



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

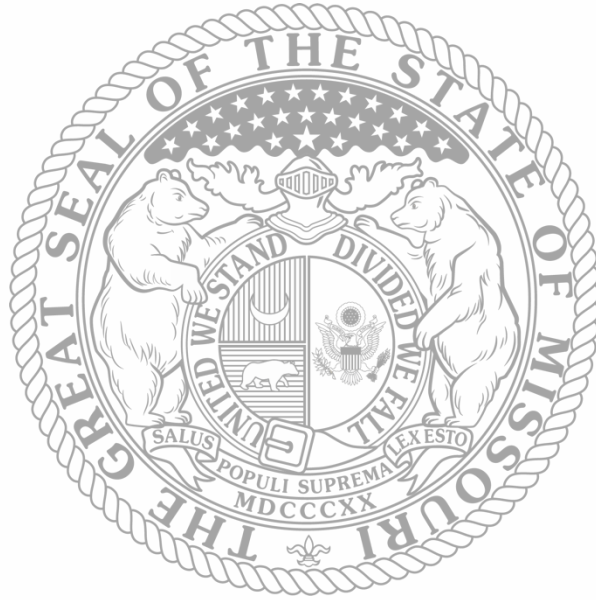
After full consideration and review of the report of the financial examination of Provider Partners Health Plan of Missouri, Inc. for the period ended December 31, 2024, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director, Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant findings, history, corporate records, management and control, territory and plan of operations, accounts and records, financial statements, comments on the financial statements, subsequent events and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Provider Partners Health Plan of Missouri, Inc. as of December 31, 2024, be and is hereby ADOPTED as filed and for Provider Partners Health Plan of Missouri, Inc. to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) implement and verify compliance with each item mentioned in the Comments on the Financial Statement and/or Summary of Recommendations section of such report; and (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 29th day of June, 2026.



Angela L. Nelson, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

PROVIDER PARTNERS HEALTH PLAN OF MISSOURI, INC.

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

SCOPE OF EXAMINATION.....	1
PERIOD COVERED.....	1
PROCEDURES.....	1
SUMMARY OF SIGNIFICANT FINDINGS	2
COMPANY HISTORY.....	2
GENERAL.....	2
MERGERS, ACQUISITIONS, AND MAJOR CORPORATE EVENTS	2
DIVIDENDS AND CAPITAL CONTRIBUTIONS	2
SURPLUS NOTES.....	2
MANAGEMENT AND CONTROL.....	3
BOARD OF DIRECTORS	3
SENIOR OFFICERS	3
PRINCIPAL COMMITTEES	3
CORPORATE RECORDS.....	3
HOLDING COMPANY, SUBSIDIARIES, AND AFFILIATES.....	3
ORGANIZATIONAL CHART	4
INTERCOMPANY TRANSACTIONS	5
TERRITORY AND PLAN OF OPERATION	6
GROWTH OF COMPANY AND LOSS EXPERIENCE.....	6
REINSURANCE.....	6
GENERAL.....	6
ASSUMED REINSURANCE	6
CEDED REINSURANCE.....	6
ACCOUNTS AND RECORDS	7
INDEPENDENT AUDITOR	7

ACTUARIAL OPINION	7
ACTUARY	7
INFORMATION SYSTEMS	7
FINANCIAL STATEMENTS.....	7
ASSETS.....	8
LIABILITIES, CAPITAL AND SURPLUS	8
STATEMENT OF REVENUE AND EXPENSES	9
COMMENTS ON FINANCIAL STATEMENT ITEMS	9
FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION	9
SUMMARY OF RECOMMENDATIONS.....	9
SUBSEQUENT EVENTS.....	9
ACKNOWLEDGMENT	10
VERIFICATION.....	10
SUPERVISION	11

Jefferson City, MO
May 29, 2026

Honorable Angela L. Nelson, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Nelson:

In accordance with your financial examination warrant, a full-scope financial examination has been made of the records, affairs, and financial condition of

