

ANNUAL REPORT 2019



**DENVER HEALTH
MEDICAL PLAN** INC.™

LOCAL. NONPROFIT. HEALTH INSURANCE.

2018 VS. 2019

DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS DECEMBER 31, 2019 AND 2018

ASSETS	2019	2018
Cash and Invested Assets		
Cash and investments		
Bonds, at amortized cost	\$ 50,873,660	\$ 41,183,478
Cash, cash equivalents and short-term investments	(902,457)	2,871,301
Receivables for securities	-	-
Total cash and invested assets	49,971,203	44,054,779
Premiums due and unpaid	4,050,456	6,610,587
Accrued retrospective premiums	20,055,521	14,696,503
Reinsurance recoverable on paid losses	1,135,802	676,355
Investment income receivable	330,775	232,531
Health care and other amounts receivable	308,371	213,713
Total admitted assets	\$ 75,852,128	\$ 66,484,468
 LIABILITIES AND SURPLUS		
Liabilities		
Accounts payable	\$ 2,338,416	\$ 1,931,631
Claims payable, net of reinsurance (reported/unreported)	24,381,255	27,149,848
Payable to affiliate	12,892,731	5,514,532
Aggregate health policy reserves	283,578	187,695
Liability for amounts held under uninsured plans	1,462,913	942,256
Premiums received in advance	1,132,034	779,177
Ceded reinsurance premiums payable	386,303	379,146
Unpaid claims adjustment expense	728,303	661,429
Payable for securities	-	-
Total liabilities	43,605,533	37,545,714
Surplus		
Contributed surplus	1,493,712	1,493,712
ACA fee	1,100,000	-
Accumulated surplus	29,652,883	27,445,042
Total surplus	32,246,595	28,938,754
Total liabilities and surplus	\$ 75,852,128	\$ 66,484,468

2018 VS. 2019

DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF REVENUE AND EXPENSES YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
NET PREMIUM REVENUE	<u>\$ 385,722,191</u>	<u>\$ 244,361,555</u>
Medical and Hospital		
Hospital/medical benefits	92,928,780	100,474,391
Other professional services	124,812	138,614
Outside referrals	18,683,166	18,924,827
Emergency room and out-of-areas	30,508,507	29,501,042
Prescription drugs	16,287,773	17,139,857
Aggregate write-ins for other hospital and medical	<u>1,343,693</u>	<u>1,068,693</u>
	159,876,731	167,247,424
Net reinsurance	<u>190,883,868</u>	<u>60,080,230</u>
	350,760,599	227,327,654
Claims Adjustment Expenses	6,697,221	3,791,445
General Administrative Expenses	<u>25,352,766</u>	<u>14,788,407</u>
	382,810,586	245,907,506
Net underwriting gain (loss)	<u>2,911,605</u>	<u>(1,545,951)</u>
Investment Income Earned	1,169,645	982,668
Net Realized Capital Loss	<u>(21,010)</u>	<u>(89,893)</u>
	1,148,635	892,775
Net investment income	<u>1,148,635</u>	<u>892,775</u>
Net income (loss)	<u>\$ 4,060,240</u>	<u>\$ (653,176)</u>

2018 VS. 2019

DENVER HEALTH MEDICAL PLAN, INC. STATUTORY STATEMENTS OF CHANGES IN SURPLUS YEARS ENDED DECEMBER 31, 2019 AND 2018

	CONTRIBUTED SURPLUS	ACA FEE	ACCUMULATED SURPLUS	TOTAL SURPLUS
Balance, January 1, 2018	\$ 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)
Balance, December 31, 2018	1,493,712	-	27,445,042	28,938,754
Transfer of ACA fee estimate	-	1,100,000	(1,100,000)	-
Net income	-	-	4,060,240	4,060,240
Change in net unrealized capital gains	-	-	114,450	114,450
Increase in nonadmitted assets	-	-	(866,849)	(866,849)
Balance, December 31, 2019	\$ 1,493,712	\$ 1,100,000	\$ 29,652,883	\$ 32,246,595

2018 VS. 2019

DENVER HEALTH MEDICAL PLAN, INC.
STATUTORY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash From Operations		
Premiums and revenue collected, net of reinsurance	\$ 383,371,256	\$ 232,695,494
Benefits and loss related payments	(353,489,295)	(220,133,121)
General and claim adjustment expenses paid	(31,523,878)	(18,829,193)
Net investment income	1,389,905	1,360,108
	<u>(252,012)</u>	<u>(4,906,712)</u>
Net cash used in operations		
Cash From Investments		
Proceeds from investments sold, matured or repaid – bonds	9,754,755	7,790,770
Cost of investments acquired – bonds	(19,670,002)	(4,892,973)
	<u>(9,915,247)</u>	<u>2,897,797</u>
Net cash provided by (used in) cash from investments		
Cash From Financing and Miscellaneous Sources		
Other cash applied	(984,698)	(512,996)
Payments from affiliates	7,378,199	2,931,947
	<u>6,393,501</u>	<u>2,418,951</u>
Net cash provided by financing and miscellaneous sources		
Change in Cash, Cash Equivalents and Short-term Investments	(3,773,758)	410,036
Cash, Cash Equivalents and Short-term Investments, Beginning of Year	<u>2,871,301</u>	<u>2,461,265</u>
Cash, Cash Equivalents and Short-term Investments, End of Year	<u><u>\$ (902,457)</u></u>	<u><u>\$ 2,871,301</u></u>
Supplemental Cash Flows Information		
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 and click on Find a Doctor/Provider for our web based provider directory or call Health Plan 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 Health Plan 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

CHRISTINE SEALS, 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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