

JUN 27 2024

FILED

CERTIFICATION

June 27, 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

NEBRASKA TOTAL CARE, 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

NEBRASKA TOTAL CARE, INC

7700 FORSYTH BOULEVARD

SAINT LOUIS, MO 63105

dated as of December 31, 2022, verified under oath by the examiner-in-charge on
June 21, 2024, and received by the company on June 21, 2024, has been adopted
with modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 26th 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

NEBRASKA TOTAL CARE, INC.

as of

December 31, 2022

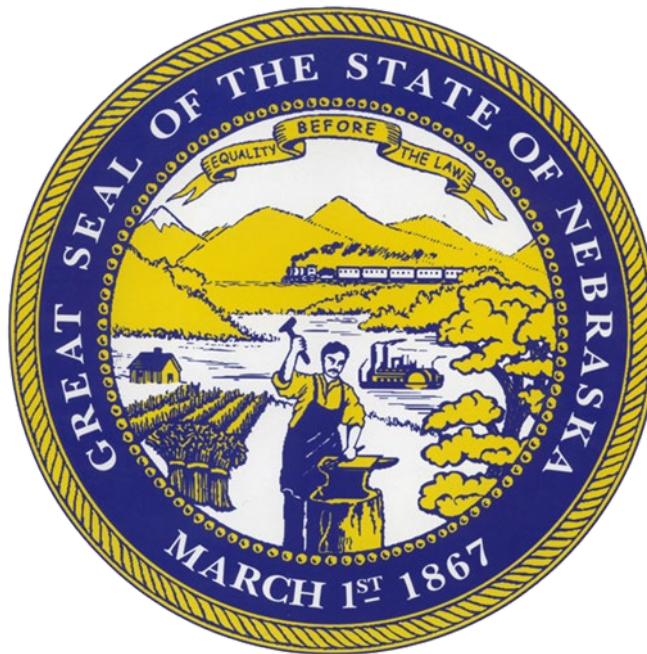


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Lincoln, Nebraska
June 7, 2024

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:

NEBRASKA TOTAL CARE, INC.

which has its Statutory Home Office located at

2525 N. 117th Avenue, Suite 100
Omaha, NE 68164

with its Principal Executive Office located at

7700 Forsyth Boulevard
Saint Louis, MO 63105

(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 States of Nebraska, Alabama, Arizona, Arkansas, California, Connecticut, Florida, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan,

Mississippi, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, and Wisconsin participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's affiliates, WellCare of Alabama, Inc., Centene Venture Company Alabama Health Plan, Inc., Arkansas Health & Wellness Health Plan, Inc., Arkansas Total Care, Inc., QCA Healthplan, Inc., Qualchoice Life and Health Insurance Company, WellCare Health Insurance Company of America, Bridgeway Health Solutions of Arizona Inc., Hallmark Life Insurance Company, Health Net Community Solutions of Arizona, Inc., Health Net of Arizona, Inc., WellCare Health Insurance of Arizona, Inc., WellCare Health Insurance of Southwest, Inc., WellCare Prescription Insurance, Inc., Health Net Life Insurance Company, WellCare Health Insurance of Connecticut, Inc., WellCare of Connecticut, Inc., Centene Venture Company Florida, Sunshine Health Community Solutions, Inc., Sunshine State Health Plan, Inc., WellCare Health Insurance of Hawaii, Inc., Iowa Total Care, Inc., Celtic Insurance Company, Centene Venture Company Illinois, Harmony Health Plan, Inc., Meridian Health Plan of Illinois, Inc., WellCare of Illinois, Inc., Centene Venture Company Kansas, Sunflower State Health Plan, Inc., WellCare Health Insurance Company of Kentucky, Inc., WellCare Health Plans of Kentucky, Inc., Louisiana Healthcare Connections, Inc., WellCare Health Insurance Company of Louisiana, Inc., Magellan Complete Care of Louisiana, Inc., WellCare of Maine, Inc., Centene Venture Company Michigan, Meridian Health Plan of Michigan, Inc., Home State Health Plan, Inc., WellCare Health Plans of Missouri, Inc., WellCare of Missouri Health Insurance Company, Inc., Ambetter of Magnolia, Inc., Magnolia Health Plan Inc., WellCare of Mississippi, Inc., Ambetter

