

JUN 25 2024

FILED

CERTIFICATION

June 25, 2024

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

COMMUNITY CARE HEALTH PLAN OF NEBRASKA, INC.

AS OF

DECEMBER 31, 2022

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.





DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

COMMUNITY CARE HEALTH PLAN OF NEBRASKA, INC.

10040 REGENCY CIRCLE

OMAHA, NE 68114

dated as of December 31, 2022, verified under oath by the examiner-in-charge on
June 4, 2024, and received by the company on June 18, 2024, has been adopted
without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 21st day of June 2024.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read "L. Crawford", written in a cursive style.

Lindsay Crawford, CFE
Chief Financial Regulator

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

COMMUNITY CARE HEALTH PLAN OF NEBRASKA, INC.

as of

December 31, 2022

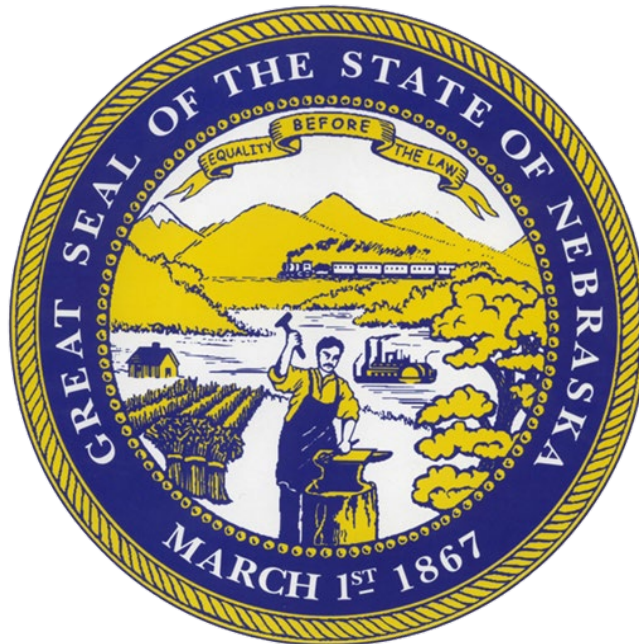


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Omaha Nebraska
May 30, 2024

Honorable Eric Dunning
Director of Insurance
Nebraska Department of Insurance
1526 K Street, Suite 200
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

COMMUNITY CARE HEALTH PLAN OF NEBRASKA, INC.

which has its Statutory Home Office located at

8055 O Street, Suite 300
Lincoln, Nebraska 68510

with its Principal Executive Office located at

10040 Regency Circle
Omaha, Nebraska 68114

(hereinafter also referred to as the “Company”), and the report of such examination is respectfully presented herein.

INTRODUCTION

The State of Nebraska last examined the Company as of December 31, 2017. The current financial condition examination covers the intervening period to, and includes the close of business on December 31, 2022 and such subsequent events and transactions as were considered pertinent to this report. The State of Indiana serves as the lead state for this examination, and the States of Nebraska, Arizona, Arkansas, California, Colorado, Connecticut, the District of

