

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc in Liquidation
Statement of Affairs
As of September 30, 2016

	<u>Estimated Realizable Value</u>
ASSETS	
SPIA-Restricted	\$540,373.46
Pooled Cash in SPIA Due from the Admin Fund	21,715,081.38
Pooled Cash in SPIA Reserved for Unclaimed Property	364.75
Accrued Interest Receivable	28,592.18
Accounts Receivable	68,116,770.95
Allowance - Accounts Receivables	(68,116,770.95)
Fixed Assets	5,625.00
	<u>5,625.00</u>
Total Assets	<u>\$22,290,036.77</u>

LIABILITIES	
Accounts Payable	933.62
Unclaimed Property	364.75
Secured Claims	540,373.46
Loss Claims (Class 2)	
- Other	308,997.64
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Other	4,761.30
Federal Government Claims (Class 4)	16,532,686.98
Employee Claims (Class 5)	87,195.06
General Creditor Claims (Class 6)	
- Other	16,087,203.41
Late Filed Claims (Class 8)	22,711.12
Surplus Notes/Unearned Premium Claims	
under Assessable Policies (Class 9)	
- Other	27,452,843.00
Shareholder Claims	4,303,222.48
Claims Not Prioritized	37,200,379.01
	<u>37,200,379.01</u>
Total Liabilities	<u>\$102,541,671.83</u>

EQUITY	
Contributed Equity - State of Florida	48,942.51
Estate Equity	(80,300,577.57)
	<u>(80,300,577.57)</u>
Excess (Deficiency) of Assets over Liabilities	(\$80,251,635.06)
	<u>(\$80,251,635.06)</u>
Total Liabilities and Equity	<u>\$22,290,036.77</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan, Inc in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2016

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$854.48
Reinsurance Recoveries	0.00	27,532.84
Subrogation and Salvage Recoveries	36,177.07	494,119.21
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	237,201.49
Other Collections / Recoveries	6,010.10	3,497,950.22
Sale of Personal Property Inventory	500.00	123,983.88
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	42,687.17	4,408,335.62
Interest and Dividend Receipts	116,208.43	782,345.12
Receipts From Investment Activities	116,208.43	782,345.12
Total Cash Receipts	158,895.60	5,190,680.74
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	487,833.61	1,815,998.20
Salaries and Fringe Benefits	161,252.27	1,972,127.58
Employee Welfare	285.55	2,016.08
Travel Expenses	419.08	38,684.59
Admin Expenses	5,065.51	65,054.41
Equipment and Furniture Expenses	581.53	14,433.53
Rent, Building and Equipment	5,000.04	168,636.70
Taxes	0.00	3,604.17
Disbursements	660,437.59	4,080,555.26
Disbursements & Distributions Before Investment Activities	660,437.59	4,080,555.26
Financial Expenses	6,839.73	61,719.67
Disbursements for Investment Activities	6,839.73	61,719.67
Total Cash Disbursements & Distributions	667,277.32	4,142,274.93
Net Increase (Decrease) in Cash	(508,381.72)	1,048,405.81
Beginning Cash Balance:		
Beginning Cash	22,764,201.31	13,348,577.61
Adjustments to Beginning Cash	0.00	7,858,836.17
Adjusted Beginning Cash Balance	22,764,201.31	21,207,413.78
Ending Cash Balance	22,255,819.59	22,255,819.59

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Cash - Restricted
For the Three Months Ended September 30, 2016

Cash - Restricted

Description	Balance 7/1/16	Adjustments	Interest	Balance 9/30/16
Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account	512,147.65	0.00	2,456.41	514,604.06
Medproviders Network, LLC Risk Sharing Agre State Treasury - SPIA Account	25,646.48	0.00	122.92	25,769.40
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.				
Totals:	<u>0.00</u>	<u>0.00</u>	<u>2,579.33</u>	<u>540,373.46</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Accrued Interest Receivable
For the Three Months Ended September 30, 2016

Accrued Interest Receivable

Description		Balance 7/1/16	Accrued	Received	Balance 9/30/16
State Treasury	SPIA, 4-20-0-010000-00000	31,244.21	106,698.53	(109,350.56)	28,592.18
Totals:		31,244.21	106,698.53	(109,350.56)	28,592.18

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Accounts Receivable
For the Three Months Ended September 30, 2016

Other Collections - Recovery Receivable

Description	Balance 7/1/16	Adjustments/ Payments	Balance 9/30/16
Claims Payment Advances to Medical Providers	5,325,039.76	0.00	5,325,039.76
Management Services Organization Risk Sharing Receivable	61,626,771.95	0.00	61,626,771.95
Net Receivable from Centers for Medicare & Medicaid Services	1,164,959.24	0.00	1,164,959.24
Totals	<u>68,116,770.95</u>	<u>0.00</u>	<u>68,116,770.95</u>