of North Carolina, Inc., Carolina Complete Health, Inc., WellCare Health Insurance of North Carolina, Inc., WellCare of North Carolina, Inc., Granite State Health Plan, Inc., WellCare Health Insurance Company of New Hampshire, Inc., WellCare of New Hampshire Inc., WellCare Health Plans of New Jersey, Inc., WellCare Health Insurance Company of New Jersey, Inc., Magellan Behavioral Health of New Jersey, LLC, Western Sky Community Care, Inc., SilverSummit Health Plan, Inc., American Progressive Life and Health Insurance Company of New York, Buckeye Community Health Plan, Inc., Buckeye Health Plan Community Solutions, Inc., Oklahoma Complete Health Inc., WellCare Health Insurance Company of Oklahoma, Inc., WellCare of Oklahoma, Inc., Health Net Health Plan of Oregon, Inc., Trillium Community Health Plan, Inc., Pennsylvania Health & Wellness, Inc., Magellan Behavioral Health of Pennsylvania, Inc., Magellan Complete Care of Pennsylvania, Inc., WellCare Health Plans of Rhode Island, Inc., Centene Venture Company Tennessee, Rhythm Health Tennessee, Inc., WellCare Health Insurance of Tennessee, Inc., Centene Venture Insurance Company Texas, Envolve Dental of Texas, Inc., Envolve Vision of Texas, Inc., SelectCare of Texas, Inc., Superior HealthPlan, Inc., WellCare National Health Insurance Company, WellCare of Texas, Inc., WellCare of Virginia, Inc., WellCare Health Plans of Vermont, Inc., Coordinated Care of Washington, Inc., WellCare Health Insurance Company of Washington, Inc., WellCare of Washington, Inc., Bankers Reserve Life Insurance Company of Wisconsin, and Managed Health Service Insurance Corporation.

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 Texas Department of Insurance as the coordinating state and the Alabama Department of Insurance, the Arizona Department of Insurance, the Arkansas Insurance Department, the California Department of Insurance, the Connecticut Insurance Department, the Florida Office of Insurance Regulation, the Hawaii Insurance Division, the Illinois Department of Insurance, the Iowa Insurance Division, the Kansas Insurance Department, the Kentucky Department of Insurance, the Louisiana Department of Insurance, the Maine Bureau of Insurance, the Michigan Department of Insurance and Financial Services, the Mississippi Insurance Department, the Missouri Department of Commerce and Insurance, the Nevada Division of Insurance, the New Hampshire Insurance Department, the New Jersey Department of Banking and Insurance, the New Mexico Office of Superintendent of Insurance, the New York Department of Financial Services, the North Carolina Department of Insurance, the Ohio Department of Insurance, the Oklahoma Insurance Department, the Oregon Department of Consumer and Business Services, the Commonwealth of Pennsylvania Insurance Department, the Rhode Island Insurance Division, the Tennessee Department of Commerce and Insurance, the Vermont Department of Financial Regulation, the Virginia Bureau of Insurance, the Washington

State Office of the Insurance Commissioner, and the Wisconsin Office of the Commissioner of Insurance. 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 Shareholder, Board of Directors, and committees held during the examination period were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, and approval of investment transactions 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 KPMG, 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 Company was incorporated on September 16, 2015 for the purpose of operating as a health maintenance organization in Nebraska. The Company is a wholly owned subsidiary of

Centene Corporation and is part of the Heritage Health Group of Nebraska which services Medicaid recipients statewide. Beginning January 1, 2022, the Company began offering Medicare health plans and prescription drug benefits to Medicare beneficiaries through the Medicare Part D Program under a contract with the Centers for Medicare & Medicaid Services. The Company also began to offer health and prescription drug benefits to individuals covered under the Marketplace plan on January 1, 2022.

The Company was granted a Certificate of Authority from Nebraska in 2016 and began writing business in 2017.

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the “Ultimate Controlling Person,” as reported in the 2022 Annual Statement, is attached as an addendum to this report.

Shareholder

Article V of the Company’s Articles of Incorporation states that, “the number of shares which the Company shall have authority to issue is one hundred (100) share of common stock, with a par value of One Dollar and 00/100 (\$1.00) per share.” As of the date of examination, Company records indicate that 100 shares are issued and outstanding. The Company’s paid-in surplus is \$69,299,900. The Company paid dividends of \$10,000,000 in 2021 and in 2022.

Article II, Section 2.2 of the Company’s By-Laws states that, “the annual meeting of the Stockholders (the “Annual Meeting”) shall be held at such time and on such date as designated by a majority of the Class A Directors, the Chairman of the Board, the President, the Secretary, or upon the written request of the holders of at least 10%, or such greater of lesser percentage as

may be provided in the Articles, of all the votes entitled to be cast on any issue proposed to be considered at the proposed Annual Meeting.”

Board of Directors

Article IV, Section 4.1 of the Company’s By-Laws states that, “the Board shall be divided into Class A and Class B Directors. The Class A Directors shall consist of at least three (3) Directors, and may include such number of Class B Directors, if any, as may from time to time be determined by the Stockholders... Each Director will hold office until a successor is elected and qualified or until such Director’s earlier resignation or removal.”

Article IV, Section 4.2 of the Company’s By-Laws states that, “Class A Directors shall have the right to vote on all matters coming before the Board. Notwithstanding any provisions of the By-Laws to the contrary, Class B Directors, if any, shall be entitled to vote only on approval of the following matters coming before the Board: (a) utilization management policies; (b) quality management and improvement policies; and (c) provider credentialing policies.”

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

Name and Residence

Principal Occupation

Class A Directors:

Adam James Loomans
Mequon, WI

Vice President of Legal Affairs,
Centene Corporation

James Heath Phillips
Dothan, AL

President and Chief Executive Officer,
Nebraska Total Care, Inc.