Columbia, Iowa, Kentucky, Louisiana, Maryland, Maine, Missouri, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia, Washington, Wisconsin and West Virginia participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examination of the Company's affiliates, APC Passe, LLC.; CareMore Health Plan of Arizona, Inc.; Anthem Blue Cross Life and Health Insurance Company; HMO Colorado, Inc.; Rocky Mountain Hospital and Medical Service, Inc.; Anthem Health Plans, Inc.; Amerigroup District of Columbia, Inc.; Amerigroup Iowa, Inc.; Anthem Insurance Companies, Inc.; Anthem Life Insurance Company; UniCare Life and Health Insurance Company; Anthem Health Plans of Kentucky, Inc.; Anthem Kentucky Managed Care Plan, Inc.; Community Care Health Plan of Louisiana, Inc.; Amerigroup Maryland, Inc.; AMH Health, LLC.; AMH Health Plans of Maine, Inc.; Anthem Health Plans of Maine, Inc.; Healthlink HMO, Inc.; Healthy Alliance Life Insurance Company; HMO Missouri, Inc.; Missouri Care, Incorporated; Amerigroup Mississippi, Inc.; Amerigroup New Jersey, Inc.; ValueOptions of New Jersey, Inc.; Anthem Life and Disability Insurance Company; Empire HealthChoice Assurance, Inc.; Empire HealthChoice HMO, Inc.; Amerigroup Ohio, Inc.; Community Insurance Company; Amerigroup Pennsylvania, Inc.; Beacon Health Options of Pennsylvania, Inc.; Group Retiree Health Solutions, Inc.; Amerigroup Insurance Company, Inc.; Amerigroup Texas, Inc.; Anthem Health Plans of Virginia, Inc.; HealthKeepers, Inc.; Amerigroup Washington, Inc.; Blue Cross Blue Shield of Wisconsin; CompCare Health Services Insurance Company; Wisconsin Collaborative Insurance Company; UniCare Health Plan of West Virginia, Inc.

SCOPE OF EXAMINATION

The examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the Indiana Department of Insurance as the coordinating state and the Arizona Department of Insurance; Arkansas Insurance Department; California Department of Insurance; Colorado Division of Insurance; Connecticut Insurance Department; District of Columbia Department of Insurance, Securities and Banking; Iowa Insurance Division; Kentucky Department of Insurance; Louisiana Department of Insurance; Maryland Insurance Administration; Maine Bureau of Insurance; Missouri Department of Insurance, Mississippi Insurance Department, Nebraska Department of Insurance, New Jersey Department of Banking and Insurance, New York Department of Financial Services, Ohio Department of Insurance, Pennsylvania Insurance Department, Texas Department of Insurance, Virginia Bureau of Insurance, Washington Office of the Insurance Commissioner, Wisconsin Office of the Commissioner of Insurance, and West Virginia Offices of the Insurance Commissioner. The

companies examined under this approach benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

The Nebraska Department of Insurance made a general review of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company." All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Shareholders, Board of Directors, and committees held during the examination period were read and noted. Attendance at meetings, proxy information, and election of Directors and Officers were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed. Certificates of Authority to conduct the business of insurance in the various states were inspected, and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report."

The Company's reinsurance facilities were ascertained and noted and have been commented upon in this report under the caption "Reinsurance." Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Ernst and Young, LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2021 and 2022. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

DESCRIPTION OF COMPANY

HISTORY

The Articles of Incorporation of the Company were originally filed with the Secretary of State of the State of Nebraska on October 20, 2015 under the name Wellcare of Nebraska, Inc. The Company received a Certificate of Authority to operate as a Health Maintenance Organization in Nebraska in 2016. The Company began providing services to Nebraska Medicaid

members on January 1, 2017 under a contract with the Nebraska Department of Health and Human Services (DHHS).

On September 26, 2019, WellCare Health Plans, Inc. (WellCare) entered into a definitive agreement with Elevance Health, Inc. (Elevance Health) under which Elevance Health would acquire the Company after WellCare's merger with Centene Corporation. On January 23, 2020, upon satisfaction of all the required regulatory approvals and customary closing conditions and immediately prior to the closing of the Centene Merger Agreement, the Company was acquired by Elevance Health. On August 10, 2020, the Company was renamed Community Care Health Plan of Nebraska, Inc. and the Company's parent became Anthem Partnership Holding Company, LLC (APHC), an indirect wholly owned subsidiary of Elevance Health, Inc.

The Company is owned 95% by APHC. The remaining 5% is owned by Blue Cross and Blue Shield of Nebraska, Inc. (BCBSNE), an unaffiliated nonprofit insurance company. A contract with the State of Nebraska authorized and enabled the Company to begin operating as a licensed provider of group and individual health insurance. The Company only offered health plan coverage for Medicaid. Offering HMO health insurance to Medicaid enrollees in all regions of Nebraska began January 1, 2017 and expired on December 31, 2023.

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. A partial organizational listing flowing from the "Ultimate Controlling Person," as reported in the 2022 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

Elevance Health, Inc.

