



## MISSISSIPPI INSURANCE DEPARTMENT

**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

**DAVID BROWNING**  
Deputy Commissioner of Insurance

501 N. WEST STREET, SUITE 1001  
WOOLFOLK BUILDING  
JACKSON, MISSISSIPPI 39201  
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June 26, 2024

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### **CERTIFIED MAIL RETURN RECEIPT REQUESTED**

**Mr. Bryan Camerlinck, President & CEO  
Vantage Health Plan of Mississippi, Inc.  
130 DeSiard Street Suite 344  
Monroe, LA 71201**

**RE: Report of Examination as of December 31, 2022**

Dear Mr. Camerlinck:

In accordance with Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.

Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

**MIKE CHANEY**  
COMMISSIONER OF INSURANCE

BY

Christina J. Kelsey  
General Counsel

MC/CJK/bs  
Encls. Order w/exhibit

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF MISSISSIPPI**

**IN RE:   REPORT OF EXAMINATION OF  
          VANTAGE HEALTH PLAN OF MS., INC.**

**CAUSE NO. 24-7895**

**ORDER**

**THIS CAUSE** came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

**JURISDICTION**

**I.**

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011).

**II.**

That Vantage Health Plan of MS., Inc. is a Mississippi-domiciled health maintenance organization ("HMO") which was incorporated as an HMO by the Mississippi Department of Insurance on January 3, 2020.

## **FINDINGS OF FACT**

### **III.**

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011), called for an examination of Vantage Health Plan of Mississippi, Inc., Inc. and appointed Daniel Schnepf, Examiner-In-Charge, to conduct said examination.

### **IV.**

That on or about May 22, 2024, the draft Report of Examination concerning Vantage Health Plan of Mississippi, Inc., Inc. for the period of February 27, 2020 through December 31, 2022, was submitted to the Department by the Examiner-In-Charge, Daniel Schnepf.

### **V.**

That on or about May 28, 2024, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. On or about June 6, 2024, the Company responded by email.

## **CONCLUSIONS OF LAW**

### **VI.**

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

**IT IS, THEREFORE, ORDERED**, after reviewing the Report of Examination, all relevant examiner work papers and the Company's rebuttal, that the Report of Examination of Vantage Health Plan of Mississippi, Inc., Inc. attached hereto as Exhibit "A", should be and same is hereby adopted as final.

**IT IS FURTHER ORDERED** that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

**IT IS FURTHER ORDERED** that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

**IT IS FURTHER ORDERED**, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, Vantage Health Plan of Mississippi, Inc., Inc. shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

**IT IS FURTHER ORDERED** that Vantage Health Plan of Mississippi, Inc., Inc. take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

**SO ORDERED**, this the 20<sup>th</sup> day of June 2024.



  
DAVID BROWNING  
DEPUTY COMMISSIONER OF INSURANCE



**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 20<sup>th</sup> day of June 2024, to:

**Mr. Bryan Camerlinck, President & CEO  
Vantage Health Plan of Mississippi, Inc., Inc.  
130 DeSiard Street Suite 344  
Monroe, LA 71201**



Christina J. Kelsey  
General Counsel

Christina J. Kelsey  
General Counsel  
Counsel for the Mississippi Department of Insurance  
Post Office Box 79  
Jackson, MS 39205-0079  
(601) 359-3577  
Miss. Bar No. 9853



# **Mississippi Insurance Department**

## **Report of Examination**

**of**

**VANTAGE HEALTH PLAN OF MISSISSIPPI, INC.**

**as of**

**December 31, 2022**

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**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND  
PROCEDURES USED IN AN EXAMINATION**


State of Indiana,

County of Marion,

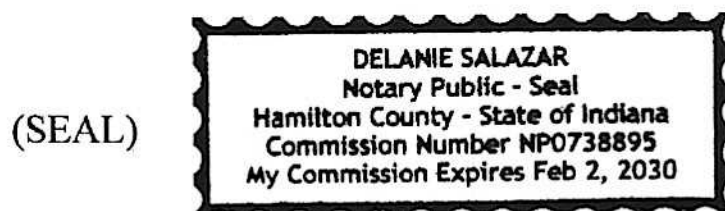
Daniel Schnepf, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of Vantage Health Plan of Mississippi, Inc. as of December 31, 2022.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Vantage Health Plan of Mississippi, Inc. was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

  
Daniel Schnepf  
Examiner-In-Charge

Subscribed and sworn before me by Daniel Schnepf on this 17<sup>th</sup> day of June, 2024.



