator and postmarked on or before the Claim Filing Deadline with full postage

pre-paid, or the proof of claim form must have been delivered to a private mail courier on or before the Claim Filing Deadline for delivery to the Conservator with delivery charges fully paid;

M. Paragraphs C and D notwithstanding, during her evaluation of timely proofs of claim, the Conservator may request additional supporting documentation from Claimants. Claimants may then submit documentation responsive to the Conservator's requests, and the Conservator may include such documentation in her evaluation;

N. Any contingent claim of an enrollee, an enrollee's beneficiary, or of a provider, to whom an enrollee may be liable, for services pursuant to and covered by a health care plan within the meaning of 215 ILCS 125/5-6, for which a proof of claim was received by the Claim Filing Deadline but not liquidated by the Contingent Claim Evidentiary Deadline, or as to which evidence of liquidation of such claim is not actually received by the Conservator on or before the Contingent Claim Evidentiary Deadline, may be estimated under 215 ILCS 5/209(4)(b) for purposes of participating in any distributions of NextLevel's assets that may be made at the fifth priority level, 215 ILCS 5/205(1)(e);

O. Actual notice of the Claim Filing Deadline and procedures shall be served on Potential Claimants by the Conservator by depositing a copy of the Notice in the United States mail with first class postage prepaid, addressed to each such Potential Claimant at his, her or its last known address as disclosed by NextLevel's books and records;

P. The Conservator shall provide constructive notice of the Rights Fixing Date, Claim Filing Deadline, the Contingent Claim Evidentiary Deadline and procedures by publication, by causing a Notice to be published at least once each week for three consecutive

weeks in a newspaper of general circulation published in the County of Cook, State of Illinois, and in such other newspapers or publications as she may deem advisable;

Q. The Conservator, subject to further Court order, shall examine and investigate any and all timely filed proofs of claim and issue notices of determination (“NOD”) as required by 215 ILCS 5/209(11)(a);

R. The Conservator shall submit any contested recommendations to the Court for resolution as provided by 215 ILCS 5/209(11)(b);

S. The Conservator shall submit her uncontested recommendations as to the allowance or disallowance, in whole or in part, of claims to the Court as required by 215 ILCS 5/209(13)(a);

T. Pursuant to the provisions of 215 ILCS 5/210(3), and there having been no adjudication of insolvency against NextLevel, no person having or claiming to have any claim or claims against NextLevel or its property or assets shall participate in any distribution of NextLevel’s assets unless such claims were either filed or presented on or before the Claim Filing Deadline or were accepted for participation under either 215 ILCS 5/208(2) or (3). Any claim not timely presented pursuant to this Order shall be forever barred and of no value or further force or effect.

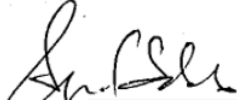
U. Paragraph T notwithstanding, the Conservator and NextLevel understand that pursuant to the federal priority statute, 31 U.S.C. 3713, the United States contends that claim filing deadlines established by state courts are not binding upon the United States and holds receivers personally liable for estate distributions that may prejudice the payment of potential claims of the United States, unless a receiver first obtains a Release of Federal Claims from the United States Department of Justice. The Conservator and NextLevel further understand and


agree that there shall be no distributions made of NextLevel's assets except upon the filing of one or more petitions for the distribution of assets by the Conservator, at her sole discretion, and with the subsequent approval of the Court

Respectfully submitted,

Dana Popish Severinghaus
Acting Director of Insurance
of the State of Illinois, acting solely in her
capacity as Conservator of NextLevel
Health Partners, Inc.

NextLevel Health Partners, Inc.

By: 
One of its attorneys

By: 
One of her attorneys

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