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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
CHANCERY 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 Seventh Interim Status Report as to the progress of the dissolution and liquidation of the APEMT estate and remaining matters to be resolved.

Dated: March 20, 2025

/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**

SEVENTH INTERIM STATUS REPORT SUBMITTED BY

BRIAN W. HOFMEISTER, ESQ.
INDEPENDENT RECEIVER

AS OF FEBRUARY 28, 2025

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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 17th Order**. **NJ DOBI**’s submitted a motion to the **Court** for reconsideration and/or to modify the **March 17th Order**. The **Court** granted **NJ DOBI**’s request to modify the **March 17th 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 September 26, 2024

On September 26, 2024, the Honorable Frank J. DeAngelis, J.S.C., conducted a Case Management call with any interested Parties in the matter pending before the Superior Court of New Jersey, Law Division of Morris County (the "**Court**").

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 January 2025.

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 and settlements as of January 31, 2025.
- **Table 2** identifies the value of the remaining claims filed in the Bankruptcy Court which total \$ 4,230,104.06.

Table 1 Summary Proof of Claim Status as of 2/28/25

Claim Treatment with Court Orders	# of Claims
Allowed as Filed	4
Paid	8
Expunged	54
Modified	1
Reduced & Recharacterized to GUC	8
Litigation	3
Expunged/General Unsecured Claim (“GUC”)	2
General Unsecured Claim	1
Total Court Approved POCs	81

Table 2 Summary Proof of Claim Liabilities as of 2/28/25

Total #1: Proof of Claim Dollars Owed (No BrainBuilders/Aetna POC)	\$652,107.06
Total #2 Proof of Claim Dollars + BrainBuilders/Aetna POC	\$4,230,104.06

3.0 COMMUNICATIONS WITH DEPARTMENT OF LABOR

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.

Form Filings with U.S. Department of Labor

APEMT is current with their submission of the Form M-1 Annual Report filings with **DOL**. **APEMT** has also submitted to **DOL** the required Form 5500 reports through 2024 which identifies the **Plan’s** financial condition, investments and operations of the **Plan**.

4.0 STATUS OF LITIGATION

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

By order, dated February 14, 2025, the Court granted **APEMT**’s motion for summary judgment to recover the 2020 HIT Payment, and directed the **IRS** to refund to **APEMT** the 2020 health insurance provider fee paid by **APEMT** to the **IRS**, totaling **\$3,174,786.20**.

BrainBuilders Proof of Claim and Related QualCare Adversary Proceeding

On December 24, 2024 the Honorable Christine M. Gravelle, in the United States Bankruptcy Court for the District of New Jersey ordered the QualCare Adversary Proceeding was hereby dismissed and the Proof of Claim submitted by BrainBuilders was hereby deemed satisfied and paid. The order was limited to the QualCare Era Claims, and no further proceedings may be had as to either the QualCare Adversary Proceeding or the Proof of Claim (“**POC**”) with respect to QualCare on any claim that was or could have been asserted therein. The QualCare **POC** was deemed withdrawn and the BrainBuilders **POC** was deemed amended consistent with this Judgment and Order. The QualCare Era Claims in BrainBuilders **POC** are alleged to be \$3,054,362.62.

BrainBuilders Proof of Claim and Related Aetna Adversary Proceeding

On or about December 6, 2024 **APEMT** submitted to the United States Bankruptcy Court for the District of New Jersey a proposed order to expunge the Brainbuilders remaining **POC** that relates to provider claims submitted by BrainBuilders to Aetna Life Insurance Company as claim administrator for **APEMT**. The Aetna Era Claims in the BrainBuilders **POC** are alleged to be \$3,577,977.00.

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.

Settlement with Windsor Strategy Partners, LLC. (“Windsor”)

On August 5, 2024, the Honorable Frank J. DeAngelis, P.J., CH, entered an Order approving the Confidential Settlement Agreement and Release, and granting the related relief (“**Motion**”) between the **Independent Receiver** and **Windsor** pending in the Superior Court of New Jersey, Chancery Division, Morris County.

Settlement with William F. Megna, Esq., (“WFM”) and his contracted business entities Definitive Insurance Management Services (“Definitive”) and Megna Law Firm (“Megna Law”)

On August 5, 2024, the Honorable Frank. J. DeAngelis, P.J., CH, entered an Order approving the Confidential Settlement Agreement and Release, and granting related relief (“**Motion**”) between the **Independent Receiver** and **WFM, Definitive** and **Megna Law**, pending in the Superior Court of New Jersey, Chancery Division, Morris County.