Anthem Partnership Holding Company, LLC.

Amerigroup Delaware, Inc.

Amerigroup District of Columbia, Inc.

Amerigroup Mississippi, Inc.

AMH Health, LLC (50% owned)

APC Passe, LLC (49% owned)

CCHA, LLC (50% owned)

Community Care Health Plan of Kansas, Inc. (90% owned)

Community Care Health Plan of Louisiana, Inc. (75% owned)

Community Care Health Plan of Nebraska (95% owned)

GR Health Solutions LLC (50% owned)

Momentum Health Partners, LLC (50% owned)

Shareholders

Article II, Section 1 of the Company's By-Laws states that, "all meetings of the Shareholders may be held either within or without the State of Nebraska, or by means of remote communication, as determined by the Board of Directors from time to time, and as stated in the notice of meeting or in a duly executed waiver thereof." Article II, Section 2 of the Company's By-Laws states that, "the Annual Meeting of the Shareholders shall be held annually. Failure to hold the Annual Meeting as aforesaid shall not work a forfeiture or dissolution of the Corporation nor shall such failure affect otherwise valid corporate acts."

Article IV of the Company's Articles of Incorporation states that, "the aggregate number, class and par value of the shares which the Corporation shall have the authority to issue is one thousand (1,000) shares of common stock in a single series, all of which shall have a par value of \$1.00 per share. These shares shall constitute one single class with no preferences, special rights or qualifications." As of December 31, 2022, the Company had 105 shares issued and outstanding. During the calendar year 2020, as part of the purchase of the Company from WellCare Health Management, the Company received a total of \$9.3 million capital contributions from its new ownership. During the first quarter of 2020, the Company also received a non-cash

capital contribution worth \$1,039,386 from its prior parent company, the Wellcare Health Management Group. The Company declared an ordinary dividend of \$15 million to its parent company, APHC.

Board of Directors

Article III, Section 1 of the Company’s By-Laws states that, “all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.” Article II, Section 2 of the Company’s By-Laws states that, “the Board of Directors of the Corporation shall consist of between one and five members. The precise number of Directors shall be fixed in the manner set forth in the Shareholders’ Agreement. The Directors shall be selected only as provided in the Shareholders’ Agreement.” Article III, Section 3 of the Company’s By-Laws states that, “each Director shall hold office until such time as he or she is removed as provided in the Shareholders’ Agreement.” Article III, Section 10 of the Company’s By-Laws states that, “a quorum of the Board of Directors shall be a majority of the number of Directors in office immediately before the meeting begins. If at any meeting of Directors a quorum shall not be represented in person, by proxy or by means of remote communication, the Directors represented thereat may adjourn the meeting from time to time until such time as a quorum shall be represented in person, by proxy or by means of remote communication.” According to the By-Laws, “any action required or permitted to be taken at a Board of Directors’ meeting may be taken without a meeting in the manner set forth in the Shareholders’ Agreement.”

The following persons were serving as Directors at December 31, 2022

Name and Residence

Principal Occupation

Ronald Penczek
Zionsville, Indiana

Chief Accounting Officer, Elevance Health

Name and Residence

Principal Occupation

Robert Rhodes
Zionsville, Indiana

President of the Company

Jay Wagner
Indianapolis, Indiana

Vice President and Counsel, Elevance Health

Officers

Article V, Section 1 of the Company’s By-Laws states that, “the Officers of the Corporation shall be designated as set forth in the Shareholders’ Agreement and shall have such responsibilities, terms, conditions and duties as are set forth therein.” Article V, Section 5 of the Company’s By-Laws states that, “the President, if one is designated, shall be the Chief Executive Officer of the Corporation, shall exercise general supervision and administration over all of its affairs with power to make all contracts in the conduct of the regular and ordinary business of the Corporation...” Article V, Section 6 of the Company’s By-Laws states that, “the Secretary, if one is designated, shall keep accurate records of the acts and proceedings of all meetings of the Shareholders, Directors, and committees of Directors... the Secretary shall give, or cause to be given, notice of all meetings of the Shareholder and any meetings of the Board of Directors... and shall perform other such duties as may be prescribed by the Board of Directors or President.” Article V, Section 7 of the Company’s By-Laws states that, “the Treasurer, if one is designated, shall have custody of and be responsible for all funds and securities, receipts and disbursements of the Corporation, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation...” Article V, Section 8 of the Company’s By-Laws states that, “during the absence of any duly appointed Officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board may delegate the powers or duties, or any of them of such Officer to any other individual.”