Adam Proctor
Lincoln, NE

Senior Vice President, Operations,
Nebraska Total Care, Inc.

Class B Directors:

Patrick Henry Connell
Omaha, NE

Vice President of Behavioral Health, Compliance,
and Government & Relations
Boys Town National Research Hospital

<u>Name and Residence</u>	<u>Principal Occupation</u>
Dr. Michael Hein Doniphan, NE	Executive Leadership Coach and Physician, MEDI Leadership
Dr. Michael Israel Lincoln, NE	Chief Medical Officer, BlueStem Health
Dr. Kristine McVea Omaha, NE	Chief Medical Officer, OneWorld Community Health Center
Dr. Chinyere Oarhe Elkhorn, NE	Neonatologist, Neonatal Care, PC
Ann Polich Council Bluffs, IA	Chief Medical Officer, CyncHealth
Dr. Kenton Leslie Shaffer Kearney, NE	Physician – Pediatrics, UniNet Healthcare Network
Dr. John Tubbs Stuart, NE	Chief Executive Officer and Medical Director Greater Sandhills Family Healthcare
Kelly Weiler Omaha, NE	Director of Managed Care, Children’s Hospital and Medical Center
Dr. Adam Wells Omaha, NE	Pulmonary/Critical Care Physician, Methodist Physicians Clinic – Pulmonary Medicine Specialists
Jeanette Wojtalewicz Omaha, NE	Chief Financial Officer, CHI Health

Article IV, Section 4.9 of the Company’s By-Laws, “...the Class A Directors will have the authority to fix the compensation, if any, of Directors. Unless and until so fixed, the Directors shall not receive any stated compensation for their services, but by resolution of the Class A Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board or for attendance at committee meetings; provided that nothing herein

contained will be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.”

Officers

Article V, Section 5.1(a) of the Company’s By-Laws states that, “the Corporation will have a President and a Secretary and may also have the following officers: a Chairman of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and one or more Assistant Treasurers.” The following is a listing of Officers elected and serving the Company at December 31, 2022:

<u>Name</u>	<u>Office</u>
James H. Phillips	President
Adam Proctor	Vice President
Joel B. Samson	Secretary
Tricia L. Dinkelman	Vice President of Tax
Phyllis R. Thompson	Treasurer

TRANSACTIONS WITH AFFILIATES

Management Agreement

A management agreement between Centene Management Company (CMC) and the Company was entered into on January 1st, 2017. The agreement delegates the authority to CMC to manage, on behalf of the Company, day-to-day business operations and affairs and to take actions on behalf of the Company as CMC deems necessary in connection with the business operations and affairs of the Company. The Company does maintain ultimate responsibility for the management and supervision of the overall operations of the Company and the business and of all medical, professional and ethical affairs of its managed care programs, the establishment of general operating policies to be carried out by CMC, and the compliance by the Company and CMC with any coverage agreement and all laws and regulations. The Company will pay CMC a

monthly fee based on the variable degrees of management services required to support differing categories of enrollees covered by the Company, and the size and scale of the Company's business.

Tax Sharing Agreement

The Company joined an existing tax sharing agreement between Centene Corporation and its affiliated group of subsidiaries effective September 16th, 2015. The agreement provides for Centene Corporation to allocate the consolidated tax liability and the liabilities relating to the state tax returns of the affiliated group among its members, for reimbursing Centene Corporation for payment of such liability, for compensating any party for use of its losses or tax credits and to provide for the allocation and payment of any refund arising from carryback of losses or tax credits from subsequent tax years. Centene Corporation is responsible for services including but not limited to those services relating to the preparation of returns. Centene Corporation will receive reimbursement for the expenses associated with performance of these services by each of the member corporations. The amount and terms of reimbursements will be governed by the general services agreement between entities.

IDD Case Management, Pathways, & Super Utilizer Programs Agreement

An Intellectual and Developmental Disability (IDD) case management, pathways, and super utilizer programs agreement was entered into on January 1, 2017, between the Company and LifeShare Management Group, LLC (LifeShare). This agreement provides case management for individuals enrolled in managed care plans administered by the Company who have IDD, provide ongoing internal and external training to the Company, and provide support to the enrolled individuals with complex unaddressed health issues and a history of uncoordinated care among health care providers for the super utilizer program. The agreement lasts for one year and

then renews automatically for successive one-year terms. The Company will ultimately pay LifeShare \$20.85 per month for every IDD enrolled individual for each month in which the individual is enrolled in the Company and \$300 per month for every enrolled individual who has been successfully reached, consented to participate in the program and completed a baseline screening survey and received other program services for each month the person is enrolled in the program. An amendment to the agreement was effective as of July 1st, 2017, that amended the fees paid to \$29.16 per month for every IDD covered person for each month in which the person is enrolled in the Company.