  
Notary Public

My commission expires 02-02-2030 [date].





**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

**DAVID BROWNING**  
Deputy Commissioner of  
Insurance

## MISSISSIPPI INSURANCE DEPARTMENT

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May 28, 2024

Honorable Mike Chaney  
Commissioner of Insurance  
Mississippi Insurance Department  
1001 Woolfolk Building  
501 North West Street  
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2022, of the affairs and financial condition of:

### **VANTAGE HEALTH PLAN OF MISSISSIPPI, INC.**

795 Woodlands Parkway, Suite 301  
Ridgeland, MS 39157

License #	NAIC Group #	NAIC #	FEETS#	MATS#
1900027	00438	16735	16735-MS-2022-1	MS-MS099-49

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 and § 83-41-337. The report of examination is herewith submitted.

### **SCOPE OF EXAMINATION**

We have performed our full-scope, single state examination of Vantage Health Plan of Mississippi, Inc. ("VHP-MS" or "Company") as part of a coordinated examination, including 3 states and 7 legal entities, conducted by the lead state of Louisiana. This is the first examination for the Company. This examination covers the period of February 27, 2020 through December 31, 2022.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners*

*Handbook* (“Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, in accordance with Miss. Code Ann. § 83-5-209 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## **COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION**

This is the first examination of VHP-MS as it was incorporated on January 3, 2020 and licensed as an insurance company on February 27, 2020. There were no comments and/or recommendations deemed necessary as there is no previous examination report.

## **HISTORY OF THE COMPANY**

The Company was incorporated on January 3, 2020 and licensed as an insurance company on February 27, 2020. The Company was created as part of Vantage Health's expansion efforts. The Company began selling Medicare Advantage Prescription Drug Plans in Mississippi in 36 counties effective January 3, 2021 and received approval to operate in 56 counties in Mississippi in 2023. VHP-MS received approval in 2021 from CMS and the Mississippi Insurance Department ("MID") to begin offering plans on the Exchange (Healthcare Marketplace) effective January 1, 2022 and received approval to operate in 58 counties in 2022. The Company is wholly owned by Vantage Holdings, Inc. ("Vantage Holdings").

## **CORPORATE RECORDS**

The Articles of Incorporation, Bylaws and amendments thereto were reviewed and duly applied in other sections of this report where appropriate. Minutes of the meetings of the Shareholder, Board of Directors ("Board"), and various committees, as recorded during the period covered by this examination, were reviewed and appeared to be complete and in order with regard to actions brought up at the meetings for deliberation and appropriate action, which included the approval and support of the Company's transactions and events, as well as the review of the audit and examination report.

## **MANAGEMENT AND CONTROL**

### **Stockholders**

The Bylaws of the Company provide that annual meetings of shareholders shall be held on such date and time (the "Designated Time") as shall be stated in and fixed by a resolution of the Board and stated in the notice of the annual meeting. A quorum is constituted as a majority of the votes entitled to be cast, represented in person or by proxy. The shareholder may also take action without a meeting if one or more consents in writing are signed by all of the shareholders entitled to vote. All action taken by the sole shareholder during the period under examination was by unanimous written consent.

### **Board of Directors**

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board. The members of the duly elected Board, along with their place of residence, number of years as director, and principal occupation as of December 31, 2022, were as follows:

<b>Name and Residence</b>	<b>Year Elected / Appointed</b>	<b>Principal Occupation</b>
Patrick Gary Jones Monroe, LA	2020	President/CEO, Medical Director Vantage Health Plan, Inc.
Adam Ashley Short Baton Rouge, LA	2022	Senior Vice President & Chief Financial Officer Louisiana Health Service & Indemnity Co.
Ian Steven Udvarhelyi Baton Rouge, LA	2020	President & CEO Louisiana Health Service & Indemnity Company
Bryan Robert Camerlinck Baton Rouge, LA	2020	EVP, Chief Financial & Operations Exec & Treasurer Blue Cross and Blue Shield of Louisiana
Darrell Shane Langlois Baton Rouge, LA	2020	SVP, Strategy and Business Development Louisiana Health Service & Indemnity Company
Stephanie Ann Finley Lafayette, LA	2022	Self-employed Attorney & Keynote Speaker
Judy Price Miller Alexandria, LA	2020	Retired SVP, Corporate Services and Information Technology Cleco
Sheldon Faulk Baton Rouge, LA	2020	SVP, and Chief Operations Officer, Government Business Louisiana Health Service & Indemnity Company
Joseph Kevin McCotter Shreveport, LA	2020	President McCotter Public Strategies, LLC