Provider Partners Health Plan of Missouri, Inc. (NAIC #16566)

hereinafter referred to as such, as PPHPMO, or as the Company. Its administrative office is located at 8820 Columbia 100 Parkway, Suite 430, Columbia, Maryland 21045, telephone number 443-275-9800. The fieldwork for this examination began on April 28, 2025, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a single-state financial examination of PPHPMO. The last examination of the Company by the Department covered the period of January 1, 2019, through December 31, 2023. The current examination covers the period of January 1, 2024, through December 31, 2024, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook (Handbook)*, except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. The *Handbook* requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination also included a review of significant estimates made by management and evaluation of 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.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Those activities considered in the examination as key to PPHPMO included Investments, Related Party, Claims, Reinsurance, Reserves, and Other. The examination also included a review and evaluation of information technology general controls.

This examination was a coordinated examination of companies within the Provider Partners Health Plan insurance company holding system (PPHP or Group). Regulators from Illinois, Indiana, Maryland, Missouri, North Carolina, Pennsylvania, and Texas participated in the coordinated examination, with the Maryland Insurance Administration (MIA) acting as the lead state and examination facilitator.

This examination report includes significant findings of fact, as mentioned in section 374.205 of the Revised Statutes of Missouri (RSMo) (Examination, director may conduct, when...) and general information about the Company 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 are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

The Company did not comply with section 382.195.1(4), RSMo (Prohibited transactions, exceptions) when it failed to provide prior written notice to the Department when the terms of the Management Services Agreement with Provider Partners Management Services, LLC (PPMS) were amended. See additional details in the “Intercompany Transactions” subsection of this examination report.

COMPANY HISTORY

General

Provider Partners Health Plan of Missouri, Inc. was licensed by the Department on April 17, 2019, as a Health Maintenance Organization (HMO), subject to the provisions of sections 354.400-354.636, RSMo. PPHPMO began writing business in January 2021. The Company is not licensed to write business in any other states.

Mergers, Acquisitions, and Major Corporate Events

There were no mergers, acquisitions, or corporate events during the examination period that were material to PPHPMO.

Dividends and Capital Contributions

On June 10, 2024, with approval from the Department, the Company returned \$2.0 million in capital to its direct parent, PPHP-MO Holdco, LLC. The entire distribution amount was considered extraordinary. The distribution was treated as a reduction of gross paid in and contributed surplus in the 2024 statutory annual statement.

Surplus Notes

No surplus notes were issued or outstanding during the examination period.

MANAGEMENT AND CONTROL

Board of Directors

The management of the Company is vested in a Board of Directors (Board) that is elected by the affirmative vote of a majority of the shareholders with voting power. The Company's Bylaws specify that there shall never be less than the minimum number required by applicable law nor more than ten Directors. The Directors elected and serving as of December 31, 2024, were as follows:

<u>Name and Address</u>	<u>Principal Occupation and Business Affiliation</u>
Scott M. Rifkin, M.D. Columbia, MD	Executive Chairman Provider Partners Health Plan, Inc.
Bruce R. (Rick) Grindrod, Jr. Columbia, MD	President and Chief Executive Officer Provider Partners Health Plan, Inc.
Keith D. Persinger Columbia, MD	Chief Financial Officer and Chief Operating Officer Provider Partners Management Services LLC
Shane L. McClain Osage Beach, MO	President and Chief Operating Officer Health Systems, Inc.
Bradley S. Hinkle Osage Beach, MO	General Counsel Health Systems, Inc.

Senior Officers

The officers elected and serving, as of December 31, 2024, were as follows:

<u>Name</u>	<u>Office</u>
Bruce R. (Rick) Grindrod, Jr.	President and Chief Executive Officer
Keith D. Persinger	Chief Operating Officer
Mary Beth McIntyre	Secretary/Treasurer
Craig A. Fleischmann	Chief Financial Officer

Principal Committees

The Company's Bylaws allow the Board to establish one or more committees as needed. The entire Board of Directors serves as PPHPMO's Audit Committee, which is permitted under section 375.1025, RSMo (Definitions). The Board has not established any other committees as of the date of this report.