Participating Provider Agreement

A participating provider agreement was entered into as of July 1st, 2021, between the Company and AcariaHealth, Inc. (AcariaHealth) in which AcariaHealth will provide home infusion services to members of the Company. The term of the agreement is for an initial term of three years and will automatically renew each year for a one-year period. The agreement includes a compensation schedule which sets forth the maximum reimbursement amounts for covered services provided by contracted providers to covered persons enrolled in a Medicaid product. The maximum amount for home infusion covered services rendered to a covered person is the “allowed amount”. This is the lesser of allowable charges or the applicable contracted rate.

Dental Services Agreement

A dental services agreement was entered into as of January 1st, 2022, between the Company and Envolve Dental, Inc. (EDI) in which Envolve will arrange for the provision of dental services. It is applicable to the Medicare and Commercial-Exchange lines of business. The term of the agreement is for an initial term of one year and will be automatically renewed for successive one year periods. EDI will be paid on a full risk basis with EDI retaining all the risk

for covered dental services and the cost associated with administration of delegated services. The Company will pay EDI the per member per month (PMPM) fee based on eligible enrollment on the fifteenth day of the month. If a covered person is enrolled and effective on the fifteenth day of the month, the full month's PMPM payment will be made for that month.

Master Services Agreement

A master services agreement was entered into as of January 1st, 2017, between the Company and Envolve People Care, Inc. (EPCI) in which EPCI will provide disease management, nurse advice line and behavioral health case management to members of the Company. The term of the agreement is for one year and automatically renews each year for a one-year period. The Company will pay EPCI a per participant per month (PPPM) fee each month, based on eligible enrollment on the fifteenth of the month. The amount of the monthly fee will be based on each member's enrollment type each month. The agreement was terminated effective January 1, 2022.

Pharmacy Benefit Management Services Agreement

A pharmacy benefit management services agreement was entered into as of January 1st, 2017, between the Company and Envolve Pharmacy Solutions, Inc. (EPSI) in which EPSI will provide and/or subcontract services such as eligibility and claims processing, mail order pharmacy, specialty pharmacy, utilization review and quality improvement, compliance with grievance system, call center, rebates and formulary management, reporting, and information data systems. The term of the agreement is one year and automatically renews each year for a one-year period. Fees paid vary and include \$1 administrative fee per transaction, \$1.25 per paid prescription dispensing fee, ad hoc reporting fee of \$150 per hour, etc.

Pharmacy Benefit Management Services Agreement

A pharmacy benefit management services agreement was entered into as of October 15th, 2021, between the Company and EPSI in which EPSI will provide and/or subcontract services such as claims processing, eligibility management, benefits and utilization management, pharmacy network management, and call center services. The term of the agreement is fifteen months and automatically renews each year for a one-year period. The fees paid for services provided by EPSI vary depending on the service.

Vision Services Agreement

A vision services agreement was entered into on January 1st, 2017, between Envision Vision, Inc. (EVI) and the Company. The agreement allows for EVI to provide or arrange for the provision of covered vision services to covered persons which may include quality improvement processes, utilization management, marketing, customer service, claims processing, benefits and eligibility verification, accounts receivable collection, maintenance of provider directory and records, and development of contracts with providers of covered services. The term of the agreement is for one year and automatically renews for successive one-year periods. Fees are paid monthly and are based on a compensation table with different per member per month rates for each product.

Participating Provider Agreement

A participating provider agreement was entered into as of January 1st, 2017, between the Company and Rapid Respiratory Services, LLC dba The Home DME. The agreement allows for The Home DME to arrange for the provision of durable medical equipment to the Company's members. The agreement is for an initial term of three years and automatically renews for successive one-year periods. Fees paid vary and are based on the product.

Radiology Services Management Agreement

A radiology services management agreement was entered into as of January 1st, 2018, between the Company and affiliates and National Imaging Associates, Inc. (National). National was a related party from January 2022, when its ultimate parent, was acquired by Centene Corporation, through January 2023, when Centene divested its controlling interest in National. The agreement allows for National to provide or arrange for the provision of covered radiology services for the Company's members. The agreement is for an initial term of five years and automatically renews for successive one-year periods. The compensation payments will be paid monthly based on a covered person's eligibility status as of the fifteenth of the month.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in Nebraska.

The Company is organized as a Health Maintenance Organization. It holds a contract with the Nebraska Department of Health and Human Services to provide Medicaid. The Company also offers Medicare health plans and prescription drug benefits to Medicare beneficiaries through the Medicare Part D Program under a contract with the Centers for Medicare & Medicaid Services. Beginning in 2022, the Company began to offer health and prescription drug benefits to individuals covered under the Marketplace plan.

REINSURANCE

Ceded

The Company has an excess of loss reinsurance agreement with PartnerRe America Insurance Company (PartnerRe), effective January 1, 2022. The Company cedes any losses related to inpatient services in excess of \$5,000,000 per member to PartnerRe. The maximum

amount payable on each member is \$5,000,000. The termination date of the agreement is January 1, 2023.