### **Committees**

The Bylaws of the Company provide that the Board, by resolution adopted by a majority of the number of directors, may designate one or more directors to constitute one or more committees, to exercise the authority of the Board to the extent provided in the resolution establishing the committee and permitted by law. A committee of the Board does not have the authority to:

- a) Authorize or approve distribution, except according to a formula or method, or within limits, prescribed by the Board;
- b) Approve or propose to shareholders action that the MBCA requires to be approved by shareholders.
- c) Fill vacancies on the Board or on any of its committees; or

- d) Adopt, amend, or repeal bylaws.

The designation of a committee of the Boards and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

#### Finance Committee

The Finance Committee of the parent, Vantage Holding, oversees the Company's financial matters and investment of its assets, through periodic reviews of the financial statements, investment portfolio, performance, investment practices, and strategies. The Committee shall also assist the Board in fulfilling its oversight responsibilities relating to the annual budget process by reviewing and recommending the annual budget (including capital expenditures) for approval by the Board.

<b>Name</b>	<b>Occupation</b>
Adam Ashley Short (Chair)	Senior Vice President & Chief Financial Officer Louisiana Health Service & Indemnity Co.
Bryan Robert Camerlinck	EVP, Chief Financial & Operations Exec & Treasurer Blue Cross and Blue Shield of Louisiana
Stephanie Ann Finley	Self-employed Attorney & Keynote Speaker
Darrell Shane Langlois	SVP, Strategy and Business Development Louisiana Health Service & Indemnity Company
Jospeh Kevin McCotter	President McCotter Public Strategies, LLC
Judy Price Miller	Retired SVP, Corporate Services and Information Technology Cleco

#### Human Resources Committee

The Human Resources Committee of the parent, Vantage Holding, has the basic responsibility to ensure that Vantage Holding recruits, retains, and compensates employees in a manner consistent with the philosophy of the Vantage Holding, external market competitive practices, internal equity considerations, and the requirements of the appropriate regulatory bodies. Additionally, the



Committee shall be responsible for the overall adequacy and suitability of the process and substance of the Vantage Holding’s recruitment, retention, compensation and benefits programs for all employees. VHP-MS has no employees. All personnel are employees of Vantage Health Plan, Inc. (“VHP”), pursuant to the management services agreement.

Name	Occupation
Sheldon Faulk (Chair)	SVP, and Chief Operations Officer, Government Business Louisiana Health Service & Indemnity Company
Stephanie Ann Finley	Self-employed Attorney & Keynote Speaker
Darrell Shane Langlois	SVP, Strategy and Business Development Louisiana Health Service & Indemnity Company
Bryan Robert Camerlinck	EVP, Chief Financial & Operations Exec & Treasurer Blue Cross and Blue Shield of Louisiana
Judy Price Miller	Retired SVP, Corporate Services and Information Technology Cleco

## **Officers**

<b>Name</b>	<b>Year Elected / Appointed</b>	<b>Title</b>
Patrick Gary Jones	2020	President/CEO
Tamera Hendricks Cupit	2022	Chief Financial Officer
Robert Bozeman	2020	Corporate Secretary
James Bradley Burtram	2022	Market President for Mississippi