Corporate Records

The Company's Articles of Incorporation and Bylaws were reviewed. There were no revisions to either document during the examination period. The minutes of the PPHPMO Board meetings were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates

PPHPMO is part of the Provider Partners Health Plan Group and is affiliated with numerous other insurance and non-insurance entities through common ownership. PPHPMO is wholly owned by PPHP-MO Holdco, LLC, which is partially owned by MissouriISNP, LLC (40%) and Rifkin PPHP-MO Holdings, LLC (60%).

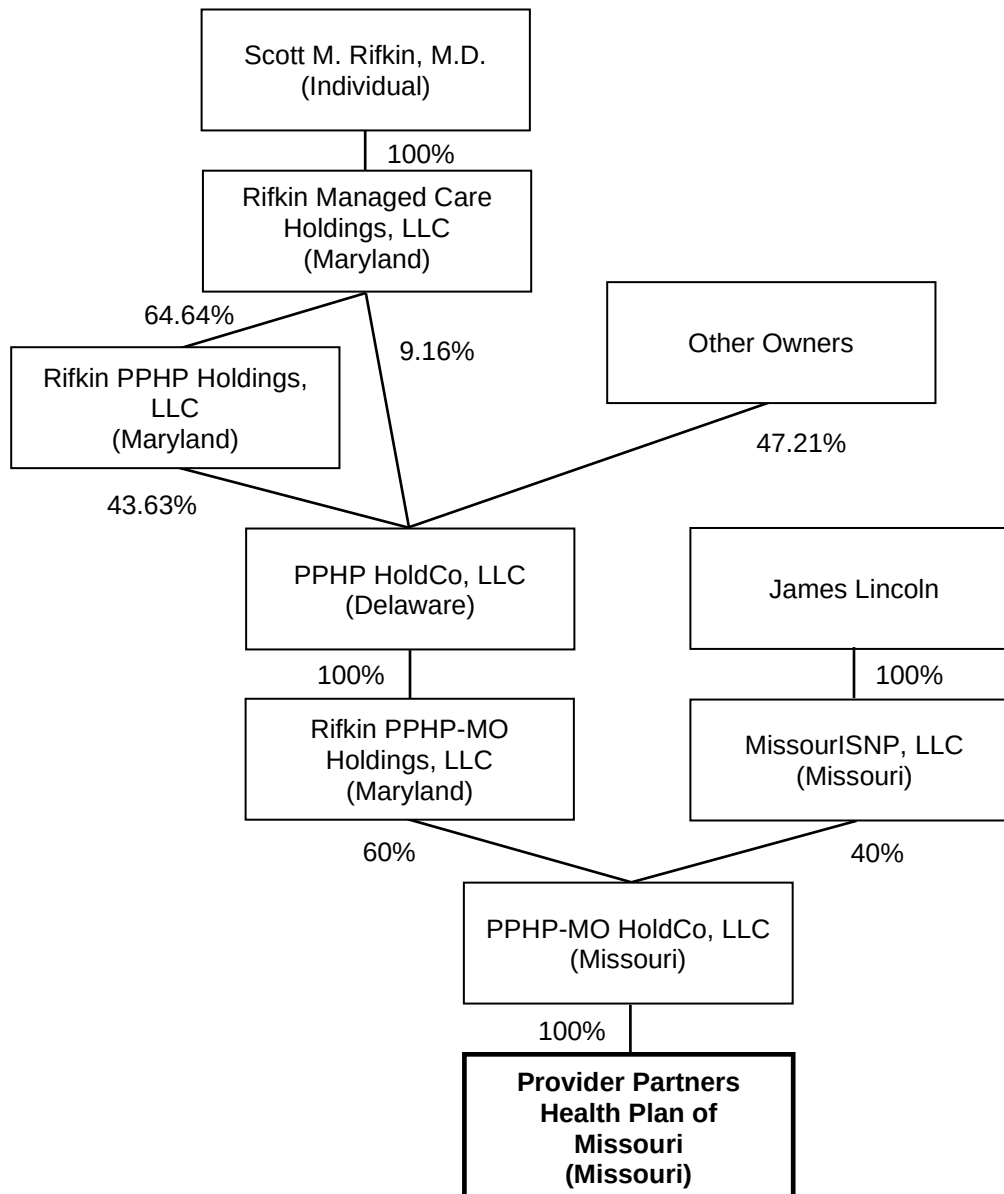
MissouriISNP, LLC is owned by Mr. James C. Lincoln, owner of the nursing homes where PPHPMO is contracted to provide services. Rifkin PPHP-MO Holdings, LLC is ultimately owned