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 44,157,469	\$ 46,354,194	\$ 43,568,515	\$ 73,567,705	\$175,867,156
Admitted assets	98,152,769	102,105,883	139,547,078	208,658,874	368,277,857
Claims unpaid	59,961,476	49,683,510	68,840,250	87,585,185	106,934,676
Total liabilities	63,226,247	52,107,644	76,675,363	132,672,070	269,682,657
Capital and surplus	34,926,522	49,998,239	62,871,715	75,986,804	98,595,200
Net premium income	444,751,155	454,320,335	516,182,059	705,735,426	963,839,916
Net investment income	1,592,293	2,281,769	1,585,133	1,637,460	5,978,045
Hospital/medical benefits	292,968,381	263,867,841	299,907,541	409,207,816	551,261,669
Net income	(16,343,830)	14,510,334	14,155,821	22,383,138	33,064,635

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**

Assets

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$175,867,156		\$175,867,156
Cash and cash equivalents	<u>145,370,948</u>		<u>145,370,948</u>
Subtotal, cash and invested assets	\$321,238,104		\$321,238,104
Investment income due and accrued	1,641,388		1,641,388
Uncollected premiums and agents' balances	38,136,891		38,136,891
Accrued retrospective premiums	1,556,400		1,556,400
Amounts receivable relating to uninsured plans	1,643,523		1,643,523
Net deferred tax asset	1,049,781		1,049,781
Health care and other amounts receivable	5,252,462	\$2,337,071	2,915,391
Prepays	46,291	46,291	
State income tax	<u>96,379</u>	<u></u>	<u>96,379</u>
Totals	<u>\$370,661,219</u>	<u>\$2,383,362</u>	<u>\$368,277,857</u>

Liabilities, Surplus, and Other Funds

Claims unpaid	\$106,934,676
Accrued medical incentive pool and bonus amounts	13,813,081
Unpaid claims adjustment expenses	1,114,000
Aggregate health policy reserves	136,593,937
Premiums received in advance	2,223,704
General expenses due or accrued	1,896,464
Current federal and foreign income tax payable and interest thereon	2,159,502
Ceded reinsurance premiums payable	261
Amounts due to parent, subsidiaries and affiliates	2,047,544
Liability for amounts held under uninsured plans	369,120
State assessment payable	2,497,211
Escheatment payable	<u>33,157</u>
 Total liabilities	 <u>\$269,682,657</u>
 Common capital stock	 \$ 100
Gross paid in and contributed surplus	69,299,900
Unassigned funds (surplus)	<u>29,295,200</u>
 Total capital and surplus	 <u>\$ 98,595,200</u>
 Totals	 <u>\$368,277,857</u>

STATEMENT OF REVENUE AND EXPENSES – 2022

Net premium income	<u>\$963,839,916</u>
Hospital/medical benefits	\$551,261,669
Other professional services	13,020,359
Emergency room and out-of-area	49,758,318
Prescription drugs	176,741,172
Incentive pool, withhold adjustments and bonus amounts	15,882,797
Net reinsurance recoveries	(15,504)
Claims adjustment expense	7,734,454
General administrative expenses	<u>113,316,292</u>
Total underwriting deductions	<u>\$927,730,565</u>
Net underwriting gain	<u>\$ 36,109,351</u>
Net investment income earned	<u>\$ 5,978,045</u>
Net realized capital gains	\$ (2,154)
Net gain or (loss) from agents' or premium balances charged off	<u>(138,875)</u>
Net income or (loss) after capital gains tax and before all other federal income taxes	\$ 41,946,367
Federal income taxes incurred	<u>\$ 8,881,732</u>
Net income	<u>\$ 33,064,635</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital and surplus, beginning	<u>\$ 45,720,092</u>	<u>\$34,926,522</u>	<u>\$49,998,239</u>	<u>\$62,871,715</u>	<u>\$75,986,804</u>
Net income	<u>\$(16,343,830)</u>	<u>\$14,510,334</u>	<u>\$14,155,821</u>	<u>\$22,383,138</u>	<u>\$33,064,635</u>
Change in net unrealized capital gains			(332)	(9,586)	(276,307)
Change in net deferred income tax		335,610	439,840	(51,433)	249,678
Change in non-admitted assets	<u>5,550,260</u>	<u>225,773</u>	<u>(1,721,853)</u>	<u>792,970</u>	<u>(429,610)</u>
Surplus adjustments: paid in					(10,000,000)
Dividends to Stockholders	<u> </u>	<u> </u>	<u> </u>	<u>(10,000,000)</u>	<u> </u>
Net change for the year	<u>\$(10,793,570)</u>	<u>\$15,071,717</u>	<u>\$12,873,476</u>	<u>\$13,115,089</u>	<u>\$22,608,396</u>
Capital and surplus, ending	<u>\$ 34,926,522</u>	<u>\$49,998,239</u>	<u>\$62,871,715</u>	<u>\$75,986,804</u>	<u>\$98,595,200</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$29,295,200, 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:

Board of Director Meetings – It is recommended that the Company conduct quarterly Board meetings and approve investments in compliance with §44-5105.

Actions: The Company has complied with this recommendation.