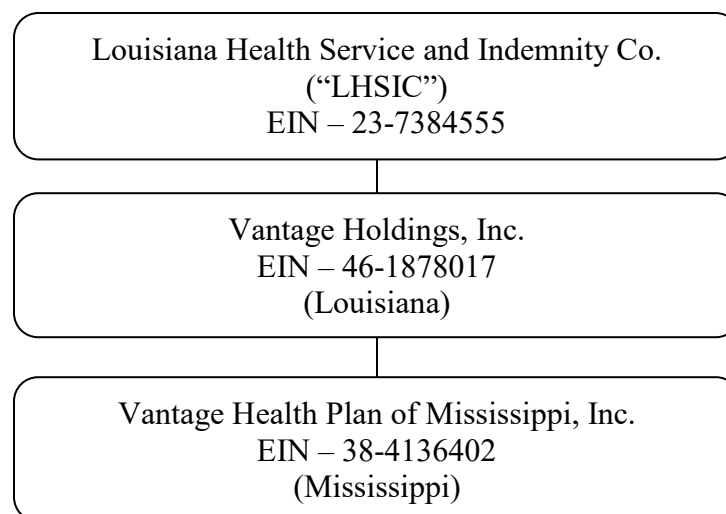
## **Conflict of Interest**

The Company has an established policy whereby each officer and director completes a conflict of interest questionnaire each year disclosing any potential or conceivable conflict with the director's or officer's responsibilities within or for the Company. The conflict of interest questionnaires were completed by all the directors and officers of the Company for each year of the examination period. A review of the disclosures made by the officers and directors did not reveal any material exceptions to the Company's established policies.

## **HOLDING COMPANY STRUCTURE**

### **Organizational Chart**

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. For the period covered by the examination, VHP-MS filed holding company registration statements with the MID in compliance with Miss. Code Ann. § 83-6-5 and § 83-6-9.



## **Parent and Affiliated Companies**

**Louisiana Health Services Indemnity Company (“LHSIC”)** (ultimate parent) is a mutual health insurance company, headquartered in Baton Rouge, Louisiana. LHSIC was organized under an Agreement and Plan of Consolidation dated August 15, 1974, between Louisiana Hospital Service, Inc., Baton Rouge, Louisiana, and Hospital Services Association of New Orleans. The two companies were consolidated and merged into a new company known as Louisiana Health Services Indemnity Company. LHSIC was incorporated and began operations on January 1, 1975 as a non-profit mutual insurer under the laws of Louisiana with an initial minimum statutory surplus of \$300,000 as required by LA R.S. 22:111. Members of the former companies became the owners of the new company. LHSIC operates under the trade name Blue Cross and Blue Shield of Louisiana. The Blue Cross and Blue Shield Association, a national organization incorporated in Illinois, contracts annually with LHSIC for the use of the trade name.

**Vantage Holdings, Inc.** is the immediate parent company and 100% owner of VHP-MS. Vantage Holdings acts as an intermediate holding company of VHP-MS.

**Vantage Health Plan, Inc.** was incorporated on October 26, 1994 and began operations as a preferred provider organization in January 1995, marketing and negotiating alternative rate health care agreements with member hospitals, clinics, and physicians in and around Monroe, Louisiana. VHP received its certificate of authority as a health maintenance organization (“HMO”) on April 12, 1996 and began operations as an HMO in July 1996 using an independent physician association model through contractual arrangements with a network of hospitals and physicians located primarily in northern Louisiana. VHP is only licensed to write business in the state of Louisiana.

## **Affiliated and Related Party Transactions**

The Company’s transactions with related parties were reviewed and the following items were considered notable for purposes of this report:

- **Management Services Agreement**

In 2020, the Company signed a management services agreement with VHP. VHP is also wholly owned by Vantage Holdings. For the years ended December 31, 2022 and December 31, 2021, the Company has incurred management service costs of \$1,298,095 and \$584,920, respectively.

- **Tax Allocation Agreement**

Vantage Holdings has a consolidated Tax Allocation Agreement with the Company effective January 1, 2020.

Taxes under the agreement totaled the following during the examination period:

<b>Taxes</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Federal & Foreign Income Taxes Incurred	\$(457,415)	\$57,619	\$(138,411)

## **FIDELITY BOND AND OTHER INSURANCE**

Pursuant to Miss. Code Ann. § 83-41-311(2), a HMO shall maintain in force a fidelity bond or fidelity insurance on employees and officers, directors and partners in an amount not less than \$250,000 for each HMO or a maximum of \$5,000,000 in aggregate maintained on behalf of HMOs owned by a common parent corporation, or such sum as may be prescribed by the Commissioner. The Company is a named insured on LHSIC's Fiduciary Liability, Insurance Company Bond with Extended Coverages with a coverage limit of \$20,000,000 issued by an authorized company. The amount of coverage exceeds the minimum requirements in accordance with Miss. Code Ann. § 83-41-311(2). The Company is also a named insured on policies issued by authorized companies for normal hazards incident to conducting ordinary business.

