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In Re:

LIQUIDATION AND DISSOLUTION OF  
AFFILIATED PHYSICIANS AND  
EMPLOYERS MASTER TRUST D/B/A  
MEMBER HEALTH PLAN NJ

Petitioner.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - MORRIS COUNTY

DOCKET NO. MRS-C-111-22

Civil Action

**CERTIFICATION OF BRIAN W. HOFMEISTER, INDEPENDENT RECEIVER**

**BRIAN W. HOFMEISTER**, of full age, hereby certifies as follows:

1. I am the Independent Receiver (“Independent Receiver”) appointed in the above-captioned case to oversee the dissolution and liquidation of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“APEMT”).

2. Attached as Exhibit A is my Fifth Interim Status Report as to the progress of the dissolution and liquidation of the APEMT estate and remaining matters to be resolved.

Dated: July 26, 2024

*/s/ Brian W. Hofmeister*  
Brian W. Hofmeister  
Independent Receiver

**EXHIBIT A**



# **INDEPENDENT RECEIVER REPORT**

**ON BEHALF OF**

**AFFILIATED PHYSICIANS AND EMPLOYERS MULTIPLE TRUST**

**FILED WITH THE SUPERIOR COURT OF NEW JERSEY  
MORRIS COUNTY**

**FIFTH INTERIM STATUS REPORT SUBMITTED BY**

**BRIAN W. HOFMEISTER, ESQ.**  
**INDEPENDENT RECEIVER**

**AS OF JULY 26, 2024**

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## 1.0 INSTRUCTIONS FROM STATE SUPERIOR COURT

### *Appointment of Independent Receiver By State Superior Court (“Court”)*

On November 10, 2022, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued the following judgment regarding the Liquidation and Dissolution of the **Debtor/Affiliated Physicians and Employers Master Trust (“APEMT”)**:

- Appointed Brian W. Hofmeister as **Independent Receiver (“Receiver”)** to oversee the dissolution and liquidation of **APEMT** in accordance with New Jersey **MEWA** statute *17B:27C-11 Rehabilitation, Liquidation, Conservation, Dissolution*;
- Authorized the **Receiver** to continue to execute **APEMT’s** Bankruptcy Plan;
- Authorized the **Receiver** to take all action necessary to enact and comply with the Plan and Confirmation Order entered in **APEMT’s** Bankruptcy Case;
- Authorized the relief granted in the Plan and Confirmation Order including, but not limited to, **APEMT’s** Post-Confirmation Operations;
- Authorized the **Receiver** to continue pursuing claims on behalf of the **APEMT** as set forth in the Bankruptcy Court’s *“Expansion of Powers and Confirmation Orders”*;
- Authorized the **Receiver** and **APEMT** (respectively) to retain attorneys, consultants, accountants, and other specialists as necessary, and pay those professionals from **APEMT’s** assets;
- Authorized the waiver of any Bond requirements for the **Receiver**; and
- Such other relief that the State Superior Court may deem equitable.

### *Independent Receiver Sought Relief from State Superior Court (“Court”)*

On March 17, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued an order (“March 17, 2023 Order”) regarding the relief sought by way of motion (the **“Motion”**) by the Independent Receiver on behalf of the **Debtor/APEMT**. The **Motion** was served upon all known creditors and parties in interest by United States first class regular mail pursuant to *R. 1:1-2*. The **Court** having considered the submissions in support and opposition, if any; and for good cause shown the March 17, 2023 Order provides as follows:

- Affirming and authorizing the continued retention of professionals to the **Receiver**;
- Adopting and approving the claims process undertaken in the bankruptcy court;

- Authorizing procedures for notice and authorizing monthly payments to professionals; and
- Such other equitable Relief as described in the March 17, 2023 **Court** Order.

