



## MISSISSIPPI INSURANCE DEPARTMENT

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

501 N. WEST STREET, SUITE 1001  
WOOLFOLK BUILDING  
JACKSON, MISSISSIPPI 39201  
[www.mid.ms.gov](http://www.mid.ms.gov)

**DAVID BROWNING**  
Deputy Commissioner of Insurance

MAILING ADDRESS  
Post Office Box 79  
Jackson, Mississippi 39205-0079  
TELEPHONE: (601) 359-3569  
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August 29, 2024

### CERTIFIED MAIL RETURN RECEIPT REQUESTED

**Mr. T. Richard Roberson, President and CEO**  
**Mississippi True**  
**116 Woodgreen Crossing**  
**Madison, MS 39110**

**RE: Report of Examination as of December 31, 2021**

Dear Mr. Roberson:

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/CK/de  
Encls. Order w/exhibit

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

**IN RE: REPORT OF EXAMINATION OF  
MISSISSIPPI TRUE**

**CAUSE NO. 24-7919**

**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.**

On June 8, 2015, Mississippi HealthCare Providers was organized under the laws of the State of Mississippi for the purpose of serving as a Health Maintenance Organization ("HMO") and a Mississippi Provider Sponsored Health Plan ("PSHP"). The Company was organized by eighteen health systems in Mississippi representing over sixty hospitals that formed and capitalized the Company with a commitment of \$ 40 million in capital. The intent at the time of formation was to submit a proposal to participate in MississippiCAN managed Medicaid program administered by the Mississippi Division of Medicaid ("MDOM"). The company changed its name from Mississippi HealthCare Providers to Mississippi True effective March 16,

2017. In 2017, the Company submitted a response to MDOM's quest for proposal seeking managed care or coordinated care contractors for the Mississippi CAN program. The Company was not awarded a contract. In 2021, the Company entered a strategic alliance with CareSource for the purpose of responding to DOM's 2021 request for proposal seeking coordinated care contractors for the Mississippi CAN program. The Company submitted the proposal under the operating name "TrueCare".

### **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 Mississippi True, and appointed Kimberly Strong, Examiner-In-Charge, to conduct said examination.

#### **IV.**

That on or about April 15, 2024, the draft Report of Examination concerning Mississippi True, for the period of March 29, 2017, through December 31, 2021, was submitted to the Department by the Examiner-In-Charge, Kimberly Strong.

#### **V.**

That on or about July 25, 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 August 19, 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, the Company's rebuttal, and all relevant examiner work papers, that the Report of Examination of Mississippi True, 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 prepaid, 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 information 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, Mississippi True, 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 Mississippi True, take the necessary actions and implement the necessary procedures to properly and promptly comply with all recommendations contained in the Report of Examination.

**SO ORDERED**, this the 29<sup>th</sup> day of August 2024.



DAVID BROWNING  
DEPUTY COMMISSIONER OF INSURANCE  
STATE OF MISSISSIPPI

**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 30<sup>th</sup> day of August 2024, to:

**Mr. T. Richard Roberson, President and CEO**  
**Mississippi True**  
**116 Woodgreen Crossing**  
**Madison, MS 39110**

  
\_\_\_\_\_  
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**

**MISSISSIPPI TRUE**

**as of**

**December 31, 2021**

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

State of Mississippi,

County of Madison,

Kimberly Strong, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of Mississippi True as of December 31, 2021.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation Program.
3. I have reviewed the examination work papers and examination report, and the examination of Mississippi True 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.

Kimberly Strong

Kimberly Strong, CPA, CFE  
Examiner-in-Charge

Subscribed and sworn before me by Kimberly Strong on this 28th day of



Mollie H. Corulla  
Notary Public

My commission expires October 29, 2025 [date].





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

**DAVID BROWNING**  
Deputy Commissioner of  
Insurance

## MISSISSIPPI INSURANCE DEPARTMENT

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TELEPHONE: (601) 359-3569  
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March 31, 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, 2021, of the affairs and financial condition of:

**MISSISSIPPI TRUE**  
**(NAIC COMPANY CODE 16162)**  
116 Woodgreen Crossing  
Madison, MS 39110

License #	NAIC #	FEETS #
1600020	16162	16162-MS-2021-11

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.*, § 83-41-337 and was performed in Madison, Mississippi, at the statutory home office of the Company. The report of examination is herewith submitted.

