

# ANNUAL REPORT 2018



**DENVER HEALTH  
MEDICAL PLAN** INC.™

**LOCAL. NONPROFIT. HEALTH INSURANCE.**

# 2017 vs. 2018

## DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS DECEMBER 31, 2018 AND 2017

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>Cash and Invested Assets</b>		
Cash and investments		
Bonds, at amortized cost	\$ 41,183,478	\$ 44,519,842
Cash, cash equivalents and short-term investments	2,871,301	2,461,265
Receivables for securities	-	2,034
	44,054,779	46,983,141
Total cash and invested assets		
Premiums due and unpaid	6,610,587	3,284,422
Accrued retrospective premiums	14,696,503	6,076,561
Reinsurance recoverable on paid losses	676,355	570,992
Investment income receivable	232,531	270,003
Health care and other amounts receivable	213,713	-
	\$ 66,484,468	\$ 57,185,119
Total admitted assets	\$ 66,484,468	\$ 57,185,119
 <b>LIABILITIES AND SURPLUS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,931,631	\$ 2,130,500
Claims payable, net of reinsurance (reported/unreported)	27,149,848	19,352,118
Payable to affiliate	5,514,532	2,582,585
Aggregate health policy reserves	187,695	26,880
Liability for amounts held under uninsured plans	942,256	1,209,030
Premiums received in advance	779,177	621,867
Ceded reinsurance premiums payable	379,146	-
Unpaid claims adjustment expense	661,429	493,612
Payable for securities	-	-
	37,545,714	26,416,592
Total liabilities		
<b>Surplus</b>		
Contributed surplus	1,493,712	500,000
ACA fee	-	750,000
Accumulated surplus	27,445,042	29,518,527
	28,938,754	30,768,527
Total surplus		
Total liabilities and surplus	\$ 66,484,468	\$ 57,185,119

# 2017 vs. 2018

## DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF REVENUE AND EXPENSES YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>NET PREMIUM REVENUE</b>	\$ 244,361,555	\$ 157,210,887
<b>Medical and Hospital</b>		
Hospital/medical benefits	100,474,391	103,378,896
Other professional services	138,614	149,390
Outside referrals	18,924,827	16,368,057
Emergency room and out-of-areas	29,501,042	15,170,424
Prescription drugs	17,139,857	15,283,142
Aggregate write-ins for other hospital and medical	1,068,693	874,433
	<u>167,247,424</u>	<u>151,224,342</u>
Less net reinsurance recoveries	(60,080,230)	4,341,819
	<u>227,327,654</u>	<u>146,882,523</u>
Total medical and hospital	227,327,654	146,882,523
<b>Claims Adjustment Expenses</b>	3,791,445	3,913,733
<b>General Administrative Expenses</b>	14,788,407	8,344,527
	<u>245,907,506</u>	<u>159,140,783</u>
Total underwriting deductions	245,907,506	159,140,783
Net underwriting gain (loss)	<u>(1,545,951)</u>	<u>(1,929,896)</u>
<b>Investment Income Earned</b>	982,668	961,835
<b>Net Realized Capital Loss</b>	(89,893)	(7,862)
Net investment income	<u>892,775</u>	<u>953,973</u>
Net income (loss)	<u>\$ (653,176)</u>	<u>\$ (975,923)</u>

2017  
vs.  
2018

DENVER HEALTH MEDICAL PLAN, INC.  
STATUTORY STATEMENTS OF CHANGES IN SURPLUS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CONTRIBUTED SURPLUS	ACA FEE	ACCUMULATED SURPLUS	TOTAL SURPLUS
<b>Balance, January 1, 2017</b>	\$ 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)
<b>Balance, December 31, 2017</b>	500,000	750,000	29,518,527	30,768,527
Transfer of ACA fee estimate	-	(750,000)	750,000	-
Net loss	-	-	(653,176)	(653,176)
Change in net unrealized capital losses	-	-	(10,739)	(10,739)
Additional capital contributions	993,712	-	-	993,712
Increase in nonadmitted assets	-	-	(2,159,570)	(2,159,570)
<b>Balance, December 31, 2018</b>	\$ 1,493,712	\$ -	\$ 27,445,042	\$ 28,938,754

# 2017 VS. 2018

## DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>Cash From Operations</b>		
Premiums and revenue collected, net of reinsurance	\$ 232,695,494	\$ 152,831,110
Benefits and loss related payments	(220,133,121)	(144,030,750)
General and claim adjustment expenses paid	(18,829,193)	(11,115,864)
Net investment income	1,360,108	1,426,501
	<u>(4,906,712)</u>	<u>(889,003)</u>
Net cash used in operations		
<b>Cash From Investments</b>		
Proceeds from investments sold, matured or repaid – bonds	7,790,770	6,885,208
Cost of investments acquired – bonds	(4,892,973)	(5,284,602)
	<u>2,897,797</u>	<u>1,600,606</u>
Net cash provided by investing activities		
<b>Cash From Financing and Miscellaneous Sources</b>		
Other cash applied	(512,996)	(69,104)
Payments from affiliates	2,931,947	1,578,423
	<u>2,418,951</u>	<u>1,509,319</u>
Net cash provided by financing and miscellaneous sources		
<b>Change in Cash, Cash Equivalents and Short-term Investments</b>	410,036	2,220,922
<b>Cash, Cash Equivalents and Short-term Investments, Beginning of Year</b>	<u>2,461,265</u>	<u>240,343</u>
<b>Cash, Cash Equivalents and Short-term Investments, End of Year</b>	<u><u>\$ 2,871,301</u></u>	<u><u>\$ 2,461,265</u></u>
<b>Supplemental Cash Flows Information</b>		
Noncash software contributed by the Authority	\$ 993,712	\$ -

# 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](http://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

**MARC LATO, MD**  
INTERIM 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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