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 December 17, 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 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. June 30, 2025.
- During this time if the APEMT Fund account exceeds \$100,000, Aetna will return to APEMT funds in excess of \$100,000 reviewed quarterly.
- APEMT will have the option to pay Aetna for an unexpected rise in administrative fees to Aetna. Otherwise, either APEMT or Aetna will have the right to terminate this Settlement Agreement on thirty (30) days written notice.

Claims Administration and Outstanding Claims To Be Paid

As reported above as of February 28, 2025, 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 \$269,298.10.
- **Item 3:** Claims presented to Aetna for re-processing as of February 28, 2025 are zero.

Table 3 Aetna Claim Report as of February 28, 2025

As of:	9/30/2024	10/31/2024	11/30/2024	12/31/2024	1/31/2025	2/28/2025
Total Subscribers on the Plan is:	0 EEs	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	0 Members
Aggregate Liability Exposure is:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Outstanding Administration Fee Funding Requests:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Outstanding Medical Claims Funding Requests:	(\$260,403.73)	(\$90,410.75)	(\$127,029.79)	(\$181,201.35)	(\$33,282.96)	(\$249,249.51)
Total Outstanding Rx Funding Requests:	(\$3,828.11)	(\$3,828.11)	(\$3,828.11)	(\$3,828.11)	(\$20,296.41)	(\$20,048.59)
Total Held Claims (by Submitted Charges):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pended Inventory Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Newly Pended Submitted Claims	\$0.00	\$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	\$0.00

1

2

3

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 December 31, 2023. Table 4 are **Paid** Medical Claims and Table 5 are **Paid** Prescription Claims.

Table 4 Medical Payments January 1, 2020 – December 31, 2023

Members Enrolled as of 1/1/2020	Affiliated Physicians Employers Master Trust Total Medical Claims Paid On Behalf of Members				Claims Paid 1/1/2020 - 12/31/23
	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 – December 31, 2023

Members Enrolled as of 1/1/2020	Affiliated Physicians Employers Master Trust Total Rx Claims Paid On Behalf of Members				Prescriptions Paid 1/1/2020 - 12/31/23
	Claims Paid 2020	Claims Paid 2021	Claims Paid 2022	Claims Paid 2023	Total Claims Paid
Prescription Claims Paid for 3,961 Members	\$ 35,720,354	\$ 24,725,470	\$ 1,421,119	\$ -	\$ 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 \$413,912.75 and remitted to **APEMT** \$358,584.96 as shown in Table 6.

Table 6 QualCare Subrogation Collections as of February 28, 2025

# QualCare Transactions	Payment Date	Amount Collected	Net Payments APEMT
Four Cases	4/12/23	\$40,381.56	\$35,232.79
Express Scripts	5/5/23	\$22,045.49	\$22,045.49
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
Two Cases	7/19/24	\$31,644.15	\$27,487.35
One Case	9/8/24	\$8,725.00	\$8,725.00
One Case	9/24/24	\$50,741.07	\$34,271.58
APEMT Collection as of December 31, 2024		\$413,912.75	\$358,584.96

Aetna is contracted as **APEMT's** third party administrator ("**TPA**"), from July 1, 2019 through June 30, 2025. **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 September 30, 2024.

Table 7 Aetna Subrogation Collection Summary as of September 30, 2024

Category From Q3 2022 - Q3 2024	Vendor	Number of Claims	Total Value of Claims	Net Amount Recovered 2022 - Q3 2024	Claim Types
Claims Recovered in 2024	Rawlings	7	\$68,394.51	\$48,154.10	Assorted
Subrogation Recoveries (2022 - September 2024)	Rawlings	18	\$357,601.06	\$305,477.45	Assorted
Subrogation Claims Closed & No Collections	Rawlings	31	\$247,281.42	\$0.00	Assorted
Subrogation Open Claim Report as of 9/30/24	Rawlings	28	\$840,866.79	\$0.00	Assorted
			Total Recovered	\$305,477.45	9/30/2024

Rawlings collection fees are 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 February 28, 2025

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 outstanding 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 \$3,000 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 identifies the successful collection efforts on behalf of **APEMT**. By February 28, 2025 approximately ninety-six per cent (**96%**) of the **Plan's** Assessment (\$24,679,934) has been collected. Highlighted in **Table 8** are the Assessment dollars that will not be collected which total approximately **\$780,642**. Therefore, the remaining **APEMT** Receivable to collect is approximately **\$92,887**. Many of the Members paid their Assessment using a monthly payment plan.