## **PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS**

The Company has no employees. All personnel are employees of VHP, pursuant to the management services agreement. Therefore, the Company does not provide any defined benefit or contribution plans, multiemployer plans, or postretirement plans.

## **TERRITORY AND PLAN OF OPERATION**

The Company provides health insurance to Medicare eligible beneficiaries through its Medicare Advantage Prescription Drug Plan. The Company's plan includes all standard Medicare benefits in addition to supplemental benefits including prescription drugs, dental, hearing, and vision. The Company began operations on January 1, 2021, and offers Medicare Advantage plans in 36 counties in Mississippi. In 2022, the Company commenced individual Exchange business. As of December 31, 2022, the Company has 1,049 Exchange members in its service area.

## **GROWTH OF COMPANY**

The following table indicates key figures in evaluating the growth of the Company during the examination period:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total admitted assets	\$ 6,223,475	\$ 4,958,580	\$ 3,000,955
Total liabilities	4,843,727	1,800,262	2,466
Total capital and surplus	1,379,748	3,158,318	2,998,489
Direct premiums written	13,019,749	9,844,521	-
Ceded premiums written	1,343	-	-
Net premium income	13,018,406	9,844,521	-
Net underwriting gain (loss)	(2,189,617)	251,401	(769,644)

## **RESERVING AND UNPAID CLAIMS EXPERIENCE**

The Company's opining actuary, Kelsey Stevens, FSA, issued the actuarial opinion for the examination period. The actuarial opinions reported that the amounts carried in the balance sheets for reserves and related actuarial items were fairly stated and computed in accordance with reserving standards and actuarial principles, reasonably provided for all unpaid claims and claims adjustment expense obligations of the Company, and met the requirements of the insurance laws of the state of Mississippi.

The Company's unpaid claims and claims adjustment expense reserves were reviewed as part of the current examination. Per the review, no adjustments were required to the Company's unpaid claims and claims adjustment expense reserves, as of December 31, 2022.

## **REINSURANCE**

The Company did not assume or cede any material reinsurance during the examination period.

## **ACCOUNTS AND RECORDS**

The Company prepares its statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the MID, which vary from accounting principles generally accepted in the United States. The Company's records are kept in Monroe, Louisiana.

The Company's financial statements are subject to an annual audit conducted by independent



certified public accountants. Ernst & Young, LLP performed the statutory audit for all years in the examination period. Unqualified opinions were issued for each year of the examination period.

### **STATUTORY DEPOSITS**

The Company's statutory deposit with the state of Mississippi complied with Miss. Code Ann. § 83-41-325. The following chart displays the Company's deposit as of December 31, 2022:

<b>Description</b>	<b>Par Value</b>	<b>Book Value</b>	<b>Fair Value</b>
Certificate of Deposit	\$500,000	\$500,000	\$500,000

## **FINANCIAL STATEMENTS**

### **Introduction**

The following financial statements reflect the same amounts reported by the Company and consist of a Statement of Assets, Liabilities, Capital and Surplus – Statutory at December 31, 2022, a Statement of Revenue and Expenses – Statutory for the year ended December 31, 2022, a Reconciliation of Capital and Surplus – Statutory for examination period ended December 31, 2022, and a Reconciliation of Examination Adjustments to Surplus – Statutory at December 31, 2022.

**STATEMENT OF ASSETS, LIABILITIES, CAPITAL AND SURPLUS  
DECEMBER 31, 2022**

**ASSETS**

Cash, cash equivalents and short-term investments	\$ 5,171,712
Cash and invested assets	<u>5,171,712</u>
Investment income due and accrued	1,379
Uncollected premiums and agents' balances in the course of collection	13,734
Accrued retrospective premiums and contracts subject to redetermination	111,465
Amounts receivable relating to uninsured plans	71,500
Current federal and foreign income tax recoverable and interest thereon	457,414
Net deferred tax asset	35,237
Health care and other amounts receivable	358,654
Aggregate write-ins for other than invested assets	<u>2,380</u>
<b>Total Assets</b>	<b>\$ 6,223,475</b>