Custodial Agreement – It is recommended that the Company amend its custodial agreement with Wells Fargo to comply with Title 210, Chapter 81 of the Nebraska Rules and Regulations.

Actions: The Company has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

There are no comments or recommendations that have been made as a result of this examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations that have been made as a result of this examination.

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 Alabama Department of Insurance, the Arizona Department of Insurance, the Arkansas Insurance Department, the California Department of Insurance, the Connecticut Insurance Department, the Florida Office of Insurance Regulation, the Hawaii Insurance Division, the Illinois Department of Insurance, the Iowa Insurance Division, the Kansas Insurance Department, the Kentucky Department of Insurance, the Louisiana Department of Insurance, the Maine Bureau of Insurance, the Michigan Department of Insurance and Financial Services, the Mississippi Insurance Department, the Missouri Department of Commerce and Insurance, the Nevada Division of Insurance, the New Hampshire Insurance Department, the New Jersey Department of Banking and Insurance, the New Mexico Office of Superintendent of Insurance, the New York Department of Financial Services, the North Carolina Department of Insurance, the Ohio Department of Insurance, the Oklahoma Insurance Department, the Oregon Department of Consumer and Business Services, the Commonwealth of Pennsylvania Insurance Department, the Rhode Island Insurance Division, the Tennessee Department of Commerce and Insurance, the Texas Department of Insurance, the Vermont Department of Financial Regulation, the Virginia Bureau of Insurance, the Washington State Office of the Insurance Commissioner, and the Wisconsin Office of the Commissioner of Insurance participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Michael Sullivan", with a stylized flourish at the end.

Michael Sullivan, CFE
Examiner-in Charge
Department of Insurance
State of Nebraska

ADDENDUM

ORGANIZATIONAL CHART

Note: The following chart includes all affiliates related to insurance operations. Affiliates of selected non-insurance operations have been omitted. The omissions are replaced with the phrase “and owned affiliate(s).”

Centene Corporation (DE)

Bankers Reserve Life Insurance Company of Wisconsin (WI)

Health Plan Real Estate Holding, Inc (MO) (17%)

Peach State Health Plan, Inc. (GA)

Health Plan Real Estate Holding, Inc. (MO) (21%)

Iowa Total Care, Inc. (IA)

Buckeye Community Health Plan, Inc. (OH)

Health Plan Real Estate Holding, Inc. (MO) (18%)

Absolute Total Care, Inc.

Health Plan Real Estate Holding, Inc. (MO) (1%)

Coordinated Care Corporation d/b/a Managed Health Services (IN)

Health Plan Real Estate Holding, Inc. ((MO) (15%)

Healthy Washington Holdings, Inc. (DE)

Coordinated Care of Washington, Inc. (WA)

Managed Health Services Insurance Corp (WI)

Health Plan Real Estate Holding, Inc. (MO) (2%)

Hallmark Life Insurance Co. (AZ)

Superior HealthPlan, Inc. (TX)

Health Plan Real Estate Holding, Inc. (MO) (21%)

Healthy Louisiana Holdings LLC (DE)

Louisiana Healthcare Connections, Inc. (LA)

Magnolia Health Plan Inc. (MS)

Sunshine Health Holding LLC (FL)

Sunshine State Health Plan, Inc. (FL) (50%)

Healthy Missouri Holding, Inc. (MO) (95%)

Home State Health Plan, Inc. (MO)

Health Plan Real Estate Holding, Inc. (MO) (5%)

Sunflower State Health Plan, Inc. (KS)

Granite State Health Plan, Inc. (NH)

California Health and Wellness Plan (CA)

Western Sky Community Care, Inc. (NM)

Tennessee Total Care, Inc. (TN)

SilverSummit Healthplan, Inc. (NV)

University Health Plans, Inc. (NJ)

Agate Resources, Inc. (OR)

Trillium Community Health Plan, Inc. (OR)

Nebraska Total Care, Inc. (NE)

Pennsylvania Health & Wellness, Inc. (PA)

Sunshine Health Community Solutions, Inc. (FL)

