

**REPORT L7. QUARTERLY BALANCE SHEET OF CORPORATE ACTIVITY**

|               |                                     |
|---------------|-------------------------------------|
| Contractor -  | Western Oregon Advanced Health, LLC |
| Report Period | As of September 30, 2013            |

|   |   | Corporate<br>Total |
|---|---|--------------------|
| CURRENT ASSETS  | 1. Cash and cash equivalents                              | 1,598,545          |
|   | 2. Short-term investments                                 |                    |
|   | 3. Premiums Receivable                                    |                    |
|   | 4. Investment Income Receivables                          | 10,238             |
|   | 5. Health Care Receivables                                |                    |
|   | 6. Amounts Due from Affiliates                            |                    |
|   | 7. Reinsurance Recoverable on Paid Losses                 |                    |
|   | 8. Other Current Assets                                   |                    |
| <b>9. TOTAL CURRENT ASSETS</b>                                |   | <b>1,608,783</b>   |
| OTHER ASSETS  | 10. Bonds   |                    |
|   | 11.1 Preferred Stocks                                     |                    |
|   | 11.2 Common Stocks  |                    |
|   | 12. Other Long-Term Invested Assets                       |                    |
|   | 13. Receivable for Securities                             |                    |
|   | 14. Amounts Due from Affiliates                           |                    |
|   | 15. Restricted Cash and Restricted Securities             | 1,485,678          |
| 16. Other Assets  | 822,534   |                    |
| <b>17. TOTAL OTHER ASSETS</b>                                 |   | <b>2,308,212</b>   |
|   | 18. Land, Building and Improvements (net of depreciation) |                    |
|   | 19. Furniture and Equipment (net of depreciation)         |                    |
|   | 20. Leasehold Improvements (net of depreciation)          |                    |
|   | 21. EDP Equipment (net of depreciation)                   |                    |
|   | 22. Other Property and Equipment (net of depreciation)    |                    |
| <b>23. TOTAL PROPERTY AND EQUIPMENT (net of depreciation)</b> |   | <b>-</b>           |
| <b>24. TOTAL ASSETS</b>                                       |   | <b>3,916,996</b>   |

Details of Write-Ins (Lines 8, 16 and 22):

|         |                               |         |
|---------|-------------------------------|---------|
| Line 16 | Accounts Receivable Maternity | 822,534 |
| Line 16 | Other Prepaids                | -       |
|         |                               |         |
|         |                               |         |

**REPORT L7. QUARTERLY BALANCE SHEET OF CORPORATE ACTIVITY (continued)**

|               |                                     |
|---------------|-------------------------------------|
| Contractor -  | Western Oregon Advanced Health, LLC |
| Report Period | As of September 30, 2013            |

|  |                                    | Corporate Total  |
|--|------------------------------------|------------------|
| CURRENT LIABILITIES                        | 25. Accounts Payable               |                  |
|  | 26. Claims Payable                 |                  |
|  | 27. Accrued Medical Incentive Pool |                  |
|  | 28. Unearned Premiums              |                  |
|  | 29. Loans and Notes Payable        |                  |
|  | 30. Amounts Due to Affiliates      |                  |
|  | 31. Other Current Liabilities      | 1,423,201        |
| <b>32. TOTAL CURRENT LIABILITIES</b>       |                                    | <b>1,423,201</b> |
| OTHER LIABILITIES                          | 33. Loans and Notes Payable        |                  |
|  | 34. Amounts Due to Affiliates      |                  |
|  | 35. Payable for Securities         |                  |
|  | 36. Other Liabilities              |                  |
| <b>37. TOTAL OTHER LIABILITIES</b>         |                                    | <b>-</b>         |
| <b>38. TOTAL LIABILITIES</b>               |                                    | <b>1,423,201</b> |
| NET WORTH                                  | 39. Common Stock                   |                  |
|  | 40. Preferred Stock                |                  |
|  | 41. Paid in Surplus                |                  |
|  | 42. Contributed Capital            | 2,010,000        |
|  | 43. Surplus Notes                  |                  |
|  | 44. Contingency Reserves           |                  |
|  | 45. Retained Earnings/Net Worth    | 542,907          |
| 46. Other Net Worth                        | (59,112)                           |                  |
| <b>47. TOTAL NET WORTH</b>                 |                                    | <b>2,493,795</b> |
| <b>48. TOTAL LIABILITIES AND NET WORTH</b> |                                    | <b>3,916,996</b> |

Details of Write-Ins (Lines 31, 36 and 46):

|         |                               |          |
|---------|-------------------------------|----------|
| Line 31 | Maternity payable             | 887,920  |
| Line 31 | Physical health payable       | 147,030  |
| Line 31 | Mental health payable         | 54,874   |
| Line 31 | Dental payable                | 283      |
| Line 31 | Administrative payable        | 180,559  |
| Line 31 | Provider Tax Payable          | 152,534  |
| Line 46 | Unrealized Gains (Losses) FMV | (59,112) |

**REPORT L8 QUARTERLY STATEMENT OF REVENUE, EXPENSES & NET WORTH**

|                 |                                      |
|-----------------|--------------------------------------|
| Contractor -    | Western Oregon Advanced Health, LLC  |
| * Report Period | January 1 through September 30, 2013 |

A. OHP Line of Business:

1. Are separate accounts kept for the OHP Business: revenues, expenses, and net worth?  Yes  No

2. If separate accounts are not kept, describe the allocation method used and include all underlying assumptions that justify the use of this method:

|   |  | OHP Contract Activity | Corporate Total   |                   |
|---|--|-----------------------|-------------------|-------------------|
| OPERATING REVENUES                      | 1. Gross Premiums (Capitation & Case Rate Revenue) | 42,714,846            | 42,714,846        |                   |
|   | a. Reinsurance/Stop-Loss Premiums Paid             |                       |                   |                   |
|   | b. HRA Payments                                    | 6,316,936             | 6,316,936         |                   |
|   | c. GME Payments                                    |                       |                   |                   |
|   | d. MCO Taxes                                       | 426,852               | 426,852           |                   |
|   | 2. Net Premiums                                    | 35,971,058            | 35,971,058        |                   |
|   | 3. Fee-For-Service                                 |                       |                   |                   |
|   | 4. Title XIX-Other Medicaid                        |                       |                   |                   |
|   | 5. Other Health Care-Related Revenues              | 2,500,000             | 2,500,000         |                   |
| <b>6. TOTAL OPERATING REVENUES</b>      |  | <b>38,471,058</b>     | <b>38,471,058</b> |                   |
| MEDICAL AND HOSPITAL OPERATING EXPENSES | 7. Physician/Professional Services                 | 7,594,024             | 7,594,024         |                   |
|   | 8. Hospital Services                               |                       |                   |                   |
|   | a. Inpatient                                       | 9,233,257             | 9,233,257         |                   |
|   | b. Outpatient                                      | 2,388,482             | 2,388,482         |                   |
|   | c. Emergency Room                                  | 1,069,947             | 1,069,947         |                   |
|   | 9. Pharmacy  | 3,865,694             | 3,865,694         |                   |
|   | 10. Lab and X-ray                                  | 531,879               | 531,879           |                   |
|   | 11. Vision   | 137,030               | 137,030           |                   |
|   | 12. Chemical Dependency                            | 702,257               | 702,257           |                   |
|   | 13. DME & Supplies                                 | 439,276               | 439,276           |                   |
|   | 14. Other Medical and Hospital Expenses            | 8,476,994             | 8,476,994         |                   |
|   | <b>15. MEDICAL AND HOSPITAL EXPENSES SUBTOTAL</b>  |                       | <b>34,438,840</b> | <b>34,438,840</b> |

Details of Write-Ins (Lines 5 and 14):

|         |                   |           |           |
|---------|-------------------|-----------|-----------|
| Line 5  | Maternity Accrual | 2,500,000 | 2,500,000 |
| Line 14 | IBNR              | 3,700,392 | 3,700,392 |
| Line 14 | Ambulance         | 384,161   | 384,161   |
| Line 14 | Mental Health     | 4,392,441 | 4,392,441 |
| Line 14 | Dental Health     | 562,892   | 562,892   |

\* For this report, all of the amounts should include year-to-date activity, not just the most recent quarter. The first quarter report will still show the results from January through March. The second quarter report will cover January through June. The third quarter will cover from January through September. The fourth quarter will cover January through December (the entire year).

**REPORT L8 QUARTERLY STATEMENT OF REVENUE, EXPENSES & NET WORTH (continued)**

Contractor - Western Oregon Advanced Health, LLC  
 \* Report Period January 1 through September 30, 2013

|  |   | OHP Contract Activity | Corporate Total |
|--|---|-----------------------|-----------------|
| OPERATING DEDUCTIONS   | 16. Reinsurance Recoveries Received                     |                       |                 |
|  | 17. Co-payments Received                                |                       |                 |
|  | 18. TPR Amounts Received, COB, and Subrogation          |                       |                 |
| <b>19. OPERATING DEDUCTIONS SUBTOTAL</b>                                 |   | -                     | -               |
| <b>20. TOTAL MEDICAL AND HOSPITAL OPERATING EXPENSES LESS DEDUCTIONS</b> |   | 34,438,840            | 34,438,840      |
| ADMINISTRATIVE EXPENSES  | 21. Compensation  |                       |                 |
|  | 22. Other Administrative Expense                        | 3,559,955             | 3,559,955       |
| <b>23. TOTAL ADMINISTRATIVE EXPENSES</b>                                 |   | 3,559,955             | 3,559,955       |
| <b>24. TOTAL OPERATING EXPENSES</b>                                      |   | 37,998,796            | 37,998,796      |
| <b>25. NET OPERATING INCOME (LOSS)</b>                                   |   | 472,262               | 472,262         |
| NON-OPERATING REVENUES AND EXPENSES                                      | 26. Net Investment Income                               | 24,978                | 24,978          |
|  | 27. Non-Healthcare-Related Revenues                     |                       |                 |
|  | 28. Less: Other Non-Operating Expenses                  |                       |                 |
| <b>29. TOTAL NON-OPERATING REVENUES AND EXPENSES</b>                     |   | 24,978                | 24,978          |
| <b>30. NET INCOME (LOSS) BEFORE INCOME TAXES</b>                         |   | 497,240               | 497,240         |
| 31. Provision for Income Taxes   |   |                       |                 |
| <b>32. NET INCOME (LOSS)</b>   |   | 497,240               | 497,240         |
| NET WORTH  | 33. Net Worth Beginning of Year                         |                       | 2,029,915       |
|  | 34. Increase (Decrease) in Common Stock                 |                       |                 |
|  | 35. Increase (Decrease) in Preferred Stock              |                       |                 |
|  | 36. Increase (Decrease) in Paid in Surplus              |                       |                 |
|  | 37. Increase (Decrease) in Contributed Capital          |                       |                 |
|  | 38. Increase (Decrease) in Surplus Notes                |                       |                 |
|  | 39. Increase (Decrease) in Contingency Reserves         |                       |                 |
|  | 40. Increase (Decrease) in Retained Earnings/Net Worth: |                       |                 |
|  | a. Net Income   |                       | 497,240         |
|  | b. Dividends to Stockholders                            |                       |                 |
|  | c. Interest on Surplus Notes                            |                       |                 |
|  | d. Change in Non-Admitted Assets                        |                       |                 |
|  | e. Other Changes  |                       | (33,361.12)     |
|  | 41. Net Worth at End of Year                            |                       | 2,493,794       |

Details of Write-Ins (Lines 22, 27, 28, and 40e):

|          |   |           |             |
|----------|---|-----------|-------------|
| Line 22  | Management Exp Cap Med, Mtl and Dental Health | 2,844,960 | 2,844,960   |
| Line 22  | Admin Fee Medical, Mtl & Dental Health        | 385,369   | 385,369     |
| Line 22  | Program Expenses                              | 15,737    | 15,737      |
| Line 22  | Other Expenses (meals & consult/outside serv) | 261       | 261         |
| Line 22  | Professional Fees                             | 87,702    | 87,702      |
| Line 22  | Other Expenses (Salaries & Stepends & Travel) | 26,145    | 26,145      |
| Line 22  | Medical Capitation                            | 181,101   | 181,101     |
| Line 27  | Contributions and Insurance                   | 18,680    | 18,680      |
| Line 40e | Unrealized Gains (Losses)                     | (33,361)  | (33,361.12) |

**REPORT L9: CASH FLOW ANALYSIS CORPORATE ACTIVITY/INDIRECT METHOD**

|               |   |
|---------------|---|
| Contractor -  | Western Oregon Advanced Health, LLC         |
| Report Period | January 1, 2013, through September 30, 2013 |

Provide the cash flow information for Corporate Activity. Note that cash flows resulting from an increase in operating assets, a decrease in operating liabilities, and a payment out are debits. Note that cash flows resulting in receipt of cash or proceeds are credits.

| CASH FLOWS PROVIDED BY  | Operating Activities:  | Corporate Activity |
|---|--|--------------------|
| Adjustment to reconcile net income (loss) to net cash                   | 1. Net Income (loss)   | 497,240            |
|   | 2. Depreciation and Amortization                                     |                    |
| (Increase) Decrease in Operating Assets                                 | 3. Premium Receivable  |                    |
|   | 4. Due from Affiliates   |                    |
| Increase (Decrease) in Operating Liabilities                            | 5. Health Care Receivable  |                    |
|   | 6. Other (increase) decrease in Operating Assets                     | (597,459)          |
|   | 7. Accounts Payable  | 870,268            |
|   | 8. Claims Payable  |                    |
|   | 9. Accrued Medical Incentive Pool                                    |                    |
|   | 10. Unearned Premiums  |                    |
|   | 11. Due to Affiliates  |                    |
|   | 12. Other Increase (Decrease) from Operating Activities              |                    |
| <b>13. NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES</b>           |  | <b>770,049</b>     |
| CASH FLOWS PROVIDED BY  |  | Corporate Activity |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES                             | 14. Receipts from Investments  |                    |
|   | 15. Receipts for Sales of Property and Equipment                     |                    |
|   | 16. Payments for Investments   | 7,594              |
|   | 17. Payments for Property and Equipment                              |                    |
|   | 18. Other Increase (Decrease) in Cash Flow from Investing Activities | (33,359)           |
| <b>19. NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                    |  | <b>(25,765)</b>    |
| CASH FLOWS PROVIDED BY FINANCING ACTIVITIES                             | 20. Proceeds from Paid in Capital or Issuance of Stock               |                    |
|   | 21. Loan Proceeds from Non-Affiliates                                |                    |
|   | 22. Loan Proceeds from Affiliates                                    |                    |
|   | 23. Principal Payments on Loans from Non-Affiliates                  |                    |
|   | 24. Principal Payments on Loans from Affiliates                      |                    |
|   | 25. Dividends Paid   |                    |
|   | 26. Principal Payments under Lease Obligations                       |                    |
|   | 27. Other Cash Flow Provided by Financing Activities                 |                    |
| <b>28. NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                    |  | <b>-</b>           |
| <b>29. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>        |  | <b>744,284</b>     |
| 30. CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORT PERIOD (January 1) |  | 854,260            |
| 31. CASH AND CASH EQUIVALENTS AT END OF REPORT PERIOD                   |  | 1,598,544          |