The following is a listing of Officers elected and serving the Company at December 31, 2022:

<u>Name</u>	<u>Office</u>
Robert B. Rhodes	President
Vincent E. Scher	Treasurer
Eric K. Noble	Assistant Treasurer
Kathleen S. Kiefer	Secretary

Committees

Article IV of the Company's By-Laws states that, "the Board of Directors may create one or more committees and appoint members of the Board of Directors, or persons who are not members of the Board of the Directors to serve on them. Each committee shall have one or more members..."

There were not any Board of Directors committees as of December 31, 2022.

TRANSACTIONS WITH AFFILIATES

Master Administrative Services Agreement

Upon joining the Anthem Group, the company entered into the group's Master Administrative Service Agreement. The agreement establishes the authority of the companies to control their own assets and operations, and lists several examples of potential services that may be performed by parties to the agreement, including actuarial, underwriting, claims, or billing, among others. The agreement does not denote specific amounts as compensation for services, but the Company agreed to a fair market value attachment to the agreement, effective July 1, 2018, which notes that the compensation will be for an amount up to the fair market value of the services at the time such services are provided to the receiver. The agreement also notes the timing of payment to be received for services performed and notes that the provider of services

“will be paid, or will be satisfied by the applicable receiver by way of offset against any obligation of the provider to that receiver, within 30 days after receipt of applicable invoices.”

WLP Consolidated Tax Agreement

Effective with the consolidated tax return to be filed for the year ended December 31, 2020, the Company was added to an existing tax allocation agreement with Anthem, Inc. (fka Wellpoint, Inc.) and its subsidiaries. The agreement includes the Company on the consolidated federal income tax return with Anthem, Inc. and other members of the affiliated group. For each return year, each member shall pay to the parent “an amount equal to the federal income tax payments... that such member would be obliged to pay the Federal Government if such member filed a separate return.”

Beacon Management Services Agreement

Effective January 1, 2021, the Company was added to the Beacon Management Services agreement. Beacon serves as the service provider for licensed health care plans, insurance companies or HMO’s that offer certain plans. Beacon provides administrative, management, utilization review, and/or other behavioral health and related services in connection with mental health and substance abuse services. Compensation will be set for an amount up to the fair market value of services, any amount due will be paid within 30 days after receipt of applicable invoices.

Joint Venture Administrative Services Agreement

Effective October 1, 2020, BCBSNE and APHC entered into an agreement with the Company to be the sole shareholders of the health plan. The agreement was for BCBSNE and APHC to provide certain services for the health plan. Services primarily involve administration, and marketing and managing of Medicaid product, among other services. Human resources and

information security is also included. It was noted that the Company did not file this agreement with the Nebraska Department of Insurance in accordance with Neb. Rev. Stat. 44-31,123. The Company indicated that with the expiration of the Medicaid contract, this agreement automatically terminated, and thus was not filed. The Nebraska Department of Insurance accepted this explanation.

TERRITORY AND PLAN OF OPERATION

The Company was organized in 2015 to operate as a Health Maintenance Organization and received a Certificate of Authority to transact business in the State of Nebraska in 2016. The Company had contracted with DHHS Medicaid program as of January 1, 2017. The contract was the Company's sole source of revenue and its ongoing business operations were dependent on its renewal. The contract expired on December 31, 2023.