- Buckeye Health Plan Community Solutions, Inc. (OH)
- Arkansas Health & Wellness Health Plan, Inc. (AR)
 - Arkansas Total Care Holding Company, LLC (DE) (49%)
 - Arkansas Total Care, Inc. (AR)
- Oklahoma Complete Health Inc. (OK)
- Bridgeway Health Solutions, LLC (DE)
 - Bridgeway Health Solutions of Arizona Inc. (AZ)
- Celtic Group, Inc. (DE)
 - Celtic Insurance Company (IL)
 - Ambetter of Magnolia Inc. (MS)
 - Ambetter of Peach State Inc. (GA)
 - Novasys Health, Inc (DE)
 - CeltiCare Health Plan Holdings LLC (DE)
 - CeltiCare Health Plan of Massachusetts, Inc. (MA)
- Centene Management Company LLC. (WI)
 - Illinois Health Practice Alliance, LLC (DE) (50%)
- Lifeshare Management Group, LLC. ((NH)
- CCTX Holdings, LLC. (DE)
 - Centene Company of Texas, LP (TX) (1%)
- Centene Holdings, LLC. (DE)
 - Centene Company of Texas (TX) (99%)
- Envolve Holdings, LLC
 - Cenpatico Behavior Health, LLC (CA)
 - Envolve, Inc. (DE)
 - Envolve PeopleCare, Inc. (DE)
 - Envolve Benefits Options, Inc. (DE)
 - Envolve Vision Benefits, Inc. (DE)
 - Envolve Vision of Texas, Inc. (TX)
 - Envolve Vision, Inc. (DE)
 - Envolve Vision of Florida, Inc. (FL)
 - Envolve Total Vision, Inc. (DE)
 - Envolve Optical, Inc. (DE)
 - Envolve Dental, Inc. (DE)
 - Envolve Dental of Florida, Inc. (FL)
 - Envolve Dental of Texas, Inc. (TX)
 - Centene Pharmacy Services, Inc. (DE)
 - MeridianRx, LLC (MI)
- Specialty Therapeutic Care Holdings, LLC and owned affiliates (DE)
- US Medical Management Holdings, Inc. ((DE)
- Health Net, LLC (DE)
 - Health Net of California, Inc. (CA)
 - Health Net Life Insurance Company (CA)
 - Health Net Life Reinsurance Company (CA)
 - Managed Health Network, LLC (DE)
 - Managed Health Network (CA)
 - MHN Services, LLC (CA)

- Health Net Federal Services, LLC (DE)
 - MHN Government Services LLC (DE)
 - Network Providers, LLC (DE) (10%)
 - Network Providers, LLC (DE) (90%)
 - Health Net Health Plan of Oregon, Inc. (OR)
 - Health Net Community Solutions, Inc. (CA)
 - Health Net of Arizona, Inc. (AZ)
 - Health Net Community Solutions of Arizona, Inc. (AZ)
 - Health Net Access, Inc. (AZ)
- Centene Health Plan Holdings, Inc. (DE)
 - Ambetter of North Carolina, Inc. (NC)
 - Carolina Complete Health Holding Company Partnership (DE) (80%)
 - Carolina Complete Health, Inc. (NC)
- New York Quality Healthcare Corporation (NY)
 - Salus Administrative Services, Inc. (NY)
 - Salus IPA, LLC (NY)
 - WellCare of Connecticut, Inc. (CT)
- Community Medical Holdings Corp (DE) and owned affiliates
 - Access Medical Acquisition, LLC. (DE)
 - Access Medical Group of North Miami Beach, LLC (FL)
 - Access Medical Group of Miami, LLC (FL)
 - Access Medical Group of Hialeah, LLC (FL)
 - Access Medical Group of Westchester, LLC (FL)
 - Access Medical Group of Opa-Locka, LLC (FL)
 - Access Medical Group of Tampa, LLC (FL)
 - Access Medical Group of Tampa I, LLC (FL)
 - Access Medical Group of Tampa II, LLC (FL)
 - Access Medical Group of Tampa III, LLC (FL)
 - Access Medical Group of Lakeland, LLC (FL)
 - Access Medical Group of Pembroke Pines, LLC (FL)
 - Access Medical Group of Margate, LLC (FL)
 - Access Medical Group of Riverview, LLC (FL)
 - Access Medical Group of Kendall, LLC (FL)
 - Access Medical Group of Lauderdale Lakes, LLC (FL)
- Interpreta Holdings, Inc. (DE) (80.1%) and owned affiliates
- Next Door Neighbors, LLC (DE) (60%)
 - Next Door Neighbors, Inc. (DE)
 - Centene Venture Company Alabama Health Plan, Inc. (AL)
 - Centene Venture Company Illinois (IL)
 - Centene Venture Company Kansas (KS)
 - Centene Venture Company Florida (FL)
 - Centene Venture Company Indiana, Inc. (IN)
 - Centene Venture Company Tennessee (TN)
 - Centene Venture Insurance Company Texas (TX)
 - Centene Venture Company Michigan (MI)
- Comprehensive Health Management, LLC (FL)