**LIABILITIES, CAPITAL AND SURPLUS**

Claims Unpaid	\$ 1,399,416
Accrued medical incentive pool and bonus amounts	124,875
Unpaid claims adjustment expenses	30,086
Aggregate health policy reserves	96,209
Premiums received in advance	316,668
General expenses due or accrued	450,591
Amounts due to parent, subsidiaries and affiliates	60,207
Liability for amounts held under uninsured plans	870,223
Aggregate write-ins for other liabilities	<u>1,495,452</u>
<b>Total Liabilities</b>	<b>4,843,727</b>
Common capital stock	1,000
Gross paid in and contributed surplus	3,624,000
Unassigned funds (surplus)	<u>(2,245,252)</u>
<b>Total Capital and Surplus</b>	<b>1,379,748</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>\$ 6,223,475</b>

**STATEMENT OF REVENUE AND EXPENSES  
FOR YEAR ENDED DECEMBER 31, 2022**

Member Months 19,268

**Revenues**

Net premium income	\$ 13,018,406
Total revenues	<u>\$ 13,018,406</u>

**Expenses**

Hospital/medical benefits	\$ 9,721,430
Other professional services	899,187
Emergency room and out-of-area	400,149
Prescription drugs	1,204,297
Incentive pool, withhold adjustments and bonus amounts	<u>(14,809)</u>
Total hospital and medical	12,210,254

Claims adjustment expenses, including cost containment expenses	877,143
General administrative expenses	<u>2,120,626</u>
Total underwriting deductions	15,208,023

Net underwriting gain or (loss) (2,189,617)

Net investment income earned	750
Net investment gains (losses)	750
Net gain or (loss) from agents' or premium balances charged off	(38,090)
Net income after capital gains tax and before all other federal income taxes	(2,226,957)
Federal and foreign income taxes incurred	<u>(457,415)</u>
<b>Net Income</b>	<b>\$ (1,769,542)</b>

**RECONCILIATION OF CAPITAL AND SURPLUS  
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2022**

	2022	2021	2020
Capital and surplus prior reporting year	\$ 3,158,318	\$ 2,998,489	\$ -
Net income or (loss)	(1,769,542)	196,930	(631,233)
Change in net deferred income tax	13,379	15,562	23,214
Change in nonadmitted assets	(22,407)	(52,663)	(18,492)
Capital Changes:			
Paid in	-	-	1,000
Surplus adjustments:			
Paid in	-	-	3,624,000
Net change in capital and surplus	(1,778,570)	159,829	2,998,489
Capital and surplus end of reporting period	\$ 1,379,748	\$ 3,158,318	\$ 2,998,489

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS  
DECEMBER 31, 2022**

There were no changes made to the assets, liabilities or capital and surplus reported by the Company for the year ended December 31, 2021. The Company's net worth, which totaled \$1,379,748 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. § 83-41-325.



## **MARKET CONDUCT ACTIVITIES**

A limited scope, Market Conduct examination was conducted in conjunction with the financial examination that included the following areas:

- Privacy
- Complaint Handling
- Producer Licensing
- Underwriting and Rating
- Grievance Procedures
- Network Adequacy
- Provider Credentialing
- Claims

The purpose of the limited scope Market Conduct examination was to review compliance by the Company with Mississippi Insurance Laws, Regulation, Bulletins and the NAIC Guidelines. NAIC Guidelines set the standard of conduct for a health insurer and promote a program of fair treatment of policyholders. Additionally, the examination reviewed certain areas as directed by the Chief Examiner of the MID.

A risk-focused approach was used to understand and assess the effectiveness of administrative and operating internal controls utilized by the Company to address selected market conduct requirements. Generally, examiners gained an understanding of controls and risk mitigation strategies and performed tests, as considered necessary, to assess the effectiveness of the controls and risk mitigation strategies.

### **Privacy**

The Company's policies, practices, and procedures regarding protection and disclosure of nonpublic personal information were reviewed to verify compliance with applicable state laws regarding privacy. The Company also has training processes in place to ensure privacy regulatory requirements are properly disseminated and understood throughout the organization. The Company appears to have appropriate procedures in place to ensure appropriate privacy notices are provided to customers in accordance with Mississippi Regulation 2001-1.

No issues were noted related to the Company's policies, practices, and procedures regarding privacy protection and compliance with applicable regulatory requirements.