## **SCOPE OF EXAMINATION**

We have performed our full scope financial examination of Mississippi True ("Company" or "MST"). This examination covers the period March 29, 2017 through December 31, 2021.

We conducted our examination in accordance with the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook* ("FCEH"). The FCEH 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 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.

## **HISTORY OF THE COMPANY**

On June 8, 2015, Mississippi HealthCare Providers was organized under the laws of the State of Mississippi for the purpose of serving as a Health Maintenance Organization ("HMO") and a Mississippi Provider Sponsored Health Plan ("PSHP"). The Company was organized by eighteen health systems in Mississippi representing over sixty hospitals that formed and capitalized the Company with a commitment of \$40 million in capital. The intent at the time of formation was to submit a proposal to participate in the MississippiCAN managed Medicaid program administered by the Mississippi Division of Medicaid ("MDOM"). The Company changed its name from Mississippi HealthCare Providers to Mississippi True effective March 16, 2017.

In 2017, the Company submitted a response to MDOM's quest for proposal seeking managed care or coordinated care contractors for the Mississippi CAN program. The Company was not awarded a contract.

In 2021, the Company entered a strategic alliance with CareSource for the purpose of responding to DOM's 2021 request for proposal seeking coordinated care contractors for the MississippiCAN program. The Company submitted the proposal under the operating name "TrueCare." TrueCare

## **HISTORY OF THE COMPANY (continued)**

was awarded the contract along with two other contractors. The award was protested and as of the date of this report, a contract has not been executed.

In addition to the contributed surplus paid in by the health systems, the Company issued surplus notes in the amount of \$9,100,000 with a 6 percent (6%) interest rate during 2017. In June 2020, the members of the Company approved a resolution to continue to accrue interest without payment until the Company has operating earnings. The surplus notes mature on June 30, 2028. No principal payments are required through maturity. Terms of the surplus notes provide that the notes are automatically rolled into another note at maturity.

## **CORPORATE RECORDS**

The minutes of the meetings of the Board, regarding the Company's business affairs as recorded during the period covered by the examination, were reviewed and appeared to be complete and in order with regard to recording action on matters brought up at the meetings for deliberation, which included the approval and support of the Company's transactions and events, as well as the review of its audit report.

## **MANAGEMENT AND CONTROL**

### **Members**

The Bylaws of the Company provide several classes of members, including Phase 1 Member, Phase 2 Member, Sponsor Member, Rural Hospital Member, and Non-Hospital member. In general, the members of the Company represent a significant percentage of Mississippi True's provider network of inpatient and outpatient hospital services, clinic, physicians, and other services. Initial membership was open to licensed Mississippi hospitals or physicians who participate in the Mississippi Medicaid Program and related Mississippi trade associations. Membership units purchased by members consists of the purchase of Membership Interests and a capital contribution in the form of a loan at a ratio to be determined by the Board.

### **Board of Directors**

The Bylaws vest the management and control of the Company's business affairs with the Board. Members of the Board are appointed by members of the Company based on their member class. Board members generally serve a two (2) year term. At December 31, 2021, the members of the duly elected Board along with the city of residence and principal occupation were:

## **MANAGEMENT AND CONTROL (continued)**

### **Board of Directors (continued)**

<b>Name and Residence</b>	<b>Year Elected/Appointed</b>	<b>Principal Occupation</b>
Alvin Hoover, President Brookhaven, Mississippi	Inception	Chief Executive Officer ( <i>Retired 2022</i> ) King's Daughters Medical Center
Lee McCall, Secretary Philadelphia, Mississippi	2017	Chief Executive Officer Neshoba General Hospital
William Griffin, Treasurer Memphis, Tennessee	Inception	EVP and Chief Financial Officer Baptist Memorial Health Care
Chuck Reece, Chairman Meridian, Mississippi	Inception	President and Chief Executive Officer Rush Foundation Hospital
Michael Nester Quitman, Mississippi	Inception	Administrator H.C. Watkins Memorial Hospital
Timothy Moore Madison, Mississippi	Inception	President and Chief Executive Officer Mississippi Hospital Association
Jim Hobson Corinth, Mississippi	2020	Chief Executive Officer Magnolia Regional Health Center
Scott Christensen Greenville, Mississippi	Inception	Chief Executive Officer Delta Health System
John Anderson Meridian, Mississippi	Inception	President and Chief Executive Officer Anderson Regional Health System
Eric Jordan Bay Springs, Mississippi	2020	Chief Executive Officer Jasper General Hospital
G. Douglas Higginbotham Laurel, Mississippi	Inception	President and Chief Executive Officer ( <i>Retired 2023</i> ) South Central Regional Medical Center
James Jackson, Jr. Starkville, Mississippi	Inception	Administrator and Chief Executive Officer OCH Regional Medical Center