WellCare Health Plans, Inc. (DE)
 WCG Health Management, Inc. (DE)
 The WellCare Management Group, Inc. (NY)
 WellCare of Mississippi, Inc. (MS)
 WellCare of Virginia, Inc. (VA)
 WellCare of Oklahoma, Inc. (OK)
 WellCare Health Insurance Company of Nevada, Inc. (NV)
 WellCare Health Insurance of Southwest, Inc. (AZ)
 WellCare of Georgia, Inc. (GA)
 WellCare of Texas, Inc. (TX)
 WellCare of South Carolina, Inc. (SC)
 WellCare Health Plans of New Jersey, Inc. (NJ)
 WellCare of Pennsylvania, Inc. (PA)
 WellCare Health Plans of Massachusetts, Inc. (MA)
 WellCare Health Insurance Company of Oklahoma (OK)
 WellCare Health Plans of Missouri, Inc. (MO)
 WellCare Prescription Insurance, Inc. (AZ)
 WellCare Health Insurance of Hawaii, Inc. (HI)
 WellCare Health Plans of Rhode Island, Inc. (RI)
 WellCare of Illinois, Inc. (IL)
 Rhythm Health Tennessee, Inc. (TN)
 WellCare Health insurance of New York, Inc. (NY)
 Ohana Health Plan, Inc. (HI)
 WellCare of Indiana, Inc. (IN)
 America's 1st Choice California Holdings, LLC (FL)
 WellCare of California, Inc. (CA)
 WellCare Health Insurance of Tennessee, Inc. (TN)
 WellCare of New Hampshire, Inc. (NH)
 WellCare Health Plans of Vermont, Inc. (VT)
 WellCare Health Insurance of Connecticut, Inc. (CT)
 WellCare of Washington, Inc. (WA)
 WellCare Health Plans of Kentucky, Inc. (KY)
 WellCare of Alabama, Inc. (AL)
 WellCare of Maine, Inc. (ME)
 Harmony Health Systems Inc. (NJ)
 Harmony Health Management, Inc. (NJ)
 Harmony Health Plan, Inc. (IL)
 WellCare Health Insurance Company of Kentucky (KY)
 WellCare Health Insurance of Arizona, Inc. (AZ)
 WellCare Health Insurance of North Carolina, Inc. (NC)
 WellCare Health Insurance Company of Louisiana (LA)
 WellCare of Missouri Health Insurance Company (MO)
 WellCare Health Plans of Wisconsin, Inc. (WI)
 Care 1st Health Plan of Arizona, Inc. (AZ)
 Care 1st Health Plan Administrative Services (AZ)
 One Care by Care1st Health Plans of Arizona, Inc. (AZ)

WellCare Health Insurance Company of Washington (WA)
 WellCare Health Insurance Company of Wisconsin (WI)
 WellCare of North Carolina, Inc. (NC)
 WellCare Health Insurance Company of America (AR)
 WellCare National Health Insurance Company (TX)
 WellCare Health Insurance Co of New Hampshire (NH)
 WellCare Health Insurance Company of New Jersey (NJ)
 WellCare of Michigan Holding Company (MI)
 Meridian Health Plan of Michigan, Inc. (MI)
 Meridian Health Plan of Illinois, Inc. (IL)
 Sunshine State Health Plan, Inc (FL) (50%)
 Universal American Corp. (DE)
 Universal American Holdings, LLC (DE)
 Universal American Financial Services (DE)
 American Progressive Life & Health Ins. Co. NY
 Heritage Health Systems, Inc. (TX)
 SelectCare of Texas, Inc. (TX)
 Heritage Health Systems of Texas, Inc. (TX)
 Golden Triangle Phys Alliance (TX)
 Heritage Physician Networks (TX)

QCA Healthplan, Inc. (AR)
 Qualchoice Life and Health Insurance Company (AR)
 HealthSmart Benefits Management, LLC (TX) and owned affiliates
 District Community Care Inc. (DC)
 Oklahoma Complete Health Holding Company, LLC (OK)
 RI Health & Wellness, Inc. (RI)
 Delaware First Health, Inc. (DE)
 Delaware First Health Complete, Inc. (DE)
 Magellan Health, Inc. (DE)
 Magellan Pharmacy Services, Inc. (DE)
 Magellan Behavioral Health of New Jersey, LLC (NJ)
 Magellan Health Services of California – Employer Services (CA)
 Magellan Healthcare, Inc. (DE)
 Human Affairs International of California (CA)
 Magellan Complete Care of Louisiana, Inc. (LA)
 Magellan Behavioral Health of Florida, Inc. (FL)
 Magellan Health Services of Arizona, Inc. (AZ)
 Magellan Health Services of New Mexico, Inc. (NM)
 Magellan of Idaho, LLC (ID)
 Magellan Complete Care of Pennsylvania, Inc. (PA)
 National Imaging Associates, Inc. (DE)
 NIA IPA of New York, Inc. (NY)
 Magellan Life Insurance Company (DE)
 Magellan of Ohio, Inc. (OH)
 Merit Behavioral Care Corporation (DE)
 Magellan Behavioral Care of Iowa, Inc. (IA)

Magellan Providers of Texas, Inc. (TX)
Magellan Behavioral Health of Pennsylvania, Inc. (PA)
Magellan Behavioral of Michigan, Inc. (MI)
Magellan of Maryland, LLC (MD)
Magnolia Joint Venture Holding Company, Inc. (DE)

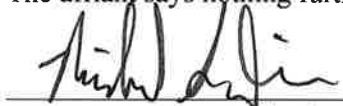
State of Nebraska,

County of Lancaster,

Michael Sullivan, being duly sworn, states as follows:

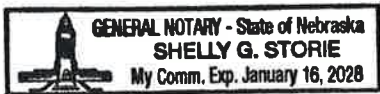
1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Nebraska Total Care, Inc.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Nebraska Total Care, Inc. 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 Michael Sullivan on this 21st day of June, 2024.



(SEAL)



Notary Public

My commission expires January 16, 2028 [date].