### *Modification of the State Superior Court Order of March 17, 2023*

On May 31, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued the following order (the “**March 31, 2023 Order**”) regarding a request by the New Jersey Department of Banking and Insurance (“**NJ DOBI**”) to modify the **March 17<sup>th</sup> Order**. **NJ DOBI**’s submitted a motion to the **Court** for reconsideration and/or to modify the **March 17<sup>th</sup> Order**. The **Court** granted **NJ DOBI**’s request to modify the **March 17<sup>th</sup> Order** in part as follows:

- The **Receiver** shall provide to all parties in interest a further status report within ninety (90) days of the date of the entry of this **Order** [March 31, 2023 Order] and provide quarterly updates thereafter. With the status report to be served in accordance with this **Order**, the **Receiver** shall:
  1. Address his recommendation with respect to the proposed distribution of any surplus funds to members of **APEMT**;
  2. Address the status of the feasibility of proposed civil liability actions against professionals of **APEMT**, as identified in the **Receiver**’s Interim Report; and
  3. Address the amount of funds required to be set aside to cover subrogated medical claims.
- The **Receiver** shall provide **NJ DOBI** with updates every forty-five (45) days regarding the adjudication of any remaining claims and the disposition of provider claims handled by or on behalf of **Aetna** or subrogation litigation presently administered by the Rawlings Group.

### *Consent Order Resolving NJ DOBI Objection to Receiver’s Motion to Retain Mazars USA, LLP as Accountant Dated August 17, 2023*

On August 17, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County (the “**Court**”), issued the following consent order (the “**Order**”) resolving **NJ DOBI** objection to **Receiver**’s motion to retain **Mazars USA, LLP** (“**Mazars**”) as **APEMT**’s accountant. The **Court** having reviewed and considered the status of the matter and having been advised of the Parties’ consent to the relief sought ordered:

- The **Receiver** is authorized to retain **Mazars** as his accountant;
- The **Receiver** is authorized to tender monthly payments to **Mazars** in accordance with the other retained professionals as was ordered by the **Court** on March 17, 2023;

- **Mazars'** rate are subject to normal and ordinary course increase; and
- Procedures to notice and authorize monthly payments to **Mazars** were approved.

*Case Management Call with State Superior Court June 5, 2024*

The Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County (the "**Court**"), conducted a Case Management call with any interested Parties.

The Honorable Frank J. DeAngelis, J.S.C. commended the efforts of the **Receiver** and his professional advisors, and he requested the **Receiver** continue to submit Interim Reports to the Court on ninety-day intervals, and the Judge scheduled another Case Management call for September 2024.

## 2.0 INSTRUCTIONS FROM FEDERAL BANKRUPTCY COURT

### Motion to Expunge, Reduce, or Reclassify Proof of Claims in Bankruptcy Court

On February 22, 2023, the **APEMT** submitted a motion to the Bankruptcy Court (the “**Motion**”) which sought entry of an order affecting **APEMT** Claims status filed in 2022. Claim status for each claim were identified in the Court filing, Exhibit A, Schedules A through G (the “**Claims**”). The Honorable Michael B. Kaplan, Chief Judge, having reviewed the **Debtor’s/APEMT Motion** and any opposition thereto, ordered on April 5, 2023 that the **APEMT Claims** were expunged or modified as set forth below.

- **Table 1** shows the status of the original Proofs of Claims in accordance with the Bankruptcy Court instructions.
- **Table 2** identifies the value of the remaining claims filed in the Bankruptcy Court which total \$ 7,285,298.59.

**Table 1 Summary Proof of Claim Status as of 4/5/23**

Claim Treatment w/ 4/5/23 Court Order	# of Claims
Allowed as Filed	6
Paid	4
Expunged	57
Modified	2
Reduced or Recharacterized	9
Litigation	3

**Table 2 Summary Proof of Claim Liabilities as of 4/5/23**

<b>Net Proof of Claim Dollars (No BrainBuilders or QualCare Claims)</b>	<b>\$652,939.59</b>
<b>Total 2 w/ Original BrainBuilders Claim</b>	<b>\$7,535,809.59</b>
<b>Total 2 w/ Amended BrainBuilders Claim</b>	<b>\$7,285,298.59</b>



### 3.0 NOTICE FROM U.S. DEPARTMENT OF LABOR

On November 21, 2023 the U.S. Department of Labor (“DOL”) sent to Brian W. Hofmeister, the Court appointed **Independent Receiver** for **APEMT**, a letter that the DOL had concluded its investigation of *The Affiliated Physicians & Employers Health Plan* (the “**Plan**”) pursuant to the Employee Retirement Income Security Act. In its letter, DOL planned to take no further action at this time against the **APEMT Plan**. DOL advised that its decision is binding on the DOL only, and does not prevent another individual or governmental agency from taking action.