### **Committees**

The Board of Directors has established standing committees charged with various oversight responsibilities: (1) Executive Committee, (2) Finance Committee, (3) Governance Committee, (4) Compensation Committee, (5) Medicaid Managed Care Committee, and (6) Audit Committee. In addition to the standing committees, ad hoc committees may be formed to carry out the purposes of the Company but not having or exercising the authority of the Board as may be designated by resolution adopted by a majority of the Directors present at any Board meeting.

## **MANAGEMENT AND CONTROL (continued)**

### **Committees (continued)**

#### **Executive Committee:**

The Executive Committee's purpose was to perform business and act on behalf of the Board in the management of the business and affairs of the Company, as needed, in between Board meetings.

Because the purpose of the provider sponsored health plan has not yet been attained, regular meetings of committees other than the Executive Committee were not held during the period under examination.

### **Officers**

<b>Name and Residence</b>	<b>Year Elected/Appointed</b>	<b>Principal Occupation</b>
Alvin Hoover, President Brookhaven, Mississippi	Inception	Chief Executive Officer ( <i>Retired 2022</i> ) King's Daughters Medical Center
Lee McCall, Secretary Philadelphia, Mississippi	2017	Chief Executive Officer Neshoba General Hospital
William Griffin, Treasurer Memphis, Tennessee	Inception	EVP and Chief Financial Officer Baptist Memorial Health Care
Chuck Reece, Chairman Meridian, Mississippi	Inception	President and Chief Executive Officer Rush Foundation Hospital

### **Conflict of Interest**

The Company had formal procedures whereby disclosures were made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with their official duties.

## **FIDELITY BOND AND OTHER INSURANCE**

During the examination period, the Company had no employees and thus, did not maintain fidelity bond coverage. The Company maintained director and officer liability insurance.



## **TERRITORY AND PLAN OF OPERATION**

The Company was organized to participate as a managed care provider in the MississippiCAN managed Medicaid program administered by the Mississippi Division of Medicaid. The Company has no intention to operate outside the State of Mississippi or to expand into other lines of business.

## **GROWTH OF COMPANY**

The Company has not yet begun insurance operations and, as such, has minimal financial activity during the examination period.

	2021	2020	2019	2018	2017
Change in surplus	\$ (348,001)	\$ (154,943)	\$ 90,180	\$ (226,401)	\$ 11,397,737
Ratio of premiums earned to capital and surplus	-	-	-	-	-
Ratio of assets to liabilities	109.8 to 1	122.2 to 1	146.3 to 1	89.5 to 1	97.4 to 1
Ratio of revenues to expenses	-	0.4 to 1	2.4 to 1	0.02 to 1	-
Cash flows from operations	\$ (339,055)	\$ (136,868)	\$ 28,741	\$ (215,660)	\$ (2,028,212)
Net income (loss)	\$ (349,001)	\$ (154,943)	\$ 90,180	\$ (226,401)	\$ (552,263)

## **REINSURANCE**

The Company had not entered into any reinsurance arrangements during the examination period.

## **ACCOUNTS AND RECORDS**

The Company utilized a spreadsheet software program on which general ledger information was maintained. Detailed general ledger information was traced to the trial balance and the December 31, 2021 annual statement, without material exception. The spreadsheet software program was maintained on hardware owned and maintained by the Mississippi Hospital Association.

The Company was audited annually by an independent CPA firm.

**MISSISSIPPI TRUE**  
**FINANCIAL STATEMENTS**  
**EXAMINATION AS OF DECEMBER 31, 2021**

**Introduction**

The following financial statements reflect the same amounts reported by the Company and consist of a Statement of Admitted Assets, Liabilities, Surplus and Other Funds at December 31, 2021; a Statement of Income for the year ended December 31, 2021; and a Reconciliation of Capital and Surplus as Regards Policyholders for the examination period ended December 31, 2021.