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Table 8 “August 2021 Member Assessment” Collection as of February 28, 2025

APEMT Collection Activities	Count of Group Numbers	Sum of Health Plan ASSESSMENT	Sum Total Owed (Includes Any Past Due Balance + Assessment)	Sum of Total Receivable as of 2/28/25
COLLECTED BY ATTORNEY	296	\$1,668,020.93	\$1,557,621.79	\$18.51
COLLECTED BY ATTORNEY - LAWSUIT	404	\$2,685,552.42	\$2,796,607.53	\$1.05
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT	275	\$1,785,767.04	\$1,999,673.77	\$958.72
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT - PARTIAL PAYMENT	11	\$49,144.42	\$70,639.82	\$42,428.90
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT - PAYMENT PLAN	8	\$54,180.33	\$73,936.63	\$39,261.46
COLLECTED BY ATTORNEY - LAWSUIT - PARTIAL PAYMENT	4	\$9,211.57	\$13,347.91	\$9,070.11
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED	4	\$195,913.29	\$211,534.17	\$30,048.55
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED - PAID IN FULL	21	\$265,425.41	\$311,957.60	\$0.00
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED - PAYMENT PLAN	5	\$143,688.18	\$175,749.15	\$71,518.39
COLLECTED BY ATTORNEY - PAID LESS ATTORNEY FEE	11	\$55,176.80	\$53,999.96	\$6,281.78
COLLECTED BY ATTORNEY - PARTIAL PAYMENT MADE	11	\$71,129.52	\$74,813.07	\$20,400.18
COLLECTED BY ATTORNEY - PAYMENT PLAN	28	\$184,281.41	\$237,331.47	\$62,820.27
COLLECTED BY ATTORNEY - PAYMENT PLAN - PAID IN FULL	84	\$698,563.95	\$829,384.01	\$12,850.82
COLLECTED BY ATTORNEY - SECOND DEMAND LTR	13	\$15,303.07	\$14,117.96	\$0.00
COLLECTED BY ATTORNEY - SECOND DEMAND LTR - PARTIAL PAYMENT	2	\$4,980.26	\$2,397.86	\$1,992.86
COLLECTED BY ATTORNEY - SECOND DEMAND LTR - PAYMENT PLAN	1	\$1,514.24	\$1,514.24	\$1,014.54
COLLECTED BY CONCORD	2,424	\$15,740,374.25	\$15,681,377.13	\$41.49
DO NOT PROCEED	7	\$16,101.52	\$14,125.04	\$7,738.50
JUDGMENT UNCOLLECTIBLE	54	\$330,662.68	\$374,106.05	\$372,631.58
UNPAID - JUDGMENT	27	\$85,709.50	\$97,304.32	\$97,304.32
UNPAID - LAWSUIT FILED	6	\$26,347.02	\$45,494.79	\$43,256.12
UNPAID - LAWSUIT FILED - CASE DISMISSED	3	\$35,617.33	\$35,617.33	\$35,617.33
UNPAID - SETTLED	4	\$30,296.32	\$56,417.81	\$56,417.81
UNPAID - UNCOLLECTIBLE	74	\$145,319.31	\$167,676.04	\$167,676.04
UNPAID 2	272	\$381,653.22	\$352,306.57	\$363,297.80
GRAND TOTAL	4,049	\$24,679,933.99	\$25,249,052.02	\$1,442,647.13
Per Cent Assessment Collections		96%	Estimated Remaining Assessment to Collect	\$92,887.40
Amounts Considered Uncollectible				

APEMT ‘Net Free’ Cash Flow as of September 30, 2024

Table 9 identifies APEMT’s collections for 2024. The Receiver and his professional team collected approximately \$3.185 million from January 1, 2024 through December 31, 2024. Detailed information identifying all sources of 2024 collections are provided in Table 9. The increase in APEMT’s cash on hand in 2024 is primarily due to the successful Member Assessment collection efforts of SM Law.