REINSURANCE

Ceded

Effective January 1, 2021, the Company entered into an excess of loss reinsurance agreement with an affiliate, Anthem Insurance Companies, Inc. The reinsurer agrees to accept 90% of the company's obligations in excess of \$3,000,000 per member per calendar year, up to a maximum of \$5,000,000 per member per calendar year.

General

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 87,992,085	\$113,761,140	\$209,299,291	\$230,810,388
Cash and cash equivalents	53,375,479	25,348,381	17,801,151	49,319,970
Admitted assets	155,437,703	179,953,424	259,006,572	347,018,592
Claims unpaid	54,583,832	72,909,435	81,236,264	103,879,962
Agg. health policy reserves	6,557,319	7,900,924	52,543,063	86,378,744
Total liabilities	93,911,448	112,490,924	166,989,507	245,568,409
Capital and surplus	61,526,255	67,462,500	92,017,065	101,450,183
Net premium income	358,905,979	403,049,435	574,230,046	687,550,207
Net investment income	3,939,352	2,451,830	3,309,384	6,261,526
Hospital/Medical benefits	207,601,316	195,167,358	292,132,151	377,845,502
Net income	15,526,304	5,101,155	28,601,022	11,659,457

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the State of Nebraska Department of Insurance and present the financial condition of the Company for the period ending December 31, 2022. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT
December 31, 2022

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$230,810,388		\$230,810,388
Cash, cash equivalents, and short-term investments	49,319,970		49,319,970
Securities lending assets	<u>9,989,658</u>		<u>9,989,658</u>
Subtotal, cash and invested assets	\$290,120,016		\$290,120,016
Investment income due and accrued	1,538,477		1,538,477
Uncollected premiums and agents' balances in course of collection	36,184,912		36,184,912
Current federal and foreign income tax	2,300,800		2,300,800
Net deferred tax asset	20,536,347	\$16,962,438	3,573,909
Furniture and equipment	604,565	604,565	
Receivables from parent, subs, and affiliates	13,025,017		13,025,017
Health care and other amounts receivable	3,493,616	3,218,154	275,462
Miscellaneous receivables	283,408	283,408	
Prepaid expenses	<u>167,339</u>	<u>167,339</u>	
Totals	<u>\$368,254,495</u>	<u>\$21,235,903</u>	<u>\$347,018,592</u>

Liabilities, Capital and Surplus

Claims unpaid	\$103,879,962
Accrued medical incentive pool and bonus amounts	3,725,494
Unpaid claims adjustment expenses	2,115,186
Aggregate health policy reserves	86,378,744
General expenses due or accrued	944,147
Amounts withheld or retained for the account of others	2,848
Remittances and items not allocated	16,700,107
Payable for securities	3,385,530
Payable for securities lending	9,989,658
Other premium liability	17,440,015
Escheat liabilities	<u>1,006,719</u>
Total liabilities	<u>\$245,568,410</u>
Common capital stock	\$ 105
Gross paid in and contributed surplus	42,199,281
Unassigned funds (surplus)	<u>59,250,797</u>
Total capital and surplus	<u>\$101,450,183</u>
Totals	<u>\$347,018,593</u>

