ANNUAL REPORT 2017

DENVER HEALTH MEDICAL PLAN INC.™

LOCAL. NONPROFIT. HEALTH INSURANCE.

2016 VS. 2017

DENVER HEALTH MEDICAL PLAN, INC.
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
DECEMBER 31, 2017 AND 2016

ASSETS	2017	2016
Cash and Invested Assets		
Cash and investments		
Bonds, at amortized cost	$ 44,519,842	$ 46,742,602
Cash, cash equivalents and short-term investments	2,461,265	240,343
Receivables for securities	2,034	-
Total cash and invested assets	46,983,141	46,982,945
Premiums due and unpaid	3,284,422	1,748,790
Accrued retrospective premiums	6,076,561	2,668,754
Reinsurance recoverable on paid losses	570,992	256,867
Amounts receivable relating to uninsured plans	-	165,147
Investment income receivable	270,003	321,127
Total admitted assets	$ 57,185,119	$ 52,143,630

LIABILITIES AND SURPLUS		
Liabilities		
Accounts payable	$ 2,130,500	$ 1,958,569
Claims payable, net of reinsurance (reported/unreported)	19,352,118	16,187,018
Payable to affiliate	2,582,585	1,004,162
Aggregate health policy reserves	26,880	-
Liability for amounts held under uninsured plans	1,209,030	-
Premiums received in advance	621,867	249,795
Ceded reinsurance premiums payable	-	173,126
Unpaid claims adjustment expense	493,612	559,482
Payable for securities	-	1,385
Total liabilities	26,416,592	20,133,537
Surplus		
Contributed surplus	500,000	500,000
ACA fee	750,000	-
Accumulated surplus	29,518,527	31,510,093
Total surplus	30,768,527	32,010,093
Total liabilities and surplus	$ 57,185,119	$ 52,143,630

2016 VS. 2017

DENVER HEALTH MEDICAL PLAN, INC.
STATUTORY STATEMENTS OF REVENUE AND EXPENSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
NET PREMIUM REVENUE	$ 157,210,887	$ 137,617,806
Medical and Hospital		
Hospital/medical benefits	103,378,896	83,169,154
Other professional services	149,390	128,610
Outside referrals	16,368,057	15,667,397
Emergency room and out-of-areas	15,170,424	8,148,820
Prescription drugs	15,283,142	11,970,372
Aggregate write-ins for other hospital and medical	874,433	673,308
	151,224,342	119,757,661
Less net reinsurance recoveries	4,341,819	1,124,231
Total medical and hospital	146,882,523	118,633,430
Claims Adjustment Expenses	3,913,733	3,578,966
General Administrative Expenses	8,344,527	10,360,664
Total underwriting deductions	159,140,783	132,573,060
Net underwriting gain (loss)	(1,929,896)	5,044,746
Investment Income Earned	961,835	985,391
Net Realized Capital Loss	(7,862)	86,590
Net investment income	953,973	1,071,981
Net income (loss)	$ (975,923)	$ 6,116,727

2016 VS. 2017

DENVER HEALTH MEDICAL PLAN, INC.
STATUTORY STATEMENTS OF CHANGES IN SURPLUS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	CONTRIBUTED SURPLUS	ACA FEE	ACCUMULATED SURPLUS	TOTAL SURPLUS
Balance, January 1, 2016	$ 500,000	$ 748,851	$ 29,761,347	$ 31,010,198
Increase in ACA fee estimate	-	(748,851)	748,851	-
Net income	-	-	6,116,727	6,116,727
Distribution to the Authority	-	-	(5,000,000)	(5,000,000)
Increase in nonadmitted assets	-	-	(116,832)	(116,832)
Balance, December 31, 2016	500,000	-	31,510,093	32,010,093
Transfer of ACA fee estimate	-	750,000	(750,000)	-
Net loss	-	-	(975,923)	(975,923)
Change in net unrealized capital losses	-	-	(197,332)	(197,332)
Increase in nonadmitted assets	-	-	(68,311)	(68,311)
Balance, December 31, 2017	$ 500,000	$ 750,000	$ 29,518,527	$ 30,768,527

2016 VS. 2017

DENVER HEALTH MEDICAL PLAN, INC.
STATUTORY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash From Operations		
Premiums and revenue collected, net of reinsurance	$ 152,831,110	$ 133,823,157
Claims and claims adjustment expenses paid	(144,030,750)	(117,098,292)
General administrative expenses paid	(11,115,864)	(12,953,417)
Net investment income	1,426,501	1,418,527
Net cash provided by (used in) operations	(889,003)	5,189,975
Cash From Investments		
Proceeds from investments sold, matured or repaid – bonds	6,885,208	22,151,642
Cost of investments acquired – bonds	(5,284,602)	(27,086,875)
Net cash provided by (used in) investing activities	1,600,606	(4,935,233)
Cash From Financing and Miscellaneous Sources		
Other cash applied	(69,104)	(53,996)
Payments from affiliates	1,578,423	235,736
Distributions to the Authority	-	(5,000,000)
Net cash provided by financing and miscellaneous sources	1,509,319	(4,818,260)
Change in Cash, Cash Equivalents and Short-term Investments	2,220,922	(4,563,518)
Cash, Cash Equivalents and Short-term Investments, Beginning of Year	240,343	4,803,861
Cash, Cash Equivalents and Short-term Investments, End of Year	$ 2,461,265	$ 240,343