by Dr. Scott M. Rifkin, ultimate owner of Provider Partners Health Plan, Inc. (PPHP), and all domestic insurers (HMOs) within the PPHP Group.

Mr. Lincoln and Dr. Rifkin are considered the ultimate controlling persons (UCP) of PPHPMO. They both maintain ownership of greater than 10%, they both can appoint Directors, and there are contracts between other entities owned by Mr. Lincoln and Dr. Rifkin and the Company.

Organizational Chart

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2024. The complete organization chart contains various insurance and non-insurance subsidiaries that are too numerous to include in the report. Therefore, only the direct and indirect owners of PPHPMO are included.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2024:

Management Service Agreement: This agreement, effective February 13, 2019, is between PPHPMO and PPMS. Dr. Rifkin (UCP) maintains a majority ownership in PPMS. Under the terms of the agreement, PPMS provides to PPHPMO certain management, administrative, or business services that are necessary and appropriate for the administration of the non-medical aspects of the business. According to Exhibit B of the agreement, direct expenses that can be specifically attributed to PPHPMO are billed to PPHPMO, while indirect costs and expenses are allocated on a per member per month (PMPM) basis, based upon the ratio of the number of members enrolled by PPHPMO and the aggregate number of members enrolled by all companies managed by PPMS. During the examination, it was discovered that PPHP management revised the methodology for allocating indirect costs and expenses amongst affiliates in 2023. Under the revised methodology, PPHP management aggregated the members of the three largest health plans (Provider Partners Health Plan of Illinois, Inc., Provider Partners Health Plan of Texas, Inc., and PPHPMO) and allocated indirect costs equally among the three. For the smaller affiliated health plans, the allocation methodology did not change. Indirect costs are allocated based on each of the smaller plans total enrollment as a percentage of total members of all companies managed by PPMS.

PPHPMO did not provide notice to the Department of the revised allocation methodology prior to implementation, as required by section 382.195.1(4), RSMo (Prohibited transactions, exceptions). Under the revised allocation methodology, PPHPMO incurred additional expenses of \$256,816 in 2023 and \$955,872 in 2024, compared to what would have been incurred using the allocation method outlined in the original agreement on file with the Department.

2023			
	Allocations Revised Methodology	Allocations Methodology per Agreement	Amount Under/(Over) Charged
Provider Partners Health Plan, Inc.	\$ 1,090,962	\$ 1,090,962	\$ -
Provider Partners Health Plan of Illinois, Inc.	5,182,955	4,776,055	(406,900)
Provider Partners Health Plan of Pennsylvania, Inc.	2,473,578	2,473,578	-
Provider Partners Health Plan of Texas, Inc.	6,145,453	6,809,170	663,717
Provider Partners Health Plan of Missouri, Inc.	5,190,721	4,933,905	(256,816)
Total	\$ 20,083,669	\$ 20,083,669	\$ -

2024			
	Allocations Revised Methodology	Allocations Methodology per Agreement	Amount Under/(Over) Charged
Provider Partners Health Plan, Inc.	\$ 1,099,936	\$ 1,099,936	\$ -
Provider Partners Health Plan of Illinois, Inc.	6,960,712	5,190,687	(1,770,025)
Provider Partners Health Plan of Pennsylvania, Inc.	2,842,536	2,842,536	-
Provider Partners Health Plan of North Carolina, Inc.	450,648	450,648	-
Provider Partners Health Plan of Texas, Inc.	7,764,486	10,490,383	2,725,897
Provider Partners Health Plan of Missouri, Inc.	6,955,188	5,999,316	(955,872)
Total	\$ 26,073,506	\$ 26,073,506	\$ -

Services Agreement: This agreement, effective August 3, 2020, is between PPHPMO and Provider Partners Care Management, LP (PPCM). Per the agreement, PPCM provides PPHPMO with case management and clinical services to assist in the planning, managing, and coordination of care to its members. Dr. Rifkin (UCP) maintains a majority ownership in PPCM.