### **Complaint Handling**

The Company's policies, procedures and practices for handling complaints were reviewed as part of the Market Conduct examination. Management established the Central Escalation Unit, which receives and manages complaints. Through review of the 2022 MID Complaint Log, which included all VHP-MS complaints made to the MID throughout 2022, as well as the Company's VHP-MS Complaint Log, which included all complaints made to VHP-MS during 2022, no discrepancies were noted. Further, for each complaint noted in the VHP-MS 2022 complaint log, the complaint documentation evidenced that each complaint was resolved completely and timely,

and that appropriate documentation was maintained by the Company.

No issues were noted related to the Company's policies, practices, and procedures regarding complaint handling.

### **Producer Licensing**

For the period under examination, the Company has a Producer Services Department that is responsible for ensuring that the producers are properly licensed. In 2022, producers were required to submit a copy of their license during the initial appointment process. The Producer Services Department then verified the licensing information on the MID website. The expiration date is then entered in the Vantage VNET System Producer Licenses module. Producer information is entered into the system and reports are generated and reviewed weekly to ensure processing is complete and timely. A reconciliation is performed every week to compare the CMS training documented in VNET and the CMS training documented in the Marketplace Training/Registration verification website to ensure effective dates were within 15 days of the requested effective date or date of policy writing, providing evidence of compliance with Miss. Code Ann. § 83-17-75 (2).

The Company has not had any instances of producer terminations that meet the definitions of Miss. Code Ann. § 83-17-77 since the Company started participating in the MS Individual Health Insurance coverage. However, in the event one of these terminations was necessary, it is the Producer Services Department's responsibility to notify the appropriate Blue Cross Blue Shield of Louisiana teams to review the information when they become aware of any action that may result in producer termination in accordance with Miss. Code Ann. § 83-17-77. Once the information is reviewed and it is determined that producer termination is necessary, the appropriate steps will be followed to notify the MID and provide termination notice to the producer according to the guidelines and timeframes specified in the Miss. Code Ann. § 83-17-77.

No issues were noted related to the Company's policies, practices, and procedures regarding producer appointments, licensing, and terminations.

### **Underwriting and Rating**

#### **Patient Protection and Affordable Care Act**

##### Guaranteed Availability and Renewability

The Company's policies and practices for ensuring guaranteed availability and renewability of healthcare plans for individuals and groups under the Patient Protection and Affordable Care Act were reviewed as part of the Market Conduct examination. The Company follows all Federal Exchange regulations for guaranteed availability of coverage.

Review of the VHS-MS certificate of coverage appeared to evidence that the Company does not exclude coverage for any person who is eligible. The certificate of coverage states, "VHS-MS may not require a qualified individual or member to be the subject of a genetic test, release genetic test information, or to be subjected to questions relating to the medical conditions of persons not covered by this certificate. The results of any genetic tests, including genetic test information, shall not be used as the basis to terminate, restrict, refuse, limit, or otherwise apply conditions to the coverage of a qualified individual or member, or restrict the sale of this policy or plan to a

qualified individual or member; or establish differentials in premium rates or cost sharing for coverage; or otherwise discriminate against a qualified individual or member in the provision of insurance.”

#### Individual Enrollment

Enrollments for the Individual/Family Vantage Exchange policies are submitted through Healthcare.gov. Some enrollment applications for Off-Exchange plans are submitted through paper applications, but the same rating and premiums are available both On- and Off-Exchange. In addition, all producers must complete the annual CMS ACA training. CMS enables and disables the timing of enrollment intake on Healthcare.gov. For Off-Exchange applications that are submitted to the Company through paper applications, the Company follows the same open enrollment period as is administered On-Exchange.

#### Coverage Discontinuance

The Company has established policies and procedures regarding discontinuance and non-renewal of healthcare coverage. The Company submits its Individual Exchange for both CMS and the MID’s review and approval each year. For discontinuance, the Company follows state and federal regulations to provide access to a similar plan or any other existing plan of the employer's choice.

### **Other Underwriting and Rating Matters**

#### Rate Changes

The Company has contracted with Wakely Consulting Group, an actuarial firm, for the calculation, documentation, and support of its Exchange premium rates each year. The Company submits all required information for rating to both CMS and the MID during the Qualified Health Plan submission and Rate Review period. Premiums are developed annually and only vary by a member’s physical address and age at the time of the policy’s effectuation, per requirements.