MEMBER RIGHTS

AS A DHMP MEMBER YOU ARE ENTITLED TO CERTAIN RIGHTS UNDER FEDERAL LAW.
MEMBERS HAVE THE RIGHT TO:

- Have access to practitioners and staff who are committed to providing quality health care to all members without regard for race, religion, color, creed, national origin, age, sex, sexual preference, political party, disability, or participation in a publicly financed program.
- Receive medical/behavioral health care that is based on objective scientific evidence and human relationships. A partnership based on trust, respect, and cooperation among the provider, the staff and the member will result in better health care.
- Be treated with courtesy, respect, and recognition of your dignity and right to privacy.
- Receive equal and fair treatment, without regard to race, religion, color, creed, national origin, age, sex, sexual preference, political party, disability, or participation in a publicly financed program.
- Choose or change your primary care provider within the network of providers, to contact your primary care provider whenever a health problem is of concern to you and arrange for a second opinion if desired.
- Expect that your medical records and anything that you say to your provider will be treated confidentially and will not be released without your consent, except as required or allowed by law.
- Get copies of your medical records or limit access to these records, according to state and federal law.
- Ask for a second opinion, at no cost to you.
- Know the names and titles of the doctors, nurses, and other persons who provide care or services for the member.
- A candid discussion with your provider about appropriate or medically necessary treatment options for your condition regardless of cost or benefit coverage.
- A right to participate with providers in making decisions about your health care.
- Request or refuse treatment to the extent of the law and to know what the outcomes may be.
- Receive quality care and be informed of the DHMP Quality Improvement program.
- Receive information about DHMP, its services, its practitioners and providers and members' rights and responsibilities, as well as prompt notification of termination or other changes in benefits, services or the DHMP network. This includes how to get services during regular hours, emergency care, after-hours care, out-of-area care, exclusions, and limits on covered service.
- Learn more about your primary care provider and his/her qualifications, such as medical school attended or residency, go to www.denverhealthmedicalplan.org and click on Find a Doctor/Provider for our web based provider directory or call Member Services at 303-602-2100.
- Express your opinion about DHMP or its providers to legislative bodies or the media without fear of losing health benefits.
- Receive an explanation of all consent forms or other papers DHMP or its providers ask you to sign; refuse to sign these forms until you understand them; refuse treatment and to understand the consequences of doing so; refuse to participate in research projects; cross out any part of a consent form that you do not want applied to your care; or to change your mind before undergoing a procedure for which you have already given consent.
- Instruct your providers about your wishes related to advance directives (such issues as durable power of attorney, living will or organ donation).
- Receive care at any time, 24 hours a day, 7 days a week, for emergency conditions and care within 24 hours for urgent conditions.
- Have interpreter services if you need them when getting your health care.
- Change enrollment during the times when rules and regulations allow you to make this choice.
- Have referral options that are not restricted to less than all providers in the network that are qualified to provide covered specialty services; applicable copays apply.
- Expect that referrals approved by the Plan cannot be changed after prior authorization or retrospectively denied except for fraud, abuse or change in eligibility status at the time of service.
- Receive a standing referral, from a primary care provider to see a DHMP network specialty treatment center, for an illness or injury that requires ongoing care.
- Make recommendations regarding DHMP's Members' Rights and Responsibilities' policies.
- Voice a complaint about or appeal a decision concerning the DHMP organization or the care provided and receive a reply according to the grievance/appeal process.

MEMBER RESPONSIBILITIES

AS A DHMP MEMBER YOU HAVE CERTAIN RESPONSIBILITIES UNDER FEDERAL LAW.
MEMBERS HAVE A RESPONSIBILITY TO:

- Treat providers and their staff with courtesy, dignity and respect.
- Pay all premiums and applicable cost sharing (i.e. deductible, coinsurance, copays).
- Make and keep appointments, to be on time, call if you will be late or must cancel an appointment, and to have your DHMP identification card available at the time of service and pay for any charges for non-covered benefits.
- Report your symptoms and problems to your primary care provider and to ask questions, and take part in your health care.
- Learn about any procedure or treatment and to think about it before it is done.
- Think about the outcomes of refusing treatment that your primary care provider suggests.
- Get a referral from your primary care provider before you see a specialist.
- Follow plans and instructions for care that you have agreed upon with your provider.
- Provide, to the extent possible, correct and necessary information and records that DHMP and its providers need in order to provide care.
- Understand your health problems and participate in developing mutually agreed upon treatment goals to the degree possible.
- State your complaints and concerns in a civil and appropriate way.
- Learn and know about plan benefits (which services are covered and non-covered) and to contact a DHMP Member Services representative with any questions.
- Inform providers or a representative from DHMP when not pleased with care or service.

MEET OUR TEAM

EXECUTIVE STAFF

GREG MCCARTHY
CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR

NORMA STIGLICH, MD
MEDICAL DIRECTOR

MARK PAVLIK
CHIEF FINANCIAL OFFICER

MICHAEL WAGNER
CHIEF ADMINISTRATIVE OFFICER

ROBIN WITTENSTEIN
CHIEF EXECUTIVE OFFICER OF
DENVER HEALTH

SCOTT HOYE
GENERAL COUNSEL

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