Participating Skilled Nursing Facility Agreement: This agreement, effective January 1, 2020, is between PPHPMO, Health Systems, Inc. (HSI), and the skilled nursing facilities that are owned or operated by HSI. Per the agreement, each facility will act as participating providers in PPHPMO's Medicare Advantage ISNP benefit plans. Mr. Lincoln (UCP) is the President of and holds an ownership interest in HSI.

TERRITORY AND PLAN OF OPERATION

PPHPMO is licensed to offer Medicare Advantage Institutional Special Needs Plan (ISNP) products and began writing business in January 2021. The Company partners with skilled nursing facilities to enroll patients in the plan. PPHPMO then makes capitated payments to the skilled nursing facilities as long as its patients are enrolled in the plan.

GROWTH OF COMPANY AND LOSS EXPERIENCE

The Company's capital and surplus decreased from \$5.5 million in 2023 to \$4.2 million in 2024, largely the result of the \$2.0 million return of capital to PPHP-MO HoldCo, LLC, offset by net income of \$910 thousand. PPHPMO reported a net underwriting gain of \$634.9 thousand in 2024, driven by an increase in net premium income of \$3.5 million. The Company's medical loss ratio was 49.6% in 2024.

REINSURANCE

General

The Company's premium activity on a direct, assumed, and ceded basis for the period under examination is detailed below:

<i>(\$000s omitted)</i>	
Premium Type	2024
Direct Premiums Written	\$ 49,354
Reinsurance Assumed:	-
Reinsurance Ceded:	
Non-Affiliates	22,447
Net Premiums Written	\$ 26,906

Assumed Reinsurance

The Company did not assume any premiums during the examination period.

Ceded Reinsurance

Effective January 1, 2023, PPHPMO entered a quota share agreement with The Canada Life Assurance Company (Canada Life) to cede 60% of the morbidity risk on Medicare Advantage policies. PPHPMO cedes premiums and claims to Canada Life, and Canada Life pays an expense allowance to cover anticipated allocable renewal expenses on the portion of the business reinsured. Reinsurance profits, after a risk charge, are returned to PPHPMO through an experience refund. Reinsurance losses are recorded in a loss-carryforward which can be recovered from future reinsurance profit from the reinsured policies.

PPHPMO has also maintained stop loss coverage through PartnerRe America Insurance Company since 2021. The reinsurance agreement is renewed annually on January 1st. Under the terms of the 2024 agreement, covered expenses in excess of \$225,000 are reimbursed at 90% if reported to the reinsurer by January 1, 2026, and are reimbursed at 50% if reported to the reinsurer after January 1, 2026. Claims reported to the reinsurer after July 1, 2026 will not be reimbursed.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS

Independent Auditor

The certified public accounting (CPA) firm CliftonLarsonAllen LLP, located in Minneapolis, Minnesota performed the statutory audit of the Company for 2024.

Actuarial Opinion

The Company's actuarial opinion regarding reserves and other actuarial items was issued by Hayley Rogers, FSA, MAAA, for 2024. Ms. Rogers is employed by Milliman, Inc., located in Seattle, Washington.

Actuary

Pursuant to a contract with MIA, Michael Mayberry, FSA, MAAA, of Lewis & Ellis, LLC, reviewed the underlying actuarial assumptions and methodologies used by PPHPMO to determine the adequacy of reserves and other actuarial items. Mr. Mayberry determined that the Company made a reasonable provision for the reserves and other actuarial items that were reported in the statutory financial statements, as of December 31, 2024.

Information Systems

Pursuant to a contract with MIA, LeeAnne Creevey, CPA, CISA, CITP, CRMA, MCM, and Michael Maertz, CISA, CRISC, CDPSE, CSXF, CIPM (IAPP), of RRC, conducted a review of the Company's information systems.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of Provider Partners Health Plan of Missouri, Inc. for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of the financial statements. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual key activity.