#### Policy Forms

The Company submits its plan documents, including the Certificate of Coverage, Cost Share Schedules, paper applications, etc., to the MID each May through the NAIC’S SERFF online portal. Those materials are not finalized and approved for use until the MID has completed its review, suggested changes, and the updates have been made and verified by the MID in SERFF. Materials are made available to members in November each year, in advance of the enrollment period for the upcoming coverage year.

#### Consolidated Omnibus Budget Reconciliation Act (“COBRA”)

The Company does not participate in Group plans in Mississippi.

No issues were noted related to the Company’s policies, practices, and procedures regarding underwriting and rating.

### **Grievance Procedures**

Vantage has a dedicated Grievance Team housed within their Member Services Department for the logging, tracking and resolution of all member grievances (e.g. complaints) regarding the

quality of care or services received from the Company or a provider. Company-wide, other departments and team members are trained to listen and look for member grievances, and those issues are then passed to the Grievance Team for tracking. Vantage uses VNet modules for the documentation and logging of all grievances, but also for audit and reporting purposes as well. Grievances are reviewed monthly for trends and any potential process improvement opportunities.

Further, the Company logs all member correspondence and interactions, including phone calls, emails, and mailings. A 10-year record retention policy is in effect for all digital information and physical/non-digital information.

No issues were noted related to the Company's policies, practices, and procedures regarding grievances.

### **Network Adequacy**

The Company utilizes the Quest Analytics tool to monitor network adequacy, time and distance, and access to care being available where the Company's member populations are the greatest and community patterns of care are consistent. These adequacy reports, which encompass the entirety of the Company's network, are submitted and reviewed, by CMS, every June and on an ad hoc basis (as requested by CMS).

No issues were noted related to the Company's policies, practices, and procedures regarding network adequacy.

### **Provider Credentialing**

As of August 2023, the Company contracts with a company called Symplr CVO (Credentials Verification Organization), an NCQA accredited CVO, to oversee a portion of the professional credentialing applications (initial and recredentialing). The Company still performs a portion of the professional credentialing as well as the entirety of their facility credentialing currently. Prior to August 2023, the Company performed all their credentialing (initial and recredentialing) in house. Additionally, the credentialing team is required to complete a checklist that displays all required information specific to the provider type. This is checked by both the credentialer and the QA team to ensure all needed information is present. The checklist also has required fields and the credentialer will be unable to proceed if all needed information is not present.

No issues were noted related to the Company's policies, practices, and procedures regarding provider credentialing.

### **Claims**

The Company's policies, procedures, and practices for processing claims were reviewed as part of the Market Conduct examination. The Company maintains a plethora of detailed claims procedures that serve as guides with step-by-step instructions for the claims processors. Such procedures each cover different topics including special claims situations or types, determining whether claims were filed timely, coordinating benefits, etc.

No issues were noted related to the Company's policies, practices, and procedures regarding claims.

## **COMMITMENTS AND CONTINGENT LIABILITIES**

During and subsequent to the examination period, the Company was not involved in any litigation outside the normal course of business.

## **SUBSEQUENT EVENTS**

On August 1, 2023, the MID approved the name change of the Company, including the new Articles of Incorporation and Bylaws, to Primewell Health Services of Mississippi, Inc.

Effective March 31, 2023, Dr. Patrick Gary Jones resigned as President and CEO of the Company and from the Board of Directors.

Effective April 1, 2023, Brian Camerlinck was elected as President and CEO of the Company.

Effective April 1, 2023, Kevin McCotter was elected as the Chairman of the Board of Directors.

Effective April 1, 2023, Brian P. Keller was elected to the Board of Directors.

## **COMMENTS AND RECOMMENDATIONS**

The examination did not identify any material comments and/or recommendations deemed appropriate for inclusion in the examination report.

## **ACKNOWLEDGMENT**

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Examiner-In-Charge:	Daniel Schnepf, CFE
Supervising Examiner:	James Menck, CFE
Department Designee:	Mark Cooley, CFE
Examining Actuary:	David Weis, ASA, MAAA

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,

*Daniel Schnepf*

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Daniel Schnepf, CFE  
Examiner-In-Charge  
Noble Consulting Services, Inc.

*Mark Cooley*

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Mark Cooley, CFE  
MS Insurance Department Designee