## 4.0 STATUS OF LITIGATION

### *APEMT Litigation Against U.S. Treasury for Health Insurance Tax Payments (“HIT Tax”) for Tax Year 2020*

APEMT and the U.S. Treasury on behalf of the Internal Revenue Service (“IRS”) have complied with the “Fact and Discovery” court order requirements issued on September 15, 2023. All fact and discovery information was submitted to the Court by November 30, 2023. As previously reported this adversary proceeding was transferred by the Honorable Michael B. Kaplan, Chief Judge to the Honorable Christine M. Gravelle, U.S.B.J., District of New Jersey.

On March 26, 2024, Judge Gravelle conducted a brief hearing on the dispositive motions filed by APEMT and the IRS. The matter was continued to a date after the anticipated July 2024 release of the United States Supreme Court’s review of the *Chevron Case*. (467 U.S. 837 (1984)).

In light of the recent U.S Supreme Court decision in the Chevron Case, the Bankruptcy Court has approved the parties’ proposed briefing and hearing schedule:

- **September 4, 2024:** Each party files a Supplemental brief addressing the Supreme Court’s decision in the Chevron Case.
- **September 11, 2024:** Each party files their Reply to the opposing party’s Supplemental Brief.
- **October 15, 2024:** The Bankruptcy Court shall conduct a hearing on the dispositive motions.

### *BrainBuilders Proof of Claim and Related QualCare Adversary Proceeding*

As previously reported, the **Amended BrainBuilders** proof of claim includes a dispute over medical claims processed by APEMT’s contracted third party administrators (“TPAs”) **QualCare** which processed APEMT medical claims for dates of service from January 2004 through December 2019, and Aetna Life Insurance Company that processed medical claims for enrollees for dates of service from July 2019 through December 2021.

On April 4, 2024, the Parties participated in a mediation before Judge Christine M. Gravelle on the sufficiency of the BrainBuilders Proof of Claims. On July 9, 2024, the Parties had a follow-up status conference call with the Court. Mediation discussions continue among the Parties.

## 5.0 STATUS OTHER PROFESSIONAL LIABILITY CLAIMS

### *Settlement with Employers Association of New Jersey (“EANJ”)*

On October 24, 2023, the United State Bankruptcy Court District of New Jersey entered an **Order** approving the settlement and compromise between the SubChapter V Trustee and Employers Association of New Jersey (“EANJ”) pursuant to 11 U.S.C. § 105 and FED. R. BANKR. P. 9019 and granting related relief. On or about November 9, 2023 Brian W. Hofmeister, the appointed **Receiver/Trustee** received a check for the settlement amount of \$220,000.

### *Complaint Filed Against Defendant Windsor Strategy Partners, LLC. (“Windsor”)*

On July 9, 2024, Brian Hofmeister, Esq., the Independent Receiver (“**Independent Receiver**”), appointed to oversee the dissolution and liquidation of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“**APEMT**”), filed in the Superior Court of New Jersey, Morris County, a motion seeking an Order to approve a Confidential Settlement Agreement and Release, and granting related relief (“**Motion**”) between the **Independent Receiver** and **Windsor**.

### *Complaint Filed Against Defendant William F. Megna, Esq., (“WFM”) and his contracted business entities Definitive Insurance Management Services (“Definitive”) and Megna Law Firm (“Megna Law”)*

On July 9, 2024, Brian Hofmeister, Esq., the Independent Receiver (“**Independent Receiver**”), appointed to oversee the dissolution and liquidation of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“**APEMT**”), filed in the Superior Court of New Jersey, Morris County, a motion seeking an Order to approve a Confidential Settlement Agreement and Release, and granting related relief (“**Motion**”) between the **Independent Receiver** and **WFM, Definitive and Megna Law**.

### *Status Other Professional Liability Claims*

After conducting an in depth investigation, the **Trustee/Receiver** and his professionals have determined that there are no actionable professional liability claims to pursue against Withum, Smith & Brown (“**Withum**”) who served as **APEMT’s** public accounting firm from 2016 through 2021.

## 6.0 CURRENT STATUS APEMT'S BANKRUPTCY PLAN

### Extension of Aetna's Contracted Run-Off Services

On July 9, 2024, Aetna Life Insurance Company ("Aetna") and APEMT came to an agreement to extend the "SETTLEMENT AND MUTUAL RELEASE AGREEMENT" ("Settlement Agreement") entered by The United States Bankruptcy Court District Of New Jersey. Modifications to the Settlement Agreement for the processing of APEMT medical claims includes the following:

- Aetna will disconnect the claims processing system from the APEMT fund account to eliminate the automatic fund transfer for claims payment.
- Aetna will continue all other claim activities which shall include and are not limited to the following: processing credits, monthly reporting, settlement of litigated claims, provider refunds, and subrogation services which will continue through 12:00 a.m. December 31, 2024.
- During this time if the APEMT Fund account exceeds \$200,000, Aetna will return to APEMT funds in excess of \$100,000.

### Claims Administration and Outstanding Claims To Be Paid

As reported above as of June 28, 2024, Aetna's Claim Report contains the following claim summary information as provided in Table 3:

- **Item 1:** Aggregate Liability Exposure is zero (0) and Claims Remaining for Adjudication \$0.
- **Item 2:** Debtor's Funds Available with Aetna for Claim Settlements (Medical and Rx) total \$380,683.87.
- **Item 3:** Claims presented to Aetna for re-processing as of June 28, 2024 are zero.

**Table 3 Aetna Claim Report as of June 28, 2024**


As of:	2/29/2024	3/29/2024	4/30/2024	5/31/2024	6/28/2024	
Total Subscribers on the Plan is:	0 EEs	0 EEs	0 EEs	0 EEs	0 EEs	
Total Membership on the Plan is:	0 Members	0 Members	0 Members	0 Members	0 Members	
Aggregate Liability Exposure is:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1
Total Outstanding Administration Fee Funding Requests:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Outstanding Medical Claims Funding Requests:	(\$286,136.62)	(\$322,825.30)	(\$510,520.05)	(\$333,273.62)	(\$376,855.76)	2
Total Outstanding Rx Funding Requests:	(\$3,828.11)	(\$3,828.11)	(\$3,828.11)	(\$3,828.11)	(\$3,828.11)	
Total Held Claims (by Submitted Charges):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Pended Inventory Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	3
Newly Pended Submitted Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Number of Claims on Hold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

### Aetna Claim Litigation Settlements with Providers


The **Receiver** monitors the funds that transfer in and out of the “**Aetna** Medical Request Funding Line” as identified in Table 3 above. Periodically, there are debits in the Fund Account which represent **Aetna’s** litigation settlements with providers on various payment issues. **Aetna** will notify **APEMT** when any settlement exceeds \$25,000. The **Receiver** receives monthly claims files to monitor **Aetna** settlement payments. The **Receiver’s** actuarial team will periodically load and review these files for accuracy.

Below are Tables 4 and 5 which summarize the completion of **APEMT’s** medical and prescription claim payments by year beginning January 1, 2020 through March 31, 2024. Table 4 are *Paid* Medical Claims and Table 5 are *Paid* Prescription Claims.

**Table 4 Medical Payments January 1, 2020 – March 31, 2024**

 <b>APEMT Total Medical Claims Paid</b> <b>On Behalf of Each Member 1/1/20 - 3/31/24</b>					
Name of Member (Enrolled as of 1/1/2020)	Claims Paid 2020	Claims Paid 2021	Claims Paid 2022	Claims Paid 2023	Total Claims Paid
Medical Claims Paid for 3,961 Members	\$174,528,849	\$82,551,577	\$6,191,678	(\$12,375)	\$263,259,729

**Table 5 Prescription Payments January 1, 2020 – March 31, 2024**

 <b>APMET Total Rx Claims Paid</b> <b>On Behalf of Each Member</b> <b>1/1/20 to 3/31/24</b>					
Name of Member (Enrolled as of 1/1/2020)	Claims Paid 2020	Claims Paid 2021	Claims Paid 2022	Claims Paid 2023	Total Claims Paid
Prescriptions Paid for 3,179 Members	\$35,720,354	\$24,725,470	\$1,421,119	\$0	\$61,866,943

### Collection Activities for Overpayments, Rebates and Subrogated Medical and Prescription Claims

QualCare served as **APEMT’s** third party administrator (“**TPA**”) from January 1, 2004 through December 31, 2019. QualCare has contracted with Conduent to review the **APEMT** claim files with specialized claims management software to determine whether there were claim overpayments and whether a claim can be subrogated due to an automobile, home or workers

compensation accident. To date QualCare has collected \$322,802.53 and remitted to APEMT \$288,101.03 as shown in Table 6.