**STATEMENT OF ADMITTED ASSETS,  
LIABILITIES, SURPLUS AND OTHER FUNDS  
DECEMBER 31, 2021**

**Admitted Assets**

Cash, cash equivalents, and short-term investments	\$ 13,758,945
Total admitted assets	<u>\$ 13,758,945</u>

**Liabilities, Surplus and Other Funds**

General expenses due or accrued	\$ 125,304
Total liabilities	<u>\$ 125,304</u>
Gross paid in and contributed surplus	7,350,000
Surplus notes	9,100,000
Unassigned funds (surplus)	<u>(2,816,359)</u>
Surplus as regards policyholders	<u>13,633,641</u>
Total liabilities, surplus and other funds	<u>\$ 13,758,945</u>

**SUMMARY OF OPERATIONS**  
**FOR THE EXAMINATION PERIOD ENDED DECEMBER 31, 2021**

**Underwriting Income**

Premiums earned	\$ -
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**Deductions**

General administrative expenses	<u>350,143</u>
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Total underwriting deductions	<u>350,143</u>
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Net underwriting gain (loss)	<u>(350,143)</u>
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**Investment Income**

Net investment income earned	<u>1,142</u>
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Net investment gain	<u>1,142</u>
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Net income	<u>\$ (349,001)</u>
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**RECONCILIATION OF CAPITAL AND  
SURPLUS  
FOR THE EXAMINATION PERIOD ENDED  
DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Capital and surplus, beginning of the year	\$ 13,982,642	\$ 14,137,585	\$ 14,047,405	\$ 14,273,806	\$ 2,876,070
Net income	(349,001)	(154,943)	90,180	(226,401)	(552,264)
Change in net deferred income tax	-	(473,393)	(19,081)	-	-
Change in nonadmitted assets	-	473,393	19,081	-	-
Paid in surplus	-	-	-	-	2,850,000
Change in surplus notes	-	-	-	-	9,100,000
Capital and surplus, end of the year	\$ 13,633,641	\$ 13,982,642	\$ 14,137,585	\$ 14,047,405	\$ 14,273,806



**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS  
DECEMBER 31, 2021**

As a result of this examination, there have been no changes affecting surplus as regards policyholders made to the admitted asset, liability, and surplus balances reported by the Company in the December 31, 2021 annual statement. The surplus as regards policyholders reported by the Company of \$13,633,641 is accepted as reasonably stated for purposes of the balance sheet per the examination.

## **MARKET CONDUCT ACTIVITIES**

A full scope market conduct examination was not performed. As the Company had not commenced operations during the examination period limited procedures were not performed.

## **COMMITMENTS AND CONTINGENT LIABILITIES**

During and subsequent to the examination period, there was no litigation, commitments or other contingent liabilities to which the Company was a party.

## **SUBSEQUENT EVENTS**

On August 11, 2022, the Division of Medicaid announced that the MississippiCAN contract was awarded to Mississippi True and two other providers. Following that announcement, two companies that were not chosen submitted protests. As a result of the protests, the Division of Medicaid extended the contracts of the current managed care organization for a one-year period through December 31, 2023. The contracts were again extended to June 30, 2024.

On February 20, 2023, T. Richard Roberson, Jr. succeeded Alvin Hoover as President and Chief Executive Officer of Mississippi True.

## **COMMENTS AND RECOMMENDATIONS**

There are no comments or recommendations to be included in the examination report.

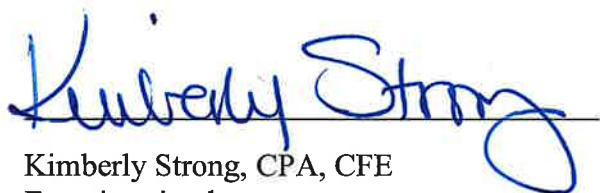
## ACKNOWLEDGMENT

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

Kimberly Strong, CPA, CFE	Examiner-in-charge, Harper, Rains, Knight & Co.
Steve Sartin, CISA, CRISC	IT Specialist, Harper, Rains, Knight & Co.
Leslie Sorrell, CPA	Examiner, Harper, Rains, Knight & Co.
Brett Davis, CPA	Examiner, Harper, Rains, Knight & Co.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Kimberly Strong". The signature is written in a cursive style with a large, looping "S" at the end.

Kimberly Strong, CPA, CFE  
Examiner-in-charge

A handwritten signature in black ink that reads "Mark Cooley". The signature is written in a cursive style with a large, looping "C" at the end.

Mark Cooley, CFE  
Mississippi Insurance Department Designee