Total Receivables 68,116,770.95

Allowance - Other Collections Recovery Receivable

Description	Balance 7/1/16	Adjustments/ Payments	Balance 9/30/16
Claims Payment Advances to Medical Providers	(5,325,039.76)	0.00	(5,325,039.76)
Management Services Organization Risk Sharing Receivable	(61,626,771.95)	0.00	(61,626,771.95)
Net Receivable from Centers for Medicare & Medicaid Services	(1,164,959.24)	0.00	(1,164,959.24)
Totals	<u>(68,116,770.95)</u>	<u>0.00</u>	<u>(68,116,770.95)</u>

Total Allowance for Impaired Assets (68,116,770.95)

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Fixed Assets
For the Three Months Ended September 30, 2016

Computer Equipment

Description	Balance 7/1/16	Adjustments	Balance 9/30/16
Various electronic equipment	10,000.00	(4,375.00)	5,625.00
	<u>10,000.00</u>	<u>(4,375.00)</u>	<u>5,625.00</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Accounts Payable
For the Three Months Ended September 30, 2016

Accrued Expense Pay - Receiver

Description	Balance 7/1/16	Accrued	Payments	Balance 9/30/16
Other Professional Services - PO	0.00	933.62	0.00	933.62
Totals:	<u>0.00</u>	<u>933.62</u>	<u>0.00</u>	<u>933.62</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Unclaimed Property
For the Three Months Ended September 30, 2016

Unclaimed Property

<u>Description</u>	<u>Balance</u> <u>7/1/16</u>	<u>Adjustment</u>	<u>Balance</u> <u>9/30/16</u>
Voided medical loss rebate checks to be sent to the various states' unclaimed property sections	364.75	0.00	364.75
Totals:	<u>364.75</u>	<u>0.00</u>	<u>364.75</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Secured Claims Against Estate
For the Three Months Ended September 30, 2016

Secured Claims Against Estate

Description	Balance 7/1/16	Adjustment	Balance 9/30/16
Physicians Partners Risk Sharing Agreement	500,000.00	0.00	500,000.00
Physicians Partners Risk Sharing Agreement	25,000.00	0.00	25,000.00
SPIA - Restricted Cash Interest	12,794.13	2,579.33	15,373.46
Totals:	537,794.13	2,579.33	540,373.46

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Physicians United Plan Inc. in Liquidation
Notes to Financial Statements**

Dated September 30, 2016

1. **Estate Information.** Physicians United Plan Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on July 1, 2014.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July 1, 2016 through June 30, 2017. The assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. Interest is accrued and reinsurance receivables are only posted when billed to reinsurers. In addition, the statements do not provide accruals for all future administrative expenses to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Pooled Investments.** The majority of the invested assets of the estates are combined into two main pooled accounts: the Receiver's operating account held at the Bank of America and the Special Purpose Investment Account held at the State of Florida Treasury. Each estate's share of the pooled investments is presented on the accompanying financial statements as "Pooled Cash Due from the Admin Fund".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be sent to the Bureau of Unclaimed Property upon court authorization.
5. **Special Purpose Investment Account – Restricted.** Represents funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete.
6. **Accounts Receivable.** These account receivables represent claims payment advances (deposit) to medical providers, Management Services Organization (MSO) risk sharing receivables, and net premium receivable from the Center for Medicare and Medicaid Services (CMS). These are subject to final reconciliations that may take up to two years. These receivables are offset by a 100% allowance as the timing and the certainty of their collectability are currently indeterminate.
7. **Fixed Assets.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of electronic equipment such as computers, servers, phones, etc. and its' estimated value is based on prices of similar equipment from the State of Florida's Public Auction site.
8. **Accounts Payable.** Consists of unpaid Purchase Orders for professional services.
9. **Unclaimed Property.** Represents voided medical loss rebate checks to be sent to the various states' unclaimed property sections.
10. **Secured Claims.** Secured claims represent liabilities for such items as collateral for bonds or LOC's, amounts for which the ownership is in dispute with other entities, amounts subject to court ordered distribution and other such items. These secured claims represent funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete.
11. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liabilities by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed, un-adjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claim liability numbers are based upon the most current available information and documentation provided to the Receiver from both internal and external sources.
 - Claims liabilities are based upon company estimates as of liquidation July 1st, 2014.
 - Filed Proof of Claim forms are currently being processed and the liability numbers are subject to change.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Physicians United Plan Inc. in Liquidation
Notes to Financial Statements**

Dated September 30, 2016

12. **Federal Priority.** Pursuant to 31 U.S.C.A. § 3713, a federal government claim must be paid first, when a debtor to the United States is insolvent. The federal government has taken the position that it is not subject to state insurance liquidation proceeding's claims filing deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will file a federal release request with the U.S. Department of Justice (DOJ).
13. **Contributed Equity – State of Florida.** The Receiver will, from time to time, expend public funds to carry out certain duties during the course of liquidating an insurance company. The Division accounts for these expenditures as a contribution of equity by the State.
14. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.