**Table 6 QualCare Subrogation Collections as of June 30, 2024**

# QualCare Transactions	Payment Date	Amount Collected	Net Payment APEMT
Four Cases	4/12/23	\$40,381.56	\$35,232.79
Two Cases	5/12/23	\$15,749.17	\$13,741.11
One Case	7/14/23	\$50,564.33	\$44,846.41
Two Cases	8/10/23	\$11,141.29	\$12,769.38
One Case	9/13/23	\$1,500.00	\$1,308.75
One Case	10/18/23	\$163.46	\$109.52
One Case	11/10/23	\$15,000.00	\$13,087.48
One Case	12/18/23	\$163.46	\$109.52
One Case	1/3/24	\$3,214.74	\$2,804.87
One Case	1/11/24	\$1,552.11	\$1,354.20
One Case	3/6/24	\$163.46	\$109.52
One Case	5/13/24	\$163.46	\$109.52
Two Cases	6/4/24	\$161,000.00	\$140,472.47
Express Scripts	5/5/23	\$22,045.49	\$22,045.49
APEMT Collection as of June 30, 2024		\$322,802.53	\$288,101.03

Aetna was contracted as APEMT's third party administrator ("TPA"), from July 1, 2019 through December 31, 2024. Aetna has contracted with its affiliate, *The Rawlings Group* ("Rawlings"), to assist in the collection of claim overpayments and whether a claim can be subrogated due to an automobile, home or workers compensation accident. Table 7 identifies the Aetna collection activities through December 31, 2024.

**Table 7 Aetna Collection Summary as of June 30, 2024**

Aetna Collection Summary 1-1-24 to 6-30-24				
	Aetna Rx Credits	Aetna Wire Credits	Aetna Fee Credits	Grand Total
January		\$ 27,837	\$ 133,175	\$ 161,012
February		\$ (12,784)		\$ (12,784)
March		\$ 36,689		\$ 36,689
April	\$ 182,384	\$ 5,311		\$ 187,695
May		\$ 5,137		\$ 5,137
June		\$ 43,582		\$ 43,582
<b>Totals</b>	<b>\$ 182,384</b>	<b>\$ 105,772</b>	<b>\$ 133,175</b>	<b>\$ 421,331</b>

**Rawlings** collection fees remain thirty (30) percent of documented savings related to each subrogated claim. As compensation for the overpayment collection services provided by **Aetna**, **APEMT** shall pay a percentage of the amount of the collected amount as described in the **Aetna** 2019 Service and Fee Schedule.

### Status of “August 2021 Member Assessment” Collection as of March 31, 2024

On or about December 27, 2021 the Superior Court of New Jersey, Law Division issued a *Confirmation Order* approving the retention of Steven Mitnick and his law firm (“**SM Law**”), as *Special Collection Accounts Receivable Counsel* to address the outstanding receivables owed by Members for any health care fees and/or the **Plan** Assessment.

**APEMT’s** Court appointed **Independent Receiver** continues to oversee all collection activities pursued by **SM Law**. To organize its legal collection activities, **SM Law** has batched its litigation case filings by groups of thirty (30) Members based upon similar amounts owed. It is important to note *Demand Letters* were sent to Members that owed \$1,000 or less. **SM Law** did not pursue collection activities against those Members that:

- Paid their Assessment and/or any outstanding Health Fees owed or were current in an approved payment plan;
- Court Judgement in Member’s favor;
- Member’s business dissolved or bankrupt;
- Member’s business address unknown; and/or
- Member was deceased.

Table 8 below identifies the successful collection efforts on behalf of **APEMT**. By June 20, 2024 approximately ninety-three per cent (**93%**) of the **Plan’s** Assessment (\$24,679,934) has been collected. The remaining **Assessment** balance is **\$1,824,605**. Note many of the Members have paid their Assessment using a monthly payment plan. In early June, the Receiver reported to the Court there remains less than ten (10) Member cases remaining before the Law Division.