Table 9 2024 APEMT “YTD” Collections as of December 31, 2024

2024 APEMT "YTD" Collections Summary 1/1/24 to 12/31/24							
2024	Aetna Rx Credits	Aetna Wire Credits	Aetna Fee Credits	QualCare Subro Credits	SM Law Collections	Miscellaneous Collections	Payments
January		\$27,837	\$133,175		\$292,957	\$5,860	(\$233,483)
February		(\$12,784)				(\$36)	(\$4,725)
March		\$36,689				(\$36)	(\$115,953)
April	\$182,384	\$5,311			\$479,414	\$74	(\$232,632)
May		\$5,137				\$4,610	(\$266,466)
June		\$43,582		\$140,582	\$469,355	\$5,602	(\$30,000)
July		\$42,266	\$120,881	\$27,487		\$20,453	(\$99,268)
August						\$195,592	(\$96,826)
September		(\$2,744)		\$8,725	\$525,014	\$159,056	(\$122,129)
October		(\$9,589)	(\$160,404)	\$262		\$166,638	(\$263,424)
November		\$36,619			\$166,077	\$7,727	
December		\$54,172				\$7,047	(\$226,381)
Totals	\$182,384	\$226,496	\$93,652	\$177,056	\$1,932,817	\$572,587	(\$1,691,287)
							Cash Collections 2024
							\$3,184,992

Table 10 identifies APEMT’s cash flow for 2024 and cash on hand as of December 31, 2024 which totals **\$4,540,698**. As previously reported in the *Receiver’s Sixth Interim Report* APEMT’s cash on hand as of January 31, 2024 was **\$3,137,526**, and with the addition of approximately **\$1.4** million in 2024 APEMT’s financial condition has significantly improved to **\$4,540,698**.

Table 10 APEMT Cash Flow as of December 31, 2024

	1/31/24	4/30/24	7/31/24	10/31/24	11/30/24	12/31/24
Operating Bank Balance	\$ 2,279,459	\$ 2,862,633	\$ 549,030	\$ 625,727	\$ 490,902	\$ 262,844
Money Market Bank Balance	\$ 348,891	\$ 25,000	\$ 3,041,935	\$ 3,565,368	\$ 3,873,477	\$ 3,881,664
TD Bank Balance (State Held Funds)	\$ 210,255	\$ 211,789	\$ 213,369	\$ 213,858	\$ 214,423	\$ 214,988
Available Cash On Hand	\$ 2,838,605	\$ 3,099,421	\$ 3,804,334	\$ 4,404,953	\$ 4,578,803	\$ 4,359,496
Aetna Medical Funding Account	\$ 298,921	\$ 510,520	\$ 169,978	\$ 90,411	\$ 127,030	\$ 181,201
Net Free Cash Flow	\$ 3,137,526	\$ 3,609,942	\$ 3,974,313	\$ 4,495,364	\$ 4,705,833	\$ 4,540,698

2021 APEMT (the “Plan”) Audited Financial Statement

On September 16, 2024 the public accounting firm, Forvis-Mazars, submitted to the Independent Receiver the audited statutory financial statements of The Affiliated Physicians & Employers Master Trust (the “**Plan**”), which comprise the statement of admitted assets, liabilities and surplus as of December 31 2021, and the statements of operations, capital and surplus, and cash flows for the year then ended, and the related notes to the statutory financial statements.

Forvis-Mazars stated the Plan’s financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus of the **Plan** as of December 31, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with accounting practices prescribed or permitted by State of New Jersey Department of Banking and Insurance (“NJDOBI”). A copy of the **Plan’s** 2021 Audited Financial Statement can be obtained from the **Independent Receiver’s** office.

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

On February 11, 2025, 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.
- Two (2) claims are pending settlement.
- Fifty-eight (58) 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. Fifty-four (54) were dismissed due to the inability to obtain the patient's medical records from providers.
- Thirty (30) 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.
 4. There are three pending 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.
 5. There are seven (7) claims in which no Answer has been filed by the opposing party.

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 11 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 communication.

Table 11 Member Outreach Tracking January 1, 2024 – December 31, 2024

Date	Communication (Call / Email)	Summary of Customer Service Communications
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-up 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..
6/11/2024	Email	Email from MedMetrix asking why payment was taken back
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.
8/19/2024	Email	Email Response from Enrollee (4/19/24) stating that she resolved the EOB issue with Aetna
8/19/2024	Email	Email from Member asking why she is continuing to receive email communications from the Plan.
9/16/2024	Email	Email from Member stating Miscarriage of Justice against legitimate businesses. Sent to Receiver for his response to the Member.
11/15/2024	Email	Email from same Member(9/16 email) stating his political views and accusing that continuation of the collection of Assessment is complete fraud.
12/16/2024	Email	Email from same Member(9/16 & 11/15 emails) asking why we continue to send these monthly communications. Advised Member this is required by DOBI and part of the winddown process.

Respectfully submitted,

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

Dated: March 19, 2025