STATEMENT OF REVENUE AND EXPENSES – 2022

Member Months	1,415,765
Net premium income	\$687,550,207
Change in unearned premium reserves and reserve for rate credits	<u>(33,835,681)</u>
Total revenues	\$653,714,526
Hospital/medical benefits	\$377,845,502
Other professional services	33,566,104
Emergency room and out-of-area	48,751,381
Prescription drugs	127,044,068
Incentive pool, withhold adjustments and bonus amounts	<u>4,154,717</u>
Subtotal	\$591,361,772
Claims adjustment expenses	\$ 26,539,643
General administrative expenses	<u>21,494,163</u>
Total underwriting deductions	\$639,395,578
Net underwriting gain	\$ 14,318,948
Net investment income earned	6,261,526
Net realized capital gains	(6,572,859)
Net investment gains	(311,333)
Miscellaneous income	<u>274,871</u>
Net income or (loss) after capital gains tax and before other taxes	14,282,486
Federal income taxes incurred	<u>2,623,029</u>
Net income	<u>\$ 11,659,457</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital and surplus, beginning	\$46,766,219	\$61,526,255	\$67,462,500	\$92,017,065
Net income	\$15,526,304	\$ 5,101,155	\$28,601,022	\$11,659,457
Change in net unrealized capital gains	1,529	(26,361)	(57,731)	(413,221)
Change in net deferred income tax	370,561	22,285,726	(805,206)	(1,822,425)
Change in nonadmitted assets	(1,138,355)	(16,723,661)	(3,183,521)	9,307
Surplus adjustments		10,299,381		
Dividends to Stockholders	_____	(15,000,000)	_____	_____
Net change for the year	<u>\$14,760,039</u>	<u>\$ 5,936,245</u>	<u>\$24,554,564</u>	<u>\$ 9,433,118</u>
Capital and surplus, ending	<u>\$61,526,255</u>	<u>\$67,462,500</u>	<u>\$92,017,065</u>	<u>\$101,450,183</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$59,250,797, as reported in the Company's 2022 Annual Statement, has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

Custodial Agreement – The Company's safekeeping agreements with Oppenheimer and US Bank were not found to be fully compliant with Nebraska Department of Insurance Rules and Regulations. It is recommended the Company execute safekeeping agreements with Oppenheimer and US Bank that are fully compliant with Nebraska Department of Insurance Rules and Regulations, Title 210, Chapter 81.

Actions: The company has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Board Approval of Investment Activity

Upon review of the Company's Board of Directors minutes, it was determined that the Board of Directors is not approving investment activity on at least a quarterly basis, which does not comply with Neb. Rev. Stat. 44-5105(3). It is recommended that the Board of Directors comply with Neb. Rev. Stat. 44-5105(3) and approve investment activity on a quarterly basis.

SUBSEQUENT EVENTS

MEDICAID CONTRACT EXPIRATION

The Company's Medicaid contract expired on December 31, 2023. The Company is attempting to reinstate the contract to extend it through 2028 but as of the date of this report, the effort is ongoing. Since Medicaid is the Company's only line of business, if the renewal of the contract is unsuccessful, then the Company will cease writing new business and will only be administering existing policies.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

The following comments and recommendations have been made as a result of this examination:

Board Approval of Investment Activity – It is recommended that the Board of Directors comply with Neb. Rev. Stat. 44-5105(3) and approve investment activity on a quarterly basis.

ACKNOWLEDGMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Financial Examiners, Information Systems Specialists, and Actuarial Examiners with or contracted by the Arizona Department of Insurance; Arkansas Insurance Department; California Department of Insurance; Colorado Division of Insurance; Connecticut Insurance Department; District of Columbia Department of Insurance, Securities and Banking; Indiana Department of Insurance, Iowa Insurance Division; Kentucky Department of Insurance; Louisiana Department of Insurance; Maryland Insurance Administration; Maine Bureau of Insurance; Missouri Department of Insurance, Mississippi Insurance Department, New Jersey Department of Banking and Insurance, New York Department of Financial Services, Ohio Department of Insurance, Pennsylvania Insurance Department, Texas Department of Insurance, Virginia Bureau of Insurance, Washington Office of the Insurance Commissioner, Wisconsin Office of the Commissioner of Insurance, and West Virginia Offices of the Insurance Commissioner Departments of Insurance; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,



Brian Davis, CFE, APIR
Examiner-in Charge
Nebraska Department of Insurance
State of Nebraska

State of Nebraska,
County of Lancaster,

Brian Davis, being duly sworn, states as follows:

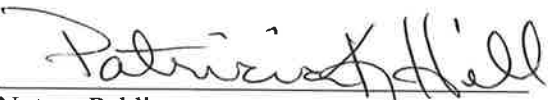
1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Community Care Health Plan of Nebraska.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards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

The affiant says nothing further.


Examiner-in-Charge's Signature

Subscribed and sworn before me by Brian Davis on this 4 day of June, 2024.

(SEAL)


Notary Public



My commission expires 8-8-27 [date].