**Table 8 “August 2021 Member Assessment” Collection as of June 20, 2024**

Collection Activities	Count of Group Numbers	Sum of Health Plan ASSESSMENT	Sum of TOTAL OWED (PAST DUE BALANCE + ASSESSMENT)	Sum of Receivable as of 6/20/2024
COLLECTED BY ATTORNEY	323	\$2,025,434.71	\$1,943,101.72	-\$2,881.42
COLLECTED BY ATTORNEY - LAWSUIT	612	\$4,138,225.86	\$4,465,776.89	\$513.74
COLLECTED BY ATTORNEY - PAID LESS ATTORNEY FEE	10	\$50,472.34	\$50,472.34	\$5,929.02
COLLECTED BY ATTORNEY - PARTIAL PAYMENT MADE	23	\$147,958.22	\$179,564.41	\$79,833.33
COLLECTED BY ATTORNEY - PAYMENT PLAN	45	\$344,206.64	\$442,102.64	\$188,220.33
COLLECTED BY ATTORNEY - PAYMENT PLAN - PAID IN FULL	57	\$434,568.35	\$527,551.17	\$10,749.57
COLLECTED BY CONCORD	2423	\$15,714,462.21	\$15,655,465.09	-\$2,146.88
UNPAID	556	\$1,824,605.66	\$1,985,017.76	\$1,983,475.92
Grand Total	4049	\$24,679,933.99	\$25,249,052.02	\$2,263,693.61

*APEMT 'Net Free' Cash Flow as of July 12, 2024*

Table 9 identifies APEMT's cash on hand as of July 12, 2024 totaling **\$3,897,422**. The table identifies an increase in available cash on hand from January 1, 2024 which is primarily due to the successful Assessment collection efforts of **SM Law** and third party administrators ("TPA") collection and pharmacy rebates.

**Table 9 APEMT Cash Flow as of June 30, 2024**

	1/1/24	1/31/24	2/29/24	3/31/24	4/30/24	5/31/24	6/30/24	7/12/24
Operating Bank Balance	\$ 2,510,173	\$ 2,279,459	\$ 2,731,765	\$ 3,095,191	\$ 2,862,633	\$ 778,551	\$ 1,358,251	\$ 1,521,956
MM Bank Balance	\$ 55,934	\$ 348,891	\$ 25,000	\$ 25,000	\$ 25,000	\$ 2,029,610	\$ 2,034,933	\$ 2,034,933
TD Bank Balance (State Held Funds)	\$ 209,729	\$ 210,255	\$ 210,748	\$ 211,276	\$ 211,789	\$ 212,320	\$ 212,820	\$ 212,820
Available Cash On Hand	\$ 2,775,836	\$ 2,838,605	\$ 2,967,512	\$ 3,331,467	\$ 3,099,421	\$ 3,020,481	\$ 3,606,004	\$ 3,769,710
Aetna Medical Fundings Account	\$ 271,084	\$ 298,921	\$ 286,137	\$ 322,826	\$ 510,520	\$ 333,274	\$ 376,856	\$ 127,712
<b>Net Free Cash Flow</b>	<b>\$ 3,046,920</b>	<b>\$ 3,137,526</b>	<b>\$ 3,253,649</b>	<b>\$ 3,654,293</b>	<b>\$ 3,609,942</b>	<b>\$ 3,353,754</b>	<b>\$ 3,982,860</b>	<b>\$ 3,897,422</b>

*Additional Workers Compensation Subrogation Activities for Covid-19 Paid In Patient Claims*

On **June 18, 2024**, the Law Office of Shebell and Shebell reported to the **Receiver** the following regarding the ninety-two (92) inpatient Covid-19 claims they are pursuing. Shebell and Shebell noted the following:

- Four (4) claims have been resolved with a negotiated payment.
- Thirty-seven (37) claims have been dismissed by the Courts due to:
  1. Four (4) were dismissed because the APEMT enrollee was able to demonstrate that Covid-19 was not contracted within the course of employment; and
  2. Thirty-three (33) were dismissed due to the inability to obtain the patient's medical records from providers.
- Fifty-one (51) of the remaining claims are in a pended status and some of the collection issues include:
  1. All hospitals require the patient to sign a confidentiality release form in accordance with **HIPAA** requirements in order to release the patient's medical record;
  2. There are fees associated with copying the patient's medical record and these fees may exceed \$500 per claim;
  3. Fees to obtain the medical records have become cost prohibitive for Shebell and Shebell; and
  4. There are a number of motions to dismiss these cases based upon the failure of Shebell and Shebell to prosecute due to the failure to produce the patient medical record substantiating the claim for Covid-19.



## 7.0 MEMBER/ENROLLEE OUTREACH TRACKING

The **Receiver** has his professional team track all Member and/or Enrollee communications with the **Plan**. The **Receiver** conducts a weekly conference call with his professional team. Issues raised by a Member or Enrollee are discussed at this team meeting. If additional information is needed, the **Receiver's** professional team will investigate and report the outcome to the **Receiver**. If the issue was a claim matter, **Aetna** was contacted to provide information such as claim payments/denial, explanation of benefits that were sent to the enrollee and/or provider, and whether a timely appeal was submitted for a claim. There are times the **Receiver** will respond directly to the Member and/or Enrollee.

Table 10 represents a listing of contacts, calls and/or emails, received from **APEMT** members or enrollees since January 1, 2024 and the action taken to respond to the inquiry.

**Table 10 Member Outreach Tracking January 1, 2024 – July 2, 2024**



**Affiliated Physicians and Employers Health Plan**  
**Member Outreach Tracking**  
 January 1, 2024 through July 2, 2024

Date	Medium (Call/Email)	Summary of Details
1/12/2024	Email	Provider looking for an employee's current address to send a refund. CMR was unable to provide an updated address for the Member or Enrollee since the enrollment database has not been updated since January 2022.
1/18/2024	Email	Insurance Agency looking for information on whether APEMT will pay outstanding Broker commissions owed.
1/22/2024	Email	Follow-up call with Insurance Agency who is looking for information whether their outstanding Commission owed by APEMT will be paid to the Broker.
1/17/2024	Email	Email communication with the Receiver, Brian W. Hofmeister, Esq. from a Member, Pathology Associates, regarding the overpayment of their Health Care Fees. General Counsel for the Receiver sent a communication to the Member to file a late Proof of Claim with the Plan.
2/12/2024	Phone Call/Email	The Receiver a call from DOL regarding a complaint filed by an enrollee, "I.P." regarding denied claims. Emails and telephone calls were immediately sent to the enrollee to request additional information. By March 4, 2024 the enrollee advised she had made a mistake and there were no APEMT outstanding claims listed on her credit report. The enrollee dropped her complaint and advised DOL she no longer had an issue with the Plan. APEMT sent an email to both the enrollee and DOL on March 4, 2024 to close out this complaint.
3/11/2024	Email	Email from Broker looking for 1094(B) form for a Member that still has an "open" assessment. Did not send form due to the open Assessment. 1094(B) Forms were sent to those Members in accordance with IRS instructions that were in good standing with the Plan.
3/18/2024	Email	Email from former Employer/Member claiming mismanagement and fraud of the Plan. The Receiver responded to this complaint.
4/15/2024	Email	Email from Broker asking about outstanding Commissions. Directed Broker to contact Plan Receiver regarding the proof of claim process.
4/18/2024	Email	Email from former Employer/Member claiming the "whole thing is a bunch of crap"
4/19/2024	Email	Email from former Enrollee asking for copies of Aetna EOB's from 1/2021 through 7/31/201. Directed Enrollee to Aetna to obtain EOBs. Also followed with Enrollee asking if they had received the EOBs. On 5/15/24 followed up with Enrollee and she said she would get back if she had any issues. As of 6/26/24 we have not heard back from the Enrollee..
6/17/2024	Email	Received email from Member (Pathology Associates of Central Jersey) asking about status of their overpayment of Health Care fees. Referred Member to Receiver who followed up with a call to the Member.
7/2/2024	Email	Received email from Provider, MedMetrix, re: Aetna claw back for claim payment totaling \$206.77 for date of service 6/4/21. Advised MedMetrix the Enrollee terminated from the Plan on 5/31/21. Provider needs to pursue Enrollee for payment.

Respectfully submitted,

/s/ Brian W. Hofmeister  
 Brian W. Hofmeister  
 Independent Receiver

Dated: July 26, 2024