STATE OF MINNESOTA | DISTRICT COURT

COUNTY OF RAMSEY | SECOND JUDICIAL DISTRICT

Court File No. _____

Case Type: Other Civil

In the Matter of the Rehabilitation of UCare Minnesota

ORDER FOR REHABILITATION

The above-captioned matter came before the undersigned Judge of District Court pursuant to the verified petition of the Commissioner of the Minnesota Department of Health ("the Commissioner") to rehabilitate UCare Minnesota.

FINDINGS

1. Pursuant to Minn. Stat. ch. 62D, the Commissioner is charged with regulating health maintenance organizations ("HMOs") and has the authority to examine the affairs of any HMO and its contracts, agreements, or other arrangements with any participating entity, as well as to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services provided.

2. UCare Minnesota ("UCare") is domiciled in Minnesota and is licensed as an HMO in Minnesota, subject to regulatory oversight by the Minnesota Department of Health ("MDH").

3. The Court has jurisdiction over this matter pursuant to Minn. Stat. § 60B.04. Venue is appropriate in Ramsey County pursuant to Minn. Stat. §§ 60B.15 and 62D.18.

4. UCare is an HMO operating under chapter 62D and is covered by the provisions of the Insurers Rehabilitation and Liquidation Act, Minn. Stat. ch. 60B.

5. The Commissioner's verified petition, supported by the declarations and record herein, establish that sufficient grounds exist to issue an order to rehabilitate UCare, pursuant to Minn. Stat. §§ 60B.15(16) and (18).

WHEREFORE, based on the filings, records, and proceedings herein, the Court makes the following:

ORDER

1. The Commissioner's petition to rehabilitate UCare Minnesota pursuant to Minn. Stat. § 60B.15 is GRANTED.

2. UCare is placed into rehabilitation. During the period of rehabilitation, the Commissioner, as well as her successors in office, is appointed Rehabilitator of UCare.

   a. The Rehabilitator shall take possession of UCare's assets forthwith and administer them in accordance with Minn. Stat. ch. 60B and the orders of this Court.

   b. Pursuant to Minn. Stat. § 60B.16, subd. 1, recording of this order with any county recorder in Minnesota imparts the same notice as a deed, bill of sale, or other evidence of title duly recorded with the county recorder.

   c. The Rehabilitator is hereby authorized to exercise all powers set forth in Minn. Stat. §§ 60B.17, 60B.171, and 62D.18.

   d. Pursuant to Minn. Stat. § 62D.18, subd. 4, the Rehabilitator may amend the terms of provider contracts, and of contracts with participating entities for the provision of administrative, financial, or management services, relating to reimbursement and termination. In doing so, the Rehabilitator should consider the interests of providers and other contracting participating entities and the continued viability of UCare. The Rehabilitator must seek court approval of any contract amendment that diminishes compensation of a provider or a

participating entity and the amendment may not be effective for more than 60 days and shall not renewed or extended.

e. The Rehabilitator shall appoint Examination Resources, LLC as special deputy commissioner. The special deputy commissioner shall have all powers and responsibilities of the Rehabilitator granted by this action and shall serve at the pleasure of the Rehabilitator pursuant to Minn. Stat. § 60B.17. The Rehabilitator retains the right to substitute another person as special deputy commissioner as she may deem necessary. The compensation of the special deputy commissioner shall be fixed by the Rehabilitator and approved by the Court.

f. While UCare remains in rehabilitation, the Rehabilitator shall submit an accounting to the Court of UCare's financial condition and progress toward rehabilitation at six-month intervals.

g. Upon issuance of this order, any pending action or proceeding by or against UCare shall be stayed on request of the Rehabilitator, per Minn. Stat. § 60B.18.

h. The Rehabilitator shall file a plan of rehabilitation for the Court's approval, pursuant to Minn. Stat. § 60B.17, subd. 8.

3. Consistent with Minn. Stat. § 60B.16, subd. 2, entry of this order of rehabilitation shall not constitute an anticipatory breach of any contracts of UCare, nor shall it be grounds for termination, revocation, or cancellation of any of UCare's contracts.

4. All officers, directors, agents, managing general agents, affiliates, shareholders, and employees of UCare are hereby ordered to cooperate fully with the Commissioner, her agents,

employees, and designees, including any special deputy, in this rehabilitation of UCare, pursuant to Minn. Stat. § 60B.07.

5. UCare, its officers, directors, agents, shareholders, employees, and all other persons are hereby enjoined and restrained from the transaction of any of the business of UCare. Further, UCare, its officers, directors, agents, shareholders, employees, and all other persons are hereby enjoined and restrained from transferring UCare's property without the express permission of the Rehabilitator, wasting UCare's assets, or transferring or dissipating any of UCare's bank accounts.

6. All providers of health care goods or services to enrollees of UCare, regardless of whether they have a written contract with UCare, are prohibited from attempting to collect or collecting payment for authorized referrals from any enrollee of UCare for goods or services to the extent UCare is obligated to cover the goods or services under UCare's contract with the enrollee, pursuant to Minn. Stat. § 60B.193.

SO ORDERED.

Dated: _____

Smith, Stephen (Judge)
Dec 17, 2025 4:28 PM

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Judge of District Court