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REDACTED VERSION



**Discussion Document Regarding
the Fair Market Value**

of a 100% Interest in Rocky Mountain Health Plans
as of June 30, 2016

Prepared for
Nelson Mullins Riley & Scarborough, LLP

June 24, 2016

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DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

Pershing Yoakley & Associates, P.C. (“PYA”) has prepared this discussion document related to our preliminary valuation analysis of a 100% equity interest in Rocky Mountain Health Maintenance Organization, Inc. d/b/a Rocky Mountain Health Plans (“RMHP” or the “Company”) on behalf of Nelson Mullins Riley & Scarborough, LLP (“NMRS”) for purposes of evaluating a potential sale transaction as of a prospective date, June 30, 2016. As summarized below, our analysis resulted in a preliminary fair market value range of approximately **\$32.7 million** to **\$40.3 million** on a total equity basis, as of June 30, 2016, which is after subtracting debt obligations.

Table I: Conclusion of Value

Methodology	Invested Capital		Weighting	Selected Value		
	Value of Operations			Low	Baseline	High
Income Approach - Discounted Cash Flow Method (<i>Exhibit D-1</i>)	\$ 73,622,100		70%			
Market Approach - Merger & Acquisition Transaction Data Method (<i>Exhibit E-1</i>)	\$ 86,290,400		20%			
Market Approach - Guideline Public Company Method (<i>Exhibit F-1</i>)	\$ 70,062,200		10%			
					\$ 75,799,800	
Invested capital value of operations ¹				\$ 72,010,000	\$ 75,799,800	\$ 79,590,000
Less: risk based capital reserve deficit (see <i>Exhibit A-3</i>)				(21,427,756)	(21,427,756)	(21,427,756)
Value indication - total invested capital				\$ 50,582,244	\$ 54,372,044	\$ 58,162,244
Less: long-term debt obligations				(17,857,861)	(17,857,861)	(17,857,861)
Value indication - equity basis, rounded				\$ 32,724,383	\$ 36,514,183	\$ 40,304,383
Interest being appraised				100%	100%	100%
FMV of 100.0% Interest - Marketable, controlling basis				\$ 32,724,383	\$ 36,514,183	\$ 40,304,383
Rounded				\$ 32,724,000	\$ 36,514,000	\$ 40,304,000

¹ Range from Baseline is +/- 5.0%.

The above value indications are inclusive of all tangible and intangible assets, as of the valuation date including estimated net working capital as of June 30, 2016 of approximately **\$1.5 million** and **\$17.9 million** of debt obligations. This value also incorporates an estimated deficit in the risk based capital (“RBC”) reserve requirement of approximately **\$21.4 million**. **To the extent any of the assets are not included in the transaction or are substantially different as of the transaction date, the value may need to be adjusted accordingly.**



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100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS**

EXHIBIT A-1: HISTORICAL CONSOLIDATED BALANCE SHEETS

	Historical Balance Sheets					Common-sized Balance Sheets				
	As of					As of				
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	4/30/2016	12/31/2012	12/31/2013	12/31/2014	12/31/2015	4/30/2016
Current Assets										
Cash	\$28,323,837	\$20,892,663	\$35,947,881	\$92,718,218	\$58,591,842	12.6%	10.4%	15.2%	38.4%	28.0%
Short-term investments	18,336,322	2,714,105	4,470,353	1,712,785	12,392,592	8.2%	1.3%	1.9%	0.7%	5.9%
Premium/discounts on short-term investments	1,653	-	518,936	5,903	1,620	0.0%	0.0%	0.2%	0.0%	0.0%
Accounts receivable	37,839,438	39,739,329	44,804,363	15,822,800	13,073,549	16.8%	19.7%	18.9%	6.6%	6.3%
Reinsurance due from Health & Human Services ("HHS ")	-	-	40,594,940	37,317,646	30,583,528	0.0%	0.0%	17.1%	15.5%	14.6%
Advanced premium tax credit	-	-	8,657,749	113,202	2,437,957	0.0%	0.0%	3.7%	0.0%	1.2%
Risk corridor retrospective receivable	-	-	12,973,079	-	-	0.0%	0.0%	5.5%	0.0%	0.0%
Risk adjustment receivable	-	-	6,600,000	16,149,029	14,992,990	0.0%	0.0%	2.8%	6.7%	7.2%
CNIC receivable	-	(145)	-	13	13	0.0%	0.0%	0.0%	0.0%	0.0%
Leif Assoc. receivable	182,000	-	-	-	-	0.1%	0.0%	0.0%	0.0%	0.0%
Beacon Consortium receivable	251,183	-	-	-	-	0.1%	0.0%	0.0%	0.0%	0.0%
Intercompany receivable	9,519	4,722	47,549	3,508	3,764	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid expenses	1,127,481	2,088,719	1,395,724	1,599,593	2,024,295	0.5%	1.0%	0.6%	0.7%	1.0%
Deferred income taxes	10,403,972	12,090,277	14,369,436	15,854,414	15,688,976	4.6%	6.0%	6.1%	6.6%	7.5%
Allowance for non-admitted deferred income tax	(8,673,544)	(10,300,849)	(12,039,644)	(13,543,060)	(13,543,060)	-3.9%	-5.1%	-5.1%	-5.6%	-6.5%
Total Current Assets	\$ 87,801,861	\$ 67,228,821	\$ 158,340,366	\$ 167,754,051	\$ 136,248,066	39.1%	33.4%	66.8%	69.5%	65.2%
Fixed Assets										
Buildings and land	6,898,006	6,464,101	9,253,357	9,239,132	9,280,568	3.1%	3.2%	3.9%	3.8%	4.4%
Accumulated depreciation - building	(1,024,420)	(1,157,454)	(1,337,537)	(1,559,099)	(1,633,593)	-0.5%	-0.6%	-0.6%	-0.6%	-0.8%
Building improvements	1,912,871	2,009,134	2,009,134	1,753,737	1,753,737	0.9%	1.0%	0.8%	0.7%	0.8%
Accumulated depreciation - building improvements	(758,615)	(955,480)	(1,145,367)	(1,032,875)	(1,076,629)	-0.3%	-0.5%	-0.5%	-0.4%	-0.5%
Electronic data processing ("EDP") hardware & software	29,381,506	32,576,600	26,599,722	31,289,741	32,486,664	13.1%	16.2%	11.2%	13.0%	15.5%
Accumulated depreciation - EDP hardware & software	(22,852,991)	(25,351,425)	(19,184,940)	(22,544,209)	(23,576,463)	-10.2%	-12.6%	-8.1%	-9.3%	-11.3%
Telecommunication equipment	1,272,850	1,306,418	1,508,023	2,299,754	2,308,133	0.6%	0.6%	0.6%	1.0%	1.1%
Accumulated depreciation - telecommunication equipment	(1,260,018)	(1,270,472)	(1,310,090)	(1,486,658)	(1,601,457)	-0.6%	-0.6%	-0.6%	-0.6%	-0.8%
Furniture & equipment	3,393,805	4,045,880	4,043,574	4,073,469	4,076,158	1.5%	2.0%	1.7%	1.7%	2.0%
Accumulated depreciation - furniture & equipment	(2,842,654)	(3,279,866)	(3,091,066)	(3,275,276)	(3,334,183)	-1.3%	-1.6%	-1.3%	-1.4%	-1.6%
Net fixed assets	\$ 14,120,340	\$ 14,387,436	\$ 17,344,810	\$ 18,757,716	\$ 18,682,935	6.3%	7.1%	7.3%	7.8%	8.9%
Other assets										
US Agencies, corporate bonds and stock	116,947,371	104,245,134	39,099,892	44,986,472	44,673,136	52.0%	51.7%	16.5%	18.6%	21.4%
Long-term investment - Rabbi Trust	2,642,057	3,147,741	4,104,665	2,771,277	2,733,360	1.2%	1.6%	1.7%	1.1%	1.3%
RMHMC goodwill	-	-	4,722,580	4,475,614	4,100,844	0.0%	0.0%	2.0%	1.9%	2.0%
Investment in Monument Health LLC	-	-	-	1,601,028	1,554,253	0.0%	0.0%	0.0%	0.7%	0.7%
Accumulated amortization RMHMC	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Leif goodwill	622,800	434,120	1,125,403	-	-	0.3%	0.2%	0.5%	0.0%	0.0%
Accumulated amortization Leif	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Common stocks	-	7,854,571	8,698,773	-	-	0.0%	3.9%	3.7%	0.0%	0.0%
Unrealized gain/loss on investments	2,303	1,831,222	2,531,305	(10,396)	(10,396)	0.0%	0.9%	1.1%	0.0%	0.0%
Premium/discount on investments	2,571,338	2,331,460	1,150,101	1,069,053	1,028,368	1.1%	1.2%	0.5%	0.4%	0.5%
Total other assets	\$ 122,785,869	\$ 119,844,248	\$ 61,432,719	\$ 54,893,048	\$ 54,079,565	54.6%	59.5%	25.9%	22.7%	25.9%
Total assets	\$ 224,708,070	\$ 201,460,505	\$ 237,117,895	\$ 241,404,815	\$ 209,010,566	100.0%	100.0%	100.0%	100.0%	100.0%



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100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
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	Historical Balance Sheets					Common-sized Balance Sheets				
	As of					As of				
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	4/30/2016	12/31/2012	12/31/2013	12/31/2014	12/31/2015	4/30/2016
Current liabilities										
Accounts payable	\$ 4,611,473	\$ 5,491,581	\$ 6,640,108	\$ 7,328,418	\$ 4,816,759	2.1%	2.7%	2.8%	3.0%	2.3%
Accrued payroll & expenses	3,846,352	4,216,204	3,488,546	3,329,128	2,800,823	1.7%	2.1%	1.5%	1.4%	1.3%
Income tax payable	204,225	715,214	396,683	178,018	(20,000)	0.1%	0.4%	0.2%	0.1%	0.0%
Contingent liabilities	4,050,493	4,439,474	4,912,167	4,690,899	4,108,809	1.8%	2.2%	2.1%	1.9%	2.0%
Other payables	2,779,299	8,938,540	8,308,747	6,953,504	5,696,444	1.2%	4.4%	3.5%	2.9%	2.7%
Claims payable	38,114,549	38,717,139	92,446,140	94,766,660	58,493,194	17.0%	19.2%	39.0%	39.3%	28.0%
GUSC payable	7,111,735	73,036	450	-	-	3.2%	0.0%	0.0%	0.0%	0.0%
Premium rebates payable	-	-	1,106,000	32,230,000	40,727,900	0.0%	0.0%	0.5%	13.4%	19.5%
Premium deficiency reserve	3,199,821	-	-	-	-	1.4%	0.0%	0.0%	0.0%	0.0%
Contingency withhold payable	1,625,748	2,044,211	175,625	2,474,350	1,040,609	0.7%	1.0%	0.1%	1.0%	0.5%
ACA related payables	-	-	7,043,674	8,928,084	15,552,078	0.0%	0.0%	3.0%	3.7%	7.4%
Total current liabilities	\$ 65,543,695	\$ 64,635,399	\$ 124,518,140	\$ 160,879,061	\$ 133,216,616	29.2%	32.1%	52.5%	66.6%	63.7%
Long-term liabilities										
Medicare ("CMS") audit reserve	7,530,636	6,875,793	7,551,958	2,679,732	2,679,732	3.4%	3.4%	3.2%	1.1%	1.3%
Rent payable	197,498	111,557	310,502	254,420	237,018	0.1%	0.1%	0.1%	0.1%	0.1%
Deferred tax	79,000	64,000	34,000	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued retirement	3,307,989	3,826,072	4,380,241	2,949,636	3,263,671	1.5%	1.9%	1.8%	1.2%	1.6%
Total long-term liabilities	\$ 11,115,123	\$ 10,877,422	\$ 12,276,701	\$ 5,883,788	\$ 6,180,421	4.9%	5.4%	5.2%	2.4%	3.0%
Deferred income										
Deferred individual plans	3,799,883	1,611,890	1,923,573	1,798,495	1,785,135	1.7%	0.8%	0.8%	0.7%	0.9%
Deferred revenue	783,249	279,988	111,248	220,059	92,272	0.3%	0.1%	0.0%	0.1%	0.0%
Prepaid group premiums	8,034,009	6,637,299	5,945,733	6,341,793	7,758,103	3.6%	3.3%	2.5%	2.6%	3.7%
Deferred CMS	5,929,647	2,978,860	-	1,396,647	1,719,515	2.6%	1.5%	0.0%	0.6%	0.8%
Deferred rent incentive	138,750	72,150	285,293	341,162	322,415	0.1%	0.0%	0.1%	0.1%	0.2%
Total deferred income	\$ 18,685,538	\$ 11,580,187	\$ 8,265,847	\$ 10,098,156	\$ 11,677,440	8.3%	5.7%	3.5%	4.2%	5.6%
Total liabilities and deferred income	\$ 95,344,356	\$ 87,093,008	\$ 145,060,688	\$ 176,861,005	\$ 151,074,477	42.4%	43.2%	61.2%	73.3%	72.3%
Equity										
Contributed capital	356,889	356,889	356,889	356,889	356,889	0.2%	0.2%	0.2%	0.1%	0.2%
Valuation change in policy reserves	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Stock	437,392	351,544	-	-	-	0.2%	0.2%	0.0%	0.0%	0.0%
Dividends paid	(13,328,171)	(13,328,171)	-	-	-	-5.9%	-6.6%	0.0%	0.0%	0.0%
Retained earnings	141,837,791	126,053,922	107,517,322	87,839,126	67,598,044	63.1%	62.6%	45.3%	36.4%	32.3%
Unrealized gain/(loss) on investment	78,860	1,938,102	276,188	(1,751,391)	(1,969,374)	0.0%	1.0%	0.1%	-0.7%	-0.9%
Special surplus	-	-	4,977,629	5,575,050	0	0.0%	0.0%	2.1%	2.3%	0.0%
Deferred tax benefit	6,805,344	8,433,091	10,171,886	11,675,302	11,675,302	3.0%	4.2%	4.3%	4.8%	5.6%
Non-admitted deferred income tax	(8,673,544)	(10,300,849)	(12,039,644)	(13,543,060)	(13,543,060)	-3.9%	-5.1%	-5.1%	-5.6%	-6.5%
Change in equity	0	0	0	0	4,462	0.0%	0.0%	0.0%	0.0%	0.0%
Current year net income/(loss)	1,849,153	862,969	(19,203,063)	(25,608,106)	(6,186,174)	0.8%	0.4%	-8.1%	-10.6%	-3.0%
Total equity	\$ 129,363,714	\$ 114,367,497	\$ 92,057,207	\$ 64,543,810	\$ 57,936,089	57.6%	56.8%	38.8%	26.7%	27.7%
Total liabilities & equity	\$ 224,708,070	\$ 201,460,505	\$ 237,117,895	\$ 241,404,815	\$ 209,010,566	100.0%	100.0%	100.0%	100.0%	100.0%



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EXHIBIT A-2: ADJUSTED CONSOLIDATED BALANCE SHEET

	Unadjusted 4/30/2016	Adjustments 4/30/2016	Adjusted 4/30/2016	Common-sized	
				Unadjusted 4/30/2016	Adjusted 4/30/2016
<u>Current Assets</u>					
Cash	\$ 58,591,842		\$ 58,591,842	28.0%	28.6%
Short-term investments	12,392,592		12,392,592	5.9%	6.0%
Premium/discounts on short-term investments	1,620		1,620	0.0%	0.0%
Accounts receivable	13,073,549		13,073,549	6.3%	6.4%
Reinsurance due from HHS	30,583,528		30,583,528	14.6%	14.9%
Advanced premium tax credit	2,437,957		2,437,957	1.2%	1.2%
Risk adjustment receivable	14,992,990		14,992,990	7.2%	7.3%
CNIC Receivable	13	(13) ¹	-	0.0%	0.0%
Intercompany receivable	3,764	(3,764) ¹	-	0.0%	0.0%
Prepaid expenses	2,024,295		2,024,295	1.0%	1.0%
Deferred income taxes	15,688,976		15,688,976	7.5%	7.7%
Allowance for non-admitted deferred income tax	(13,543,060)		(13,543,060)	-6.5%	-6.6%
Total Current Assets	\$ 136,248,066	\$ (3,777)	\$ 136,244,289	65.2%	66.5%
<u>Fixed Assets</u>					
Land, Buildings & Improvements	\$ 11,034,305		\$ 11,034,305	5.3%	5.4%
EDP Hardware & Software	32,486,664		32,486,664	15.5%	15.9%
Other Furniture & Equipment	6,384,291		6,384,291	3.1%	3.1%
Accumulated depreciation	(31,222,325)		(31,222,325)	-14.9%	-15.2%
Net fixed assets	\$ 18,682,935	\$ -	\$ 18,682,935	8.9%	9.1%
<u>Other assets</u>					
US Agencies, corporate bonds and stock	\$ 44,673,136		\$ 44,673,136	21.4%	21.8%
Long-term investment - Rabbi Trust	2,733,360		2,733,360	1.3%	1.3%
Investment in Monument Health LLC	1,554,253		1,554,253	0.7%	0.8%
Unrealized gain/loss on investments	(10,396)		(10,396)	0.0%	0.0%
Premium/discount on investments	1,028,368		1,028,368	0.5%	0.5%
RHMC Goodwill	4,100,844	(4,100,844) ²	-	2.0%	0.0%
Total other assets	\$ 54,079,565	\$ (4,100,844)	\$ 49,978,721	25.9%	24.4%
Total assets	\$ 209,010,566	\$ (4,104,621)	\$ 204,905,945	100.0%	100.0%

Notes:

¹ To eliminate intercompany receivables.

² To eliminate RMHC goodwill.



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	Unadjusted 4/30/2016	Adjustments 4/30/2016	Adjusted 4/30/2016	Common-sized	
				Unadjusted 4/30/2016	Adjusted 4/30/2016
<u>Current liabilities</u>					
Accounts payable	\$ 4,816,759		\$ 4,816,759	2.3%	2.4%
Accrued payroll & expenses	2,800,823		2,800,823	1.3%	1.4%
Income tax payable	(20,000)		(20,000)	0.0%	0.0%
Contingent liabilities	4,108,809		4,108,809	2.0%	2.0%
Other payables	5,696,444		5,696,444	2.7%	2.8%
Claims payable	58,493,194		58,493,194	28.0%	28.5%
Premium rebates payable	40,727,900		40,727,900	19.5%	19.9%
Contingency withhold payable	1,040,609		1,040,609	0.5%	0.5%
ACA Related Payables	15,552,078		15,552,078	7.4%	7.6%
Total current liabilities	\$ 133,216,616	\$ -	\$ 133,216,616	63.7%	65.0%
<u>Long-term liabilities</u>					
CMS audit reserve	\$ 2,679,732		\$ 2,679,732	1.3%	1.3%
Rent payable	237,018		237,018	0.1%	0.1%
Accrued retirement	3,263,671		3,263,671	1.6%	1.6%
Total long-term liabilities	\$ 6,180,421	\$ -	\$ 6,180,421	3.0%	3.0%
<u>Deferred income</u>					
Deferred individual plans	\$ 1,785,135		\$ 1,785,135	0.9%	0.9%
Deferred revenue	1,811,787		1,811,787	0.9%	0.9%
Prepaid group premiums	7,758,103		7,758,103	3.7%	3.8%
Deferred rent incentive	322,415		322,415	0.2%	0.2%
Total deferred income	\$ 11,677,440	\$ -	\$ 11,677,440	5.6%	5.7%
Total liabilities and deferred income	\$ 151,074,477	\$ -	\$ 151,074,477	72.3%	73.7%
Total equity	57,936,089	(4,104,621) ³	53,831,468	27.7%	26.3%
Total liabilities & equity	\$ 209,010,566	\$ (4,104,621)	\$ 204,905,945	100.0%	100.0%

Notes:

³ Equity impact of normalization adjustments.



EXHIBIT A-3: RISK BASED CAPITAL RESERVE ANALYSIS

Risk Based Capital Estimated as of April 30, 2016

Redacted. See Vaughn Index.



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EXHIBIT B-1: HISTORICAL AND ADJUSTED INCOME STATEMENTS

	Historical Income Statements				Income Statement Adjustments				Adjusted Income Statements			
	Fiscal Year Ending ("FYE")				FYE				FYE			
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Revenues												
Net premium income	\$ 340,226,716	\$ 337,761,451	\$ 456,025,705	\$ 569,391,716					\$ 340,226,716	\$ 337,761,451	\$ 456,025,705	\$ 569,391,716
ASO claim reimbursement	138,730,722	142,360,066	144,154,010	85,018,382	(138,730,722)	(142,360,066)	(144,154,010)	(85,018,382)	-	-	-	-
ASO administration revenue	8,656,162	11,454,089	16,441,464	13,770,081					8,656,162	11,454,089	16,441,464	13,770,081
Copayments and cost sharing reduction	68,188,252	68,149,282	86,888,391	83,390,636	(68,188,252)	(68,149,282)	(86,888,391)	(83,390,636)	-	-	-	-
Allowance for doubtful copayments	(904,173)	(2,261,810)	(4,029,286)	(1,772,270)	904,173	2,261,810	4,029,286	1,772,270	-	-	-	-
Beacon Consortium revenue	788,868	89,664	-	-					788,868	89,664	-	-
CNIC revenue	16,047,791	15,363,939	13,324,128	12,407,798					16,047,791	15,363,939	13,324,128	12,407,798
Actuarial and consulting income	940,720	1,770,556	1,643,022	-	(940,720)	(1,770,556)	(1,643,022)	-	-	-	-	-
Total revenues	\$ 572,675,058	\$ 574,687,237	\$ 714,447,434	\$ 762,206,343	\$ (206,955,521)	\$ (210,018,094)	\$ (228,656,137)	\$ (166,636,748)	\$ 365,719,537	\$ 364,669,143	\$ 485,791,297	\$ 595,569,595
Expenses												
Medical expenses:												
Ambulatory - current	\$ 208,687,220	\$ 219,524,231	\$ 278,836,240	\$ 276,790,877					\$ 208,687,220	\$ 219,524,231	\$ 278,836,240	\$ 276,790,877
Ambulatory - prior year	2,151,987	15,532,402	5,033,888	(8,390,247)					2,151,987	15,532,402	5,033,888	(8,390,247)
Physician incentives	1,557,076	1,467,006	1,544,977	771,522					1,557,076	1,467,006	1,544,977	771,522
Hospital - current	209,464,825	201,310,726	303,714,891	324,922,326					209,464,825	201,310,726	303,714,891	324,922,326
Hospital - prior year	1,844,217	(10,328,584)	3,629,418	(2,366,968)					1,844,217	(10,328,584)	3,629,418	(2,366,968)
Reinsurance recoveries	(1,228,527)	(120,148)	(49,943,984)	(51,402,749)					(1,228,527)	(120,148)	(49,943,984)	(51,402,749)
Subrogation recoveries	(752,437)	(806,236)	(1,213,363)	(1,155,217)					(752,437)	(806,236)	(1,213,363)	(1,155,217)
Drugs	67,475,161	68,874,152	97,114,933	139,411,226					67,475,161	68,874,152	97,114,933	139,411,226
Pharmacy rebates	(2,572,661)	(4,392,145)	(3,954,254)	(6,500,631)					(2,572,661)	(4,392,145)	(3,954,254)	(6,500,631)
Stop loss claims	4,954,456	519,175	484,450	1,211,060					4,954,456	519,175	484,450	1,211,060
Home health	-	-	-	-					-	-	-	-
Reinsurance	870,302	402,242	4,426,407	3,625,704					870,302	402,242	4,426,407	3,625,704
Other medical	654,743	956,730	919,076	717,303					654,743	956,730	919,076	717,303
Health care quality costs	4,030,353	5,332,322	5,044,449	3,820,601					4,030,353	5,332,322	5,044,449	3,820,601
Health care quality management fee	-	-	-	-					-	-	-	-
ASO claim reimbursement	-	-	-	-	(138,730,722)	(142,360,066)	(144,154,010)	(85,018,382)	(138,730,722)	(142,360,066)	(144,154,010)	(85,018,382)
Copayments	-	-	-	-	(68,188,252)	(68,149,282)	(86,888,391)	(83,390,636)	(68,188,252)	(68,149,282)	(86,888,391)	(83,390,636)
Allowance for doubtful copayments	-	-	-	-	904,173	2,261,810	4,029,286	1,772,270	904,173	2,261,810	4,029,286	1,772,270
Total medical expenses	497,136,715	498,271,873	645,637,128	681,454,807	(206,014,801)	(208,247,538)	(227,013,115)	(166,636,748)	291,121,914	290,024,335	418,624,013	514,818,059
Administrative expenses												
Payroll expenses	43,122,940	45,679,887	45,197,553	49,780,486	(658,588)	(1,298,530)	(1,326,503)	-	42,464,352	44,381,357	43,871,050	49,780,486
Broker commissions	9,632,023	8,748,801	8,821,480	9,040,341					9,632,023	8,748,801	8,821,480	9,040,341
ACA Regulatory Fees	-	-	7,811,307	8,059,811					-	-	7,811,307	8,059,811
Other operating expenses	32,699,341	35,062,146	42,594,851	46,713,823	209,581	417,675	624,759	-	32,908,922	35,479,821	43,219,610	46,713,823
Total administrative expenses	85,454,304	89,490,834	104,425,191	113,594,461	(449,007)	(880,855)	(701,744)	-	85,005,297	88,609,979	103,723,447	113,594,461
Total expenses	\$ 582,591,019	\$ 587,762,707	\$ 750,062,319	\$ 795,049,268	\$ (206,463,808)	\$ (209,128,393)	\$ (227,714,859)	\$ (166,636,748)	\$ 376,127,211	\$ 378,634,314	\$ 522,347,460	\$ 628,412,520

Notes:

¹ To reclassify ASO claims reimbursement and co-payments to offset medical expenses.

² To remove income and expenses from LEIF, a subsidiary of RMHP which was sold in 2014.

Note: For presentation purposes, the above amounts have been rounded to the nearest whole number. Therefore the column totals may vary slightly from the amount indicated.



DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

	Historical Income Statements				Income Statement Adjustments				Adjusted Income Statements			
	Fiscal Year Ending ("FYE")				FYE				FYE			
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Gross operating income/(loss)	\$ (9,915,961)	\$ (13,075,470)	\$ (35,614,885)	\$ (32,842,925)	\$ (491,713)	\$ (889,701)	\$ (941,278)	\$ -	\$ (10,407,674)	\$ (13,965,171)	\$ (36,556,163)	\$ (32,842,925)
Withholds returned to provider	(1,357,025)	(444,873)	-	-					(1,357,025)	(444,873)	-	-
Contingency withholds retained	9,789,712	8,006,366	11,286,084	3,610,768					9,789,712	8,006,366	11,286,084	3,610,768
Net operating income/(loss)	\$ (1,483,274)	\$ (5,513,977)	\$ (24,328,801)	\$ (29,232,157)	\$ (491,713)	\$ (889,701)	\$ (941,278)	\$ -	\$ (1,974,987)	\$ (6,403,678)	\$ (25,270,079)	\$ (29,232,157)
Non-operating income and expense												
Net investment income	\$ 8,223,810	\$ 5,383,729	\$ 3,871,592	\$ 2,518,662	\$ (4,413,960)	\$ (1,579,129)	\$ -	\$ (2,518,662)	³ \$ 3,809,850	\$ 3,804,600	\$ 3,871,592	\$ -
Gain/(loss) on sale of assets	687	(1,716,566)	(3,660)	(3,826)	(687)	1,716,566	3,660	3,826	⁴ -	-	-	-
Miscellaneous income	921,378	928,010	991,790	793,333					921,378	928,010	991,790	793,333
Grant Revenue	-	214,903	623,651	288,178	-	(214,903)	(623,651)	(288,178)	⁵ -	-	-	-
ASO solutions network rental	298,472	336,444	371,316	393,092					298,472	336,444	371,316	393,092
Allowance for bad debt - CMS audit	67,031	-	-	-					67,031	-	-	-
Corporate contributions	(595,084)	(1,014,750)	(853,827)	(566,868)	595,084	1,014,750	853,827	566,868	⁵ -	-	-	-
Colorado Beacon Consortium	(426,004)	(64,824)	(19,438)	-					(426,004)	(64,824)	(19,438)	-
Premium deficiency reserve	(3,199,821)	3,199,821	-	-					(3,199,821)	3,199,821	-	-
Total non-operating income/(expense)	\$ 5,290,469	\$ 7,266,767	\$ 4,981,424	\$ 3,422,571	\$ (3,819,563)	\$ 937,284	\$ 233,836	\$ (2,236,146)	\$ 1,470,906	\$ 8,204,051	\$ 5,215,260	\$ 1,186,425
Earnings before taxes ("EBT")	\$ 3,807,195	\$ 1,752,790	\$ (19,347,377)	\$ (25,809,586)	\$ (4,311,276)	\$ 47,583	\$ (707,442)	\$ (2,236,146)	\$ (504,081)	\$ 1,800,373	\$ (20,054,819)	\$ (28,045,732)
Income taxes	1,323,170	889,827	(144,322)	(201,477)	(182,000)	(330,000)	(349,000)		² 1,141,170	559,827	(493,322)	(201,477)
Net Income	\$ 2,484,025	\$ 862,963	\$ (19,203,055)	\$ (25,608,109)	\$ (4,129,276)	\$ 377,583	\$ (358,442)	\$ (2,236,146)	\$ (1,645,251)	\$ 1,240,546	\$ (19,561,497)	\$ (27,844,255)

Source: Internally-prepared consolidating income statements for each year.

Notes:

² To remove income and expenses from LEIF, a subsidiary of RMHP which was sold in 2014.

³ To eliminate investment income related to the non-operating investment balance.

⁴ To remove non-recurring gain/(loss) on sale of assets.

⁵ To remove non-operating income/(expense).

Note: For presentation purposes, the above amounts have been rounded to the nearest whole number. Therefore the column totals may vary slightly from the amount indicated.



DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

EXHIBIT B-2: HISTORICAL CONSOLIDATING INCOME STATEMENT – 2012

	2012 Consolidating Income Statement						Consolidated Totals	Intercompany Eliminations	Net Consolidated
	HMO	HCO	RMHMC	CNIC	LEIF				
Revenues									
Net premium income	\$ 171,359,277	\$ 168,867,439	\$ -	\$ -	\$ -	\$ -	\$ 340,226,716	\$ -	\$ 340,226,716
ASO claim reimbursement	138,727,830	2,892	-	-	-	-	138,730,722	-	138,730,722
ASO administration revenue	8,624,798	31,364	-	-	-	-	8,656,162	-	8,656,162
Copayments	34,168,184	34,020,068	-	-	-	-	68,188,252	-	68,188,252
Allowance for doubtful copayments	(1,424,166)	519,993	-	-	-	-	(904,173)	-	(904,173)
Management services	-	-	39,777,081	-	-	-	39,777,081	(39,777,081)	-
Beacon Consortium revenue	-	-	788,868	-	-	-	788,868	-	788,868
Bridge funds	-	-	-	-	-	-	-	-	-
CNIC revenue	-	-	-	16,225,562	-	-	16,225,562	(177,771)	16,047,791
Actuarial and consulting income	-	-	-	-	1,280,978	-	1,280,978	(340,258)	940,720
Total revenues	\$ 351,455,923	\$ 203,441,756	\$ 40,565,949	\$ 16,225,562	\$ 1,280,978	\$ -	\$ 612,970,168	\$ (40,295,110)	\$ 572,675,058
Operating expenses									
Medical expenses:									
Ambulatory - current	\$ 145,420,768	\$ 63,358,535	-	-	-	-	\$ 208,779,303	\$ (92,083)	\$ 208,687,220
Ambulatory - prior year	1,385,624	766,363	-	-	-	-	2,151,987	-	2,151,987
Physician incentives	1,295,663	261,413	-	-	-	-	1,557,076	-	1,557,076
Hospital - current	103,455,963	106,008,862	-	-	-	-	209,464,825	-	209,464,825
Hospital - prior year	1,746,072	98,145	-	-	-	-	1,844,217	-	1,844,217
Reinsurance recoveries	(38,323)	(1,190,204)	-	-	-	-	(1,228,527)	-	(1,228,527)
Subrogation recoveries	(361,263)	(391,174)	-	-	-	-	(752,437)	-	(752,437)
Drugs	51,922,240	15,552,921	-	-	-	-	67,475,161	-	67,475,161
Pharmacy rebates	(1,902,007)	(670,654)	-	-	-	-	(2,572,661)	-	(2,572,661)
Stop loss claims	-	4,954,456	-	-	-	-	4,954,456	-	4,954,456
Home health	2,191,393	-	-	-	-	-	2,191,393	(2,191,393)	-
Reinsurance	232,433	637,869	-	-	-	-	870,302	-	870,302
Other medical	546,854	107,889	-	-	-	-	654,743	-	654,743
Health care quality costs	2,829,233	1,201,120	-	-	-	-	4,030,353	-	4,030,353
Health care quality management fee	1,923,135	913,708	-	-	-	-	2,836,841	(2,836,841)	-
Total medical expense	310,647,785	191,609,247	-	-	-	-	502,257,032	(5,120,317)	497,136,715
Gross margin	40,808,138	11,832,509	40,565,949	16,225,562	1,280,978	-	110,713,136	(35,174,793)	75,538,343
Operating expenses									
Management services	23,432,172	11,023,896	-	-	-	-	34,456,068	(34,456,068)	-
Payroll expenses	-	-	31,698,746	10,966,302	658,588	-	43,323,636	(200,696)	43,122,940
Goodwill impairment	-	-	-	-	-	-	-	-	-
Broker commissions	2,417,820	7,214,203	-	-	-	-	9,632,023	-	9,632,023
Other operating expenses	14,683,563	7,334,420	6,328,094	4,740,616	130,677	-	33,217,370	(518,029)	32,699,341
Total expenses	40,533,555	25,572,519	38,026,840	15,706,918	789,265	\$ -	120,629,097	(35,174,793)	85,454,304
Total operating expenses	\$ 351,161,340	\$ 217,181,766	\$ 38,026,840	\$ 15,706,918	\$ 789,265	\$ -	\$ 622,886,129	\$ (40,295,110)	\$ 582,591,019
Gross operating income/(loss)	\$ 274,583	\$ (13,740,010)	\$ 2,539,109	\$ 518,644	\$ 491,713	\$ -	(9,915,961)	\$ -	(9,915,961)
Withholds returned to provider	(1,075,567)	(281,458)	-	-	-	-	(1,357,025)	-	(1,357,025)
Contingency withholds retained	9,078,234	711,478	-	-	-	-	9,789,712	-	9,789,712
Net operating income/(loss)	\$ 8,277,250	\$ (13,309,990)	\$ 2,539,109	\$ 518,644	\$ 491,713	\$ -	(1,483,274)	\$ -	(1,483,274)
Non-operating income and expense									
Net investment income	6,174,800	2,027,032	15,231	6,747	-	-	8,223,810	-	8,223,810
Equity loss in CNIC	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	687	-	-	687	-	687
Miscellaneous income	440,307	81,647	397,024	2,400	-	-	921,378	-	921,378
ASO solutions network rental	298,472	-	-	-	-	-	298,472	-	298,472
Allowance for bad debt - CMS audit	67,031	-	-	-	-	-	67,031	-	67,031
Corporate contributions	(595,084)	-	-	-	-	-	(595,084)	-	(595,084)
Special assessment- "BridgeFunds"	-	-	-	-	-	-	-	-	-
Colorado Beacon Consortium	(426,004)	-	-	-	-	-	(426,004)	-	(426,004)
Premium deficiency reserve	-	(3,199,821)	-	-	-	-	(3,199,821)	-	(3,199,821)
Total non-operating income/(expense)	5,959,522	(1,091,142)	412,255	9,834	-	-	5,290,469	-	5,290,469
EBT	\$ 14,236,772	\$ (14,401,132)	\$ 2,951,364	\$ 528,478	\$ 491,713	\$ -	3,807,195	\$ -	\$ 3,807,195
Income taxes	-	(182,000)	1,119,844	203,326	182,000	-	1,323,170	-	1,323,170
Net income	\$ 14,236,772	\$ (14,219,132)	\$ 1,831,520	\$ 325,152	\$ 309,713	\$ -	\$ 2,484,025	\$ -	\$ 2,484,025



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DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

EXHIBIT B-3: HISTORICAL CONSOLIDATING INCOME STATEMENT – 2013

2013 Consolidating Income Statement								
	HMO	HCO	RMHMC	CNIC	LEIF	Consolidated Totals	Intercompany Eliminations	Net Consolidated
Revenues								
Net premium income	\$ 167,537,092	\$ 170,224,359	\$ -	\$ -	\$ -	\$ 337,761,451	\$ -	\$ 337,761,451
ASO claim reimbursement	142,360,066	-	-	-	-	142,360,066	-	142,360,066
ASO administration revenue	11,275,461	178,628	-	-	-	11,454,089	-	11,454,089
Copayments	35,070,837	33,078,445	-	-	-	68,149,282	-	68,149,282
Allowance for doubtful copayments	(2,013,550)	(248,260)	-	-	-	(2,261,810)	-	(2,261,810)
Management services	-	-	40,835,749	-	-	40,835,749	(40,835,749)	-
Beacon Consortium revenue	-	-	89,664	-	-	89,664	-	89,664
Bridge funds	-	-	-	-	-	-	-	-
CNIC revenue	-	-	-	15,484,140	-	15,484,140	(120,201)	15,363,939
Actuarial and consulting income	-	-	-	-	2,486,646	2,486,646	(716,090)	1,770,556
Total revenues	\$ 354,229,906	\$ 203,233,172	\$ 40,925,413	\$ 15,484,140	\$ 2,486,646	\$ 616,359,277	\$ (41,672,040)	\$ 574,687,237
Operating expenses								
<i>Medical expenses:</i>								
Ambulatory - current	\$ 151,706,044	\$ 67,902,563	\$ -	\$ -	\$ -	\$ 219,608,607	\$ (84,376)	\$ 219,524,231
Ambulatory - prior year	8,102,032	7,430,370	-	-	-	15,532,402	-	15,532,402
Physician incentives	1,221,657	245,349	-	-	-	1,467,006	-	1,467,006
Hospital - current	100,178,129	101,132,597	-	-	-	201,310,726	-	201,310,726
Hospital - prior year	(2,933,464)	(7,395,120)	-	-	-	(10,328,584)	-	(10,328,584)
Reinsurance recoveries	(33,249)	(86,899)	-	-	-	(120,148)	-	(120,148)
Subrogation recoveries	(351,242)	(454,994)	-	-	-	(806,236)	-	(806,236)
Drugs	52,319,325	16,554,827	-	-	-	68,874,152	-	68,874,152
Pharmacy rebates	(3,244,633)	(1,147,512)	-	-	-	(4,392,145)	-	(4,392,145)
Stop loss claims	-	519,175	-	-	-	519,175	-	519,175
Home health	2,288,308	-	-	-	-	2,288,308	(2,288,308)	-
Reinsurance	160,968	241,274	-	-	-	402,242	-	402,242
Other medical	773,273	183,457	-	-	-	956,730	-	956,730
Health care quality costs	3,832,712	1,499,610	-	-	-	5,332,322	-	5,332,322
Health care quality management fee	2,498,686	1,336,042	-	-	-	3,834,728	(3,834,728)	-
Total medical expense	316,518,546	187,960,739	-	-	-	504,479,285	(6,207,412)	498,271,873
Gross margin	37,711,360	15,272,433	40,925,413	15,484,140	2,486,646	111,879,992	(35,464,628)	76,415,364
<i>Operating expenses</i>								
Management services	22,909,820	11,512,466	-	-	-	34,422,286	(34,422,286)	-
Payroll expenses	-	-	33,995,714	10,591,695	1,298,530	45,885,939	(206,052)	45,679,887
Goodwill impairment	-	-	-	-	-	-	-	-
Broker commissions	2,459,702	6,289,099	-	-	-	8,748,801	-	8,748,801
Other operating expenses	17,692,714	7,570,327	6,111,941	4,225,040	298,415	35,898,437	(836,291)	35,062,146
Total expenses	43,062,236	25,371,892	40,107,655	14,816,735	1,596,945	124,955,463	(35,464,629)	89,490,834
Total operating expenses	359,580,782	213,332,631	40,107,655	14,816,735	1,596,945	629,434,748	(41,672,041)	587,762,707
Gross operating income/(loss)	(5,350,876)	(10,099,459)	817,758	667,405	889,701	(13,075,471)	1	(13,075,470)
Withholds returned to provider	-	(444,873)	-	-	-	(444,873)	-	(444,873)
Contingency withholds retained	7,299,515	706,851	-	-	-	8,006,366	-	8,006,366
Net operating income/(loss)	1,948,639	(9,837,481)	817,758	667,405	889,701	(5,513,978)	1	(5,513,977)
Non-operating income and expense								
Net investment income	4,020,028	1,339,049	27,341	(3,459)	770	5,383,729	-	5,383,729
Equity loss in CNIC	-	-	-	-	-	-	-	-
Gain/(loss) on sale of assets	(1,716,398)	-	-	(168)	-	(1,716,566)	-	(1,716,566)
Miscellaneous income	437,653	29,197	458,760	2,400	-	928,010	-	928,010
Grant Revenue	115,167	-	99,736	-	-	214,903	-	214,903
ASO solutions network rental	336,444	-	-	-	-	336,444	-	336,444
Allowance for bad debt - CMS audit	-	-	-	-	-	-	-	-
Dividends	-	750,000	-	-	-	750,000	(750,000)	-
Corporate contributions	(1,014,750)	-	-	-	-	(1,014,750)	-	(1,014,750)
Special assessments- "BridgeFunds"	-	-	-	-	-	-	-	-
Colorado Beacon Consortium	(64,824)	-	-	-	-	(64,824)	-	(64,824)
Premium deficiency reserve	-	3,199,821	-	-	-	3,199,821	-	3,199,821
Total non-operating income/(expense)	2,113,320	5,318,067	585,837	(1,227)	770	8,016,767	(750,000)	7,266,767
EBT	4,061,959	(4,519,414)	1,403,595	666,178	890,471	2,502,789	(749,999)	1,752,790
Income taxes	-	(339,950)	646,071	253,706	330,000	889,827	-	889,827
Net income	\$ 4,061,959	\$ (4,179,464)	\$ 757,524	\$ 412,472	\$ 560,471	\$ 1,612,962	\$ (749,999)	\$ 862,963



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DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

EXHIBIT B-4: HISTORICAL CONSOLIDATING INCOME STATEMENT – 2014

	2014 Consolidating Income Statement							
	HMO	HCO	RMHMC	CNIC	LEIF	Consolidated Totals	Intercompany Eliminations	Net Consolidated
Revenues								
Net premium income	349,904,400	106,121,305	-	-	-	456,025,705	-	456,025,705
ASO claim reimbursement	144,154,010	-	-	-	-	144,154,010	-	144,154,010
ASO administration revenue	16,387,899	53,565	-	-	-	16,441,464	-	16,441,464
Copayments	60,584,644	16,205,553	-	-	-	76,790,197	-	76,790,197
Cost sharing reduction	4,714,691	-	-	-	-	4,714,691	-	4,714,691
Allowance for doubtful copayments	(4,029,286)	-	-	-	-	(4,029,286)	-	(4,029,286)
Copayments IDNR	6,333,697	(950,194)	-	-	-	5,383,503	-	5,383,503
Management services	-	-	40,631,946	-	-	40,631,946	(40,631,946)	-
Beacon Consortium revenue	-	-	-	-	-	-	-	-
Bridge funds	-	-	-	-	-	-	-	-
CNIC revenue	-	-	-	13,454,460	-	13,454,460	(130,332)	13,324,128
Actuarial and consulting income	-	-	-	-	2,583,086	2,583,086	(940,064)	1,643,022
Total revenues	\$ 578,050,055	\$ 121,430,229	\$ 40,631,946	\$ 13,454,460	\$ 2,583,086	\$ 756,149,776	\$ (41,702,342)	\$ 714,447,434
Operating expenses								
<i>Medical expenses:</i>								
Ambulatory - current	241,168,015	\$ 37,828,417	\$ -	\$ -	\$ -	\$ 278,996,432	\$ (160,192)	\$ 278,836,240
Ambulatory - prior year	3,691,174	1,342,714	-	-	-	5,033,888	-	5,033,888
Physician incentives	1,434,187	110,790	-	-	-	1,544,977	-	1,544,977
Hospital - current	241,609,440	62,105,451	-	-	-	303,714,891	-	303,714,891
Hospital - prior year	3,162,976	466,442	-	-	-	3,629,418	-	3,629,418
Reinsurance recoveries	(5,563,111)	(3,785,933)	-	-	-	(9,349,044)	-	(9,349,044)
HHS reinsurance recoveries	(40,594,940)	-	-	-	-	(40,594,940)	-	(40,594,940)
Subrogation recoveries	(672,017)	(541,346)	-	-	-	(1,213,363)	-	(1,213,363)
Drugs	83,727,994	13,386,939	-	-	-	97,114,933	-	97,114,933
Pharmacy rebates	(3,193,609)	(760,645)	-	-	-	(3,954,254)	-	(3,954,254)
Stop loss claims	-	484,450	-	-	-	484,450	-	484,450
Home health	2,037,097	-	-	-	-	2,037,097	(2,037,097)	-
Reinsurance	2,777,888	413,324	-	-	-	3,191,212	-	3,191,212
ACA reinsurance expense	1,235,195	-	-	-	-	1,235,195	-	1,235,195
Other medical	848,186	70,890	-	-	-	919,076	-	919,076
Health care quality costs	4,273,579	770,870	-	-	-	5,044,449	-	5,044,449
Health care quality management fee	3,613,490	609,038	-	-	-	4,222,528	(4,222,528)	-
Total medical expense	539,555,544	112,501,401	-	-	-	652,056,945	(6,419,817)	645,637,128
Gross margin	38,494,511	8,928,828	40,631,946	13,454,460	2,583,086	104,092,831	(35,282,525)	68,810,306
<i>Operating expenses</i>								
Management services	29,838,618	4,294,399	-	-	-	34,133,017	(34,133,017)	-
Payroll expenses	-	-	34,196,863	9,753,301	1,326,503	45,276,667	(79,114)	45,197,553
Goodwill impairment	-	-	-	-	-	-	-	-
Broker commissions	5,375,359	3,446,121	-	-	-	8,821,480	-	8,821,480
ACA regulatory fees	4,231,234	3,580,073	-	-	-	7,811,307	-	7,811,307
Other operating expenses	26,959,923	5,328,105	7,628,455	3,563,868	315,305	43,795,656	(1,200,805)	42,594,851
Total expenses	66,405,134	16,648,698	41,825,318	13,317,169	1,641,808	139,838,127	(35,412,936)	104,425,191
Total operating expenses	605,960,678	129,150,099	41,825,318	13,317,169	1,641,808	791,895,072	(41,832,753)	750,062,319
Gross operating income/(loss)	(27,910,623)	(7,719,870)	(1,193,372)	137,291	941,278	(35,745,296)	130,411	(35,614,885)
Withholds returned to provider	-	-	-	-	-	-	-	-
Contingency withholds retained	10,813,854	472,530	-	-	-	11,286,084	-	11,286,084
Net operating income/(loss)	(17,097,069)	(7,247,340)	(1,193,372)	137,291	941,278	(24,459,212)	130,411	(24,328,801)
Non-operating income and expense								
Net investment income	2,894,779	946,923	29,279	-	611	3,871,592	-	3,871,592
Equity loss in CNIC	-	-	-	-	-	-	-	-
Gain/(loss) on sale of assets	(3,660)	-	-	-	-	(3,660)	-	(3,660)
Miscellaneous income	518,964	4,947	584,384	13,904	-	1,122,199	(130,409)	991,790
Grant revenue	623,651	-	-	-	-	623,651	-	623,651
ASO solutions network rental	371,316	-	-	-	-	371,316	-	371,316
Allowance for bad debt - CMS audit	-	-	-	-	-	-	-	-
Dividends	-	600,000	-	-	-	600,000	(600,000)	-
Corporate contributions	(853,827)	-	-	-	-	(853,827)	-	(853,827)
Special assessment- "BridgeFunds"	-	-	-	-	-	-	-	-
Colorado Beacon Consortium	(19,438)	-	-	-	-	(19,438)	-	(19,438)
Premium deficiency reserve	-	-	-	-	-	-	-	-
Total non-operating income/(expense)	3,531,785	1,551,870	613,663	13,904	611	5,711,833	(730,409)	4,981,424
EBT	(13,565,284)	(5,695,470)	(579,709)	151,195	941,889	(18,747,379)	(599,998)	(19,347,377)
Income taxes	-	(377,900)	(173,781)	58,359	349,000	(144,322)	-	(144,322)
Net income	\$ (13,565,284)	\$ (5,317,570)	\$ (405,928)	\$ 92,836	\$ 592,889	\$ (18,603,057)	\$ (599,998)	\$ (19,203,055)



DISCUSSION DOCUMENT REGARDING THE FAIR MARKET VALUE ANALYSIS OF
100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
D/B/A ROCKY MOUNTAIN HEALTH PLANS

EXHIBIT B-5: HISTORICAL CONSOLIDATING INCOME STATEMENT – 2015

	HMO	HCO	RMHMC	CNIC	Consolidated Totals	Intercompany Eliminations	Net Consolidated
Revenues							
Net premium income	483,849,876	85,541,840	-	-	569,391,716	-	569,391,716
ASO claim reimbursement	85,018,382	-	-	-	85,018,382	-	85,018,382
ASO administration revenue	13,770,081	-	-	-	13,770,081	-	13,770,081
Copayments	66,357,769	12,737,545	-	-	79,095,314	-	79,095,314
Cost sharing reduction	6,075,848	-	-	-	6,075,848	-	6,075,848
Allowance for doubtful copayments	(1,772,270)	-	-	-	(1,772,270)	-	(1,772,270)
Copayments IBNR	(1,762,702)	(17,824)	-	-	(1,780,526)	-	(1,780,526)
Management services	-	-	50,401,127	-	50,401,127	(50,401,126)	1
Beacon Consortium revenue	-	-	-	-	-	-	-
Bridge funds	-	-	-	-	-	-	-
CNIC revenue	-	-	-	12,549,841	12,549,841	(142,043)	12,407,798
Actuarial and consulting income	-	-	-	-	-	-	-
Total revenues	\$ 651,536,984	\$ 98,261,561	\$ 50,401,127	\$ 12,549,841	\$ 812,749,513	(50,543,169)	762,206,344
Operating expenses							
Medical expenses:							
Ambulatory - current	246,882,785	30,142,541	\$ -	\$ -	277,025,326	(234,449)	276,790,877
Ambulatory - prior year	(8,372,380)	(17,867)	-	-	(8,390,247)	-	(8,390,247)
Ambulatory - current	723,606	47,916	-	-	771,522	-	771,522
Hospital - current	277,717,415	47,204,911	-	-	324,922,326	-	324,922,326
Hospital - prior year	(1,429,893)	(937,075)	-	-	(2,366,968)	-	(2,366,968)
Reinsurance recoveries	(1,835,387)	(2,089,165)	-	-	(3,924,552)	-	(3,924,552)
HHS reinsurance recoveries	(33,969,058)	-	-	-	(33,969,058)	-	(33,969,058)
HHS reinsurance recoveries - prior year	(13,509,139)	-	-	-	(13,509,139)	-	(13,509,139)
Subrogation recoveries	(727,505)	(427,712)	-	-	(1,155,217)	-	(1,155,217)
Drugs	127,689,319	11,721,907	-	-	139,411,226	-	139,411,226
Pharmacy rebates	(5,866,768)	(633,863)	-	-	(6,500,631)	-	(6,500,631)
Stop loss claims	-	1,211,060	-	-	1,211,060	-	1,211,060
Home health	2,677,719	-	-	-	2,677,719	(2,677,719)	-
Reinsurance	2,253,774	517,521	-	-	2,771,295	-	2,771,295
ACA reinsurance expense	854,409	-	-	-	854,409	-	854,409
Other medical	701,229	16,074	-	-	717,303	-	717,303
Health care quality costs	3,379,187	441,414	-	-	3,820,601	-	3,820,601
Health care quality management fee	3,866,528	519,422	-	-	4,385,950	(4,385,950)	-
Total medical expense	601,035,841	87,717,084	-	-	688,752,925	(7,238,118)	681,454,807
Gross margin	50,501,143	10,544,477	50,401,127	12,549,841	123,996,588	(43,245,051)	80,751,537
Operating expenses:							
Management services	38,207,139	4,847,230	-	-	43,054,369	(43,054,369)	-
Payroll expenses	-	-	40,908,434	8,920,691	49,829,125	(48,639)	49,780,486
Goodwill impairment	-	-	-	-	-	-	-
Broker commissions	6,168,690	2,871,651	-	-	9,040,341	-	9,040,341
ACA regulatory fees	5,561,954	2,497,857	-	-	8,059,811	-	8,059,811
Other operating expenses	30,484,687	3,673,913	9,447,167	3,394,488	47,000,275	(296,452)	46,713,823
Total operating expenses	80,422,490	13,899,651	50,355,601	12,315,189	156,983,921	(43,389,460)	113,594,461
Total operating expenses	681,458,321	101,607,735	50,355,601	12,315,189	845,736,846	(50,687,578)	795,049,268
Gross operating income/(loss)	(29,921,337)	(3,346,174)	45,526	234,652	(32,987,333)	144,409	(32,842,924)
Withholds returned to provider	-	-	-	-	-	-	-
Contingency withholds retained	3,441,834	168,934	-	-	3,610,768	-	3,610,768
Net operating income/(loss)	(26,479,503)	(3,177,240)	45,526	234,652	(29,376,565)	144,409	(29,232,156)
Non-operating income and expense							
Net investment income	4,143,221	(1,647,755)	14,646	8,550	2,518,662	-	2,518,662
Gain/(loss) on sale of assets	(3,826)	-	-	-	(3,826)	-	(3,826)
Miscellaneous income	384,673	2,590	550,479	-	937,742	(144,409)	793,333
Grant Revenue	288,178	-	-	-	288,178	-	288,178
ASO solutions network rental	393,092	-	-	-	393,092	-	393,092
Allowance for bad debt - CMS audit	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Corporate contributions	(566,868)	-	-	-	(566,868)	-	(566,868)
Special assessment - "BridgeFunds"	-	-	-	-	-	-	-
Colorado Beacon Consortium	-	-	-	-	-	-	-
Premium deficiency reserve	-	-	-	-	-	-	-
Total non-operating income/(expense)	4,638,470	(1,645,165)	565,125	8,550	3,566,980	(144,409)	3,422,571
EBT	(21,841,033)	(4,822,405)	610,651	243,202	(25,809,585)	-	(25,809,585)
Income taxes	-	(577,618)	280,457	95,684	(201,477)	-	(201,477)
Net income	\$ (21,841,033)	\$ (4,244,787)	\$ 330,194	\$ 147,516	\$ (25,608,108)	-	(25,608,108)



EXHIBIT C-1: COMMERCIAL NET PREMIUM INCOME BENCHMARK

Redacted. See Vaughn Index.



EXHIBIT C-2: EXPENSE BENCHMARK ANALYSIS

Redacted. See Vaughn Index.



EXHIBIT C-3: HISTORICAL REVENUE AND GROSS PROFIT BY PRODUCT CATEGORY

Redacted. See Vaughn Index.



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EXHIBIT D-1: DISCOUNTED CASH FLOW ANALYSIS AND INDICATION OF VALUE

Exhibit Reference	Adjusted FYE				Projected					Terminal Period
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	2016	2017	2018	2019	2020	

Redacted. See Vaughn Index.



EXHIBIT D-2: CONSOLIDATED PROJECTIONS

Redacted. See Vaughn Index.



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EXHIBIT D-2A: HMO HISTORICAL AND PROJECTED ACTIVITY BY PRODUCT CATEGORY

HMO ENTITY HISTORICAL AND PROJECTED ACTIVITY									
	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted FYE				Projected				
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	2016	2017	2018	2019	2020
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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EXHIBIT D-2B: HCO HISTORICAL AND PROJECTED ACTIVITY BY PRODUCT CATEGORY

HCO ENTITY HISTORICAL AND PROJECTED ACTIVITY									
	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
12/31/2012	12/31/2013	12/31/2014	12/31/2015						
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
12/31/2012	12/31/2013	12/31/2014	12/31/2015						
Redacted. See Vaughn Index.									



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	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



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EXHIBIT D-2C: CNIC HISTORICAL AND PROJECTED ACTIVITY BY PRODUCT CATEGORY

CNIC HISTORICAL AND PROJECTED ACTIVITY									
	Adjusted				Projected				
	FYE				2016	2017	2018	2019	2020
	12/31/2012	12/31/2013	12/31/2014	12/31/2015					
Redacted. See Vaughn Index.									



EXHIBIT D-3: DEPRECIATION ANALYSIS AND ASSUMPTIONS

		Projected				
	2016	2017	2018	2019	2020	Terminal Period
Redacted. See Vaughn Index.						



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EXHIBIT D-4: WORKING CAPITAL ANALYSIS AND ASSUMPTIONS

Adjusted				YTD
FYE				4/30/2016
12/31/2012	12/31/2013	12/31/2014	12/31/2015	

Redacted. See Vaughn Index.



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100% INTEREST IN ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.
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EXHIBIT D-5: DISCOUNT RATE ASSUMPTIONS

Guideline companies	Ticker	Capital Structure				Assumed Tax Rate	Equity Beta ¹	Unlevered Beta	
		Debt	Equity	Debt	Equity				D/E Ratio
1) Health Net, Inc.	HNT	\$684,709,000	\$5,216,208,370	11.6%	88.4%	13.1%	37.1%	0.95	0.88
2) Well Care Health Plans, Inc.	WCG	\$1,097,100,000	\$4,654,912,901	19.1%	80.9%	23.6%	37.1%	1.11	0.97
3) Molina Healthcare, Inc.	MOH	\$1,420,000,000	\$2,856,360,320	33.2%	66.8%	49.7%	37.1%	1.14	0.87
4) Humana, Inc.	HUM	\$3,793,000,000	\$27,653,751,150	12.1%	87.9%	13.8%	37.1%	0.82	0.76
		Low		11.6%	66.8%		37.1%	0.82	0.76
		Mean		19.0%	81.0%		37.1%	1.01	0.87
		Median		15.6%	84.4%		37.1%	1.03	0.87
		High		33.2%	88.4%		37.1%	1.14	0.97
		Selected							0.87

Cost of equity calculations		
Risk free rate of return (20-year treasury bonds) ²		1.99%
Equity Risk Premium ³	6.03%	
Relevered Beta ⁴	1.11	
Beta-adjusted equity risk premium		6.68%
Small stock risk premium ⁵		5.60%
Company specific risk premium ⁶		2.00%
After tax cost of equity (rounded)		16.30%

Cost of Debt Calculations		
Pre-Tax Cost of Debt ⁷		4.50%
Less: Tax Rate	37.1%	-1.67%
After-Tax Cost of Debt		2.83%

Weighted Average Cost of Capital			
	Weight ⁴	Rate	Weighted Rate
Debt	30.0%	2.8%	0.8%
Equity	70.0%	16.3%	11.4%
WACC (rounded)			12.0%

Notes:

- ¹ Source: Daily equity betas based on historical stock prices compared to S&P500. HNT became no longer publicly traded as of March 24, 2016. As such its equity beta is calculated as of this date.
- ² Yield on 20-year U.S. Treasury Bonds as of June 15, 2016. June 15, 2016 is used as a proxy for the prospective valuation date of June 30, 2016.
- ³ Source: 2016 Valuation Handbook - Guide to Cost of Capital Long-Horizon Risk Premium (supply side).
- ⁴ Relevered based on selected capital structure, which considers the collateral capacity and cash flow ability to service debt.
- ⁵ Source: 2016 Valuation Handbook - Guide to Cost of Capital 10th Decile Size Premium.
- ⁶ Company-specific risk based on the uncertainty surrounding reimbursement trends, the recent declines in profitability, and the projected growth of revenues and profitability.
- ⁷ Based on Baa Bond rate as of June 15, 2016. June 15, 2016 is used as a proxy for the prospective valuation date of June 30, 2016.



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EXHIBIT E-1: MERGER AND ACQUISITION TRANSACTION DATA METHOD – SUMMARY VALUE INDICATION

	MVIC Price	Membership Base	Price per member	Net Sales	EBITDA	EBITDA margin	TRANSACTION MULTIPLES	
							MVIC/Sales	MVIC/EBITDA
Medicaid 1st Quartile	\$ 20,244,750	40,500	369	\$ 123,750,000	N/A	N/A	0.13x	N/A
Medicaid Average	43,121,571	98,948	549	232,500,000	N/A	N/A	0.16x	N/A
Medicaid Median	36,644,500	58,000	578	125,000,000	N/A	N/A	0.15x	N/A
Medicaid 3rd Quartile	53,150,000	131,750	672	287,500,000	N/A	N/A	0.19x	N/A
Medicare 1st Quartile	\$ 82,000,000	62,600	1,310	\$ 701,500,000	\$ 31,000,000	N/A	0.24x	4.23x
Medicare Average	217,920,000	155,805	1,546	1,023,000,000	31,000,000	N/A	0.27x	4.23x
Medicare Median	131,000,000	75,000	1,341	1,023,000,000	31,000,000	N/A	0.27x	4.23x
Medicare 3rd Quartile	249,600,000	195,000	1,747	1,344,500,000	31,000,000	N/A	0.30x	4.23x
Commercial/Mix 1st Quartile	\$ 112,300,000	180,000	786	\$ 24,996,500,000	\$ 1,806,275,000	5.9%	0.67x	11.62x
Commercial/Mix Average	20,021,320,000	8,368,200	1,694	33,537,666,667	2,500,850,000	7.5%	0.95x	12.39x
Commercial/Mix Median	8,700,000,000	5,281,000	1,647	35,880,000,000	2,700,000,000	6.5%	0.73x	13.70x
Commercial/Mix 3rd Quartile	37,000,000,000	14,654,000	1,712	43,250,000,000	3,295,000,000	8.7%	1.12x	13.82x
Overall 1st Quartile	\$ 28,516,750	48,000	442	\$ 188,750,000	\$ 251,387,500	6.5%	0.16x	5.55x
Overall Median	52,800,000	68,800	662	415,000,000	471,775,000	6.5%	0.22x	6.88x
Overall Mean	519,665,100	372,265	853	2,809,416,667	471,775,000	6.5%	0.28x	6.88x
Overall 3rd Quartile	95,000,000	196,250	1,287	1,362,000,000	692,162,500	6.5%	0.30x	8.21x

	Indicated Value based on Price per Member Multiples			Indicated Value based on Revenue Multiple	
	Members 2016	Selected	Indicated Value 2016		
Medicaid & Other	36,800	\$ 369	\$ 13,579,200		
Medicare	24,322	\$ 1,310	31,861,820	RMHP - Projected 2016	\$ 525,220,396
Commercial	52,095	\$ 786	40,946,670	Selected multiple	0.16
Total	113,217		\$ 86,387,690	Value indication - invested capital	\$ 86,193,180
		Value weight	50%		50%

Weighted value indication - invested capital \$ 86,290,435
Value indication - invested capital basis, rounded \$ 86,290,400



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EXHIBIT E-2: MERGER AND ACQUISITION TRANSACTION DATA METHOD

ACQUIRER		TARGET COMPANY	TRANSACTION INFO				TARGET LTM RESULTS		TRANSACTION MULTIPLES		
Acquirer	TARGET	Target Description	Sale Date	MVIC Price	Membership Base	Price per member	Net Sales	EBITDA	MVIC/Sales	MVIC/EBITDA	
Medicaid											
AMERIGROUP Corporation	University Health Plan Inc.	Medicaid	3/1/10	\$ 13,420,000	38,000	\$ 353					
Centene Corporation	Carolina Crescent Health Plan	Medicaid	6/1/10	17,993,000	40,000	450	122,500,000		0.15x		
Molina Healthcare, Inc.	Abri Health Plan, Inc.	Medicaid	7/12/10	16,800,000	18,000	933					
Centene Corporation	Citrus Health Care, Inc.	Medicaid and long-term care plans	12/1/10	28,689,000	54,000	531	125,000,000		0.23x		
AMERIGROUP Corporation	Health Plus	Medicaid	10/25/11	85,000,000	323,194	263					
Coventry	Children's Mercy Family Health	Medicaid	10/26/11	52,100,000	210,084	248	450,000,000		0.12x		
WellCare Health Plans	Missouri Care - From Aetna Inc.	Medicaid	1/22/13	28,000,000	116,000	241					
WellCare Health Plans	United Health's SC Medicaid Contract	Medicaid	1/31/13	46,900,000	50,000	938					
Molina Healthcare, Inc.	Community Health Solution of America	Medicaid	7/26/13	57,200,000	137,000	418					
Molina Healthcare, Inc.	Lovelace Community Health plan contracts	Medicaid	8/1/13	53,500,000	84,000	637					
Centene Corporation	Community Health Solution of America (LA Medicaid)	Medicaid	6/5/14	125,000,000	200,000	625					
WellCare Health Plans	Healthfirst Health Plans, Inc.	Medicaid	7/1/14	27,000,000	42,000	643					
Molina Healthcare, Inc.	Healthy Palm Beaches, Inc.	Medicaid	8/1/14	7,500,000	11,000	682					
Molina Healthcare, Inc.	First Coast Advantage, LLC	Medicaid	12/1/14	44,600,000	62,000	719					
				Medicaid 1st Quartile	\$ 20,244,750	\$ 40,500	\$ 369	\$ 123,750,000	N/A	0.13x	N/A
				Medicaid Average	\$ 43,121,571	\$ 98,948	\$ 549	\$ 232,500,000	N/A	0.16x	N/A
				Medicaid Median	\$ 36,644,500	\$ 58,000	\$ 578	\$ 125,000,000	N/A	0.15x	N/A
				Medicaid 3rd Quartile	\$ 53,150,000	\$ 131,750	\$ 672	\$ 287,500,000	N/A	0.19x	N/A
				<i>Coefficient of variation</i>			0.4			0.4	N/A
Medicare											
HealthSpring, Inc.	Bravo Health, Inc.	Medicare Advantage plan	8/27/10	\$ 545,000,000	406,424	\$ 1,341	\$ 1,666,000,000		0.33x		
Munich Health North America	Windsor Health Group, Inc.	Medicare Advantage/ Medicaid	1/4/11	131,000,000	75,000	1,747		31,000,000		4.23x	
Triple-S Management Corp	American Health	Medicare Advantage	2/7/11	82,000,000	40,000	2,050	380,000,000		0.22x		
Humana Inc.	Arcadian Management Services	Medicare Advantage	3/1/12	82,000,000	62,600	1,310					
WellCare Health Plans, Inc.	Windsor Health Group, Inc.	Medicare Advantage/ PDP / Medicare Supp	1/1/14	249,600,000	195,000	1,280					
				Medicare 1st Quartile	\$ 82,000,000	62,600	\$ 1,310	\$ 701,500,000	\$ 31,000,000	0.24x	4.23x
				Medicare Average	\$ 217,920,000	155,805	\$ 1,546	\$ 1,023,000,000	\$ 31,000,000	0.27x	4.23x
				Medicare Median	\$ 131,000,000	75,000	\$ 1,341	\$ 1,023,000,000	\$ 31,000,000	0.27x	4.23x
				Medicare 3rd Quartile	\$ 249,600,000	195,000	\$ 1,280	\$ 1,344,500,000	\$ 31,000,000	0.30x	4.23x
				<i>Coefficient of variation</i>			0.2			0.3	N/A
Commercial & Mixed											
Coventry Health, Inc.	Preferred Health Systems, Inc.	Commercial	2/1/10	\$ 94,300,000	120,000	\$ 786					
Coventry Health, Inc.	MHP, Inc.	Commercial / Medicare Adv	10/1/10	112,300,000	180,000	624					
Aetna Inc.	Coventry Health, Inc.	Commercial / Medicaid / Medicare Adv	5/7/13	8,700,000,000	5,281,000	1,647	14,113,000,000	912,550,000	0.62x	9.53x	
Aetna Inc.	Humana Inc.	Commercial / Medicaid / Medicare Adv	7/3/15	37,000,000,000	21,606,000	1,712	50,620,000,000	2,700,000,000	0.73x	13.70x	
Anthem, Inc.	Cigna Corp.	Commercial / Medicaid / Medicare Adv	7/24/15	54,200,000,000	14,654,000	3,699	35,880,000,000	3,890,000,000	1.51x	13.93x	
				Commercial/Mix 1st Quartile	\$ 112,300,000	180,000	\$ 786	\$ 24,996,500,000	\$ 1,806,275,000	0.67x	11.62x
				Commercial/Mix Average	\$ 20,021,320,000	8,368,200	\$ 1,694	\$ 33,537,666,667	\$ 2,500,850,000	0.95x	12.39x
				Commercial/Mix Median	\$ 8,700,000,000	5,281,000	\$ 1,647	\$ 35,880,000,000	\$ 2,700,000,000	0.73x	13.70x
				Commercial/Mix 3rd Quartile	\$ 37,000,000,000	14,654,000	\$ 1,712	\$ 43,250,000,000	\$ 3,295,000,000	1.12x	13.82x
				<i>Coefficient of variation</i>			0.7			0.5	0.2
				1st Quartile	\$ 28,516,750	48,000	\$ 442	\$ 188,750,000	\$ 251,387,500	0.16x	5.55x
				Median	\$ 52,800,000	68,800	\$ 662	\$ 415,000,000	\$ 471,775,000	0.22x	6.88x
				Mean	\$ 519,665,100	372,265	\$ 853	\$ 2,809,416,667	\$ 471,775,000	0.28x	6.88x
				3rd Quartile	\$ 95,000,000	196,250	\$ 1,287	\$ 1,362,000,000	\$ 692,162,500	0.30x	8.21x



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EXHIBIT F-1: GUIDELINE PUBLIC COMPANY METHOD

	SUBJECT RMHP ¹	GUIDELINE PUBLIC COMPANIES			
		Health Net ²	WellCare	Molina	Humana
Premium Revenue	\$ 479,406,717	\$ 16,181,799,000	\$ 13,944,800,000	\$ 14,265,000,000	\$ 52,601,000,000
EBITDA	10,296,011	\$ 510,486,000	\$ 503,200,000	\$ 505,000,000	\$ 2,454,000,000
EBITDA Margin	2.1%	3.2%	3.6%	3.5%	4.7%
Net income	6,561,844	\$ 185,677,000	\$ 138,200,000	\$ 139,000,000	\$ 1,080,000,000
Total assets (book value)	\$ 209,010,566	\$ 6,397,646,000	\$ 5,319,800,000	\$ 7,183,000,000	\$ 26,934,000,000
Cash	\$ 58,591,842	\$ 996,854,000	\$ 2,391,600,000	\$ 2,156,000,000	\$ 2,801,000,000
Short Term Investments	\$ 12,392,592	\$ 2,218,367,000	\$ 1,824,000,000	\$ 2,070,000,000	\$ 7,738,000,000
Long Term Investments	\$ 48,424,468	\$ 27,580,000	\$ 128,700,000	\$ 116,000,000	\$ 1,940,000,000
Total Cash and Investments	\$ 119,408,902	\$ 3,242,801,000	\$ 4,344,300,000	\$ 4,342,000,000	\$ 12,479,000,000
Cash & Investments % of Total Assets	57% ³	51%	82%	60%	46%
Book Equity	\$ 53,831,468	1,833,080,000	1,767,100,000	1,590,000,000	10,525,000,000
Market Value of Invested Capital (MVIC)					
Shares Outstanding		77,633,701	44,252,428	56,584,000	149,036,654
Share Price as of 6/15/2016 ⁴		\$ 67.19	\$ 105.19	\$ 50.48	\$ 185.55
Market capitalization		\$ 5,216,208,370	\$ 4,654,912,901	\$ 2,856,360,320	\$ 27,653,751,150
Total debt outstanding		684,709,000	1,097,100,000	1,420,000,000	3,793,000,000
MVIC		\$ 5,900,917,370	\$ 5,752,012,901	\$ 4,276,360,320	\$ 31,446,751,150
Multiples					
MVIC/EBITDA (unadjusted)	Selected Multiples ⁵ 8.47x	Guideline Company Multiples			
		11.56x	11.43x	8.47x	12.81x
MVIC/EBITDA					
Selected multiples ⁵	8.47x				
Company-specific adjustment ⁶	10%				
Adjusted multiples	7.62x				
RMHP - Projected 2017	\$ 10,296,011				
Value indication - invested capital as of 2017	\$ 78,465,900				
Present value factor ⁷	0.893				
Present value indication - invested capital as of 6/30/2016, rounded	\$ 70,062,200				

	Low	Median	Average	High
\$	13,944,800,000	\$ 15,223,399,500	\$ 24,248,149,750	\$ 52,601,000,000
	503,200,000	507,743,000	993,171,500	2,454,000,000
	3.2%	3.6%	3.7%	4.7%
	138,200,000	162,338,500	385,719,250	1,080,000,000
\$	5,319,800,000	\$ 6,790,323,000	\$ 11,458,611,500	\$ 26,934,000,000
	46%	56%	60%	82%
\$	2,856,360,320	\$ 4,935,560,636	\$ 10,095,308,185	\$ 27,653,751,150
	684,709,000	1,258,550,000	1,748,702,250	3,793,000,000
\$	4,276,360,320	\$ 5,826,465,136	\$ 11,844,010,435	\$ 31,446,751,150

	Low	Median	Average	High
	8.47x	11.50x	11.07x	12.81x

Footnotes:

Source: Guideline company data from finance.yahoo.com and company SEC filings, for period ending March 31, 2016. RMHP data provided by management.

¹ Revenue, EBITDA, and net income metrics shown for RMHP reflect projected 2017 results.

² HNT ceased being publicly traded as of March 24, 2016. As such, financial information presented is for the period ended December 31, 2015.

³ Excludes Non-Operating Excess Investments.

⁴ As RMHP is being valued as of a prospective date, the share price for June 15, 2016 is used as a proxy for the prospective valuation date of June 30, 2016. HNT share prices is as of HNT's final closing price on March 24, 2016.

⁵ Key factors for selected multiples include size, member mix, and profitability of the public companies as compared to RMHP.

⁶ Company specific adjustment due to RMHP's smaller size and lower EBITDA margin as compared to the GPCs.

⁷ To adjust value indication based on 2017 EBITDA to present value as of June 30, 2016.