ASSETS

As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 703,724	\$ -	\$ 703,724
Cash, Cash Equivalents, and Short-Term Investments	5,154,725	-	5,154,725
Investment Income Due and Accrued	1,422	-	1,422
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	7,942	5,044	2,898
Accrued Retrospective Premiums	2,414,765	-	2,414,765
Reinsurance:			
Amounts Recoverable from Reinsurers	26,020,721	-	26,020,721
Amounts Receivable Relating to Uninsured Plans	1,549,557	-	1,549,557
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	89,099	-	89,099
Net Deferred Tax Asset	415,224	295,653	119,571
Health Care and Other Amounts Receivable	933,555	-	933,555
TOTAL ASSETS	\$ 37,290,734	\$ 300,697	\$ 36,990,037

LIABILITIES, CAPITAL AND SURPLUS

As of December 31, 2024

Claims Unpaid	\$ 1,611,230
Accrued Medical Incentive Pool and Bonus Amounts	597,950
Unpaid Claims Adjustment Expenses	59,875
General Expenses Due or Accrued	127,836
Ceded Reinsurance Premiums Payable	28,420,335
Amounts Due to Parent, Subsidiaries, and Affiliates	1,472,757
Liability for Amounts Held Under Uninsured Plans	278,613
TOTAL LIABILITIES	\$ 32,568,596
Gross Paid-In and Contributed Surplus	5,635,059
Unassigned Funds (Surplus)	(1,213,619)
TOTAL CAPITAL AND SURPLUS	\$ 4,421,441
TOTAL LIABILITIES AND SURPLUS	\$ 36,990,037

STATEMENT OF REVENUE AND EXPENSES

For the Year Ended December 31, 2023

Net Premium Income	\$ 26,906,057
Total Revenues	\$ 26,906,057
Hospital/Medical Benefits	27,548,604
Emergency Room and Out-of-Area	297,987
Prescription Drugs	4,268,480
Incentive Pool, Withhold Adjustments, and Bonus Amounts	1,226,115
Less:	
Net Reinsurance Recoveries	19,992,712
Total Hospital and Medical	\$ 13,348,474
Claims Adjustment Expenses	8,440,559
General Administrative Expenses	4,482,120
Total Underwriting Deductions	\$ 26,271,153
Net Underwriting Gain (Loss)	\$ 634,904
Net Investment Income Earned	447,663
Federal and Foreign income Taxes Incurred	172,901
NET INCOME (LOSS)	\$ 909,666

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

PPHPMO should file an amended Management Services Agreement that outlines the new expense allocation methodology in accordance with section 382.195, RSMo (Prohibited transactions, exceptions).

SUBSEQUENT EVENTS

There were no significant subsequent events from December 31, 2024, through the date of this report.

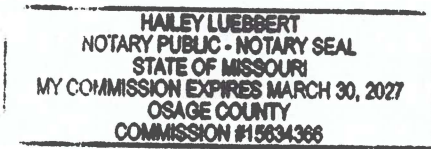
ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Provider Partners Health Plan of Missouri, Inc. during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Adrienne Lewis, CFE, examiner for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
)
 County of Cole) ss

I, Marc Peterson, CFE, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of Provider Partners Health Plan of Missouri, Inc., its agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.



Marc Peterson

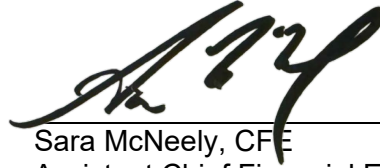
Marc Peterson, CFE
 Examiner-In-Charge
 Missouri Department of Commerce and Insurance

Sworn to and subscribed before me this 29th day of May, 2026.

My commission expires: March 30, 2027 *Haley Luebbert*
 Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the *Financial Condition Examiners Handbook* has been confirmed, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.

A handwritten signature in black ink, appearing to read 'Sara McNeely', is positioned above a horizontal line.

Sara McNeely, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance