

Report
of the
Examination of
Community Care Health Plan, Inc.
Brookfield, Wisconsin
As of December 31, 2018

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State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, Governor
Mark V. Afable, Commissioner

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September 18, 2019

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Honorable Mark V. Afable
Commissioner of Insurance
State of Wisconsin
125 South Webster Street
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Commissioner:

In accordance with your instructions, a compliance examination has been made of the affairs and financial condition of:

Community Care Health Plan, Inc.
Brookfield, Wisconsin

and this report is respectfully submitted.

I. INTRODUCTION

The previous examination of Community Care Health Plan (the company or CCHP) was conducted in 2016 as of December 31, 2015. The current examination covered the intervening period ending December 31, 2018, and included a review of such 2019 transactions as deemed necessary to complete the examination.

The examination was conducted using a risk-focused approach in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook*. This approach sets forth guidance for planning and performing the examination of an insurer to evaluate the financial condition, assess corporate governance, identify current and prospective risks (including those that might materially affect financial condition, either currently or prospectively), and evaluate system controls and procedures used to mitigate those risks.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with statutory accounting principles, annual

statement instructions, and Wisconsin laws and regulations. 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 at the end of the "Financial Data" section in the area captioned "Reconciliation of Surplus per Examination."

Emphasis was placed on those areas of the company's operations accorded a high priority by the examiner-in-charge when planning the examination. Special attention was given to the action taken by the company to satisfy the recommendations and comments made in the previous examination report.

The company is annually audited by an independent public accounting firm as prescribed by s. Ins 50.05, Wis. Adm. Code. An integral part of this compliance examination was the review of the independent accountant's work papers. Based on the results of the review of these work papers, alternative or additional examination steps deemed necessary for the completion of this examination were performed. The examination work papers contain documentation with respect to the alternative or additional examination steps performed during the course of the examination.

II. HISTORY AND PLAN OF OPERATION

Community Care Health Plan, Inc., is described as a nonprofit mixed model health maintenance organization (HMO) insurer. An HMO insurer is defined by s. 609.01 (2), Wis. Stat., as ". . . a health care plan offered by an organization established under ch. 185, 611, 613, or 614 or issued a certificate of authority under ch. 618 that makes available to its enrolled participants, in consideration for predetermined fixed payments, comprehensive health care services performed by providers selected by the organization." Under the mixed model, the company has a delivery system consisting of a combination of staff physicians and/or one or more clinics and/or independent contracting physicians operating out of their separate offices.

The company was incorporated on August 12, 2004, and commenced business on July 1, 2005. The company was capitalized by its sole member, Community Care Organization, and was granted its Certificate of Authority on June 24, 2005. Community Care Organization then changed its legal name to Community Care, Inc. (CCI or the parent) which became effective on December 19, 2005.

Community Care Health Plan, Inc., provides care under two government programs: The Program of All-Inclusive Care for the Elderly (PACE) and the Family Care Partnership Program (Partnership). Both programs had previously been operated through Community Care, Inc., under an order exempting the programs from insurance law since 1991. In 2005, they were transferred to CCHP. These programs provide long-term care services to enrollees who qualify for both Medicare and Medicaid (referred to as dual-eligible enrollees), under the guidelines established by the Centers for Medicare and Medicaid Services (CMS) and the Wisconsin Department of Health Services (DHS). Dual-eligible enrollees are defined as low-income seniors and persons with disabilities who are enrolled in both Medicare and Medicaid, who rely on Medicaid to cover Medicare premiums, and cost-sharing to cover critical benefits not covered by Medicare (such as long-term care). These programs are described below.

- Program of All-Inclusive Care for the Elderly (PACE): A national model of care integrating Medicare and Medicaid funding and providing all primary, acute and long-term care services to enrollees, through an interdisciplinary team. PACE also provides medication coverage through a Medicare Part D plan. The PACE program is administered by CCHP to dual-eligible enrollees.
- Family Care Partnership (Partnership): A State of Wisconsin model of care fashioned after the national model, integrating Medicare and Medicaid funding and providing all primary, acute and long-term care support services to enrollees through an interdisciplinary team. Family Care Partnership also provides prescription coverage through a Medicare Part D plan. The Partnership program is administered by CCHP to dual-eligible enrollees.

Community Care Health Plan, Inc., has no employees. The operations of the company are administered by Community Care, Inc., under an Administrative Services Agreement (described in the “Management and Control” section of the report). All of the company’s programs include a care management component, consisting of an interdisciplinary team composed of the enrollee, a CCI-employed nurse practitioner, a CCI-employed registered nurse, and a CCI-employed social services coordinator. The teams use a Resource Allocation Decision-Making (RAD) process approved by the state of Wisconsin to preauthorize long-term care services. For acute and primary care, PACE members use plan physicians while Partnership enrollees may choose any Primary Care Physician (PCP) who has agreed to work with CCI nurse practitioners.

CCHP’s 2018 Partnership program service area included Calumet, Kenosha, Milwaukee, Outagamie, Ozaukee, Racine, Washington, Waukesha, and Waupaca counties. The PACE program service area includes Milwaukee, Racine and Waukesha counties. The company contracts with area hospitals to provide inpatient services, emergency care and surgical care to enrollees. Hospitals are reimbursed in accordance with Medicare/Medicaid diagnosis-related group (DRG) rates or on a discounted fee-for-service basis. The company lists 53 hospitals and 1,969 primary care physicians as being a part of the Family Care Partnership provider group.

The company offers long-term care, primary, and acute health care coverage which may be changed only by changes in the contracts with DHS and/or CMS. The following basic health care coverages are provided:

- Physician services
- Inpatient services
- Outpatient services
- Behavioral health care

- Mental health, drug, and alcohol abuse services
- Ambulance services
- Special dental procedures (oral surgery)
- Prosthetic devices and durable medical equipment
- Home health care
- Preventative health services
- Hearing exams and hearing aids
- Diabetes treatment
- Routine eye examinations
- Convalescent nursing home service
- Prescription drugs – copayments are dictated by Medicare Part D
- Cardiac rehabilitation, physical speech, and/or occupational therapy
- Physical fitness or health education
- Kidney disease treatment
- Certain transplants
- Chiropractic services

In addition, the company provides the following services to enrollees based upon their assessed needs:

- Homemaker services
- Rehabilitation therapy
- Social Services
- Transportation
- Home meal delivery
- Respite for caregivers
- Vision care
- Foot care
- Pastoral care
- End of life and palliative care
- Adult day services
- Self-directed supports

Individuals enrolled in the Partnership program are subject to specified copayments but do not pay premiums. Program participants are required to meet all of the Wisconsin Medicaid financial eligibility requirements. The company is compensated through capitation payments received from DHS and CMS. The capitation rates are actuarially determined considering the care needs of the company's members but may not be adjusted by DHS.

III. MANAGEMENT AND CONTROL

Board of Directors

The board of directors consists of seven members. Seven directors are elected annually to serve a one-year term. Officers are elected by the board of directors. The board members currently receive no compensation for serving on the board.

Currently the board of directors consists of the following persons:

Name and Residence	Principal Occupation	Term Expires
Edward Corrigan Whitefish, Wisconsin	Director of Finance & Operations Clean Tech Partners, Inc.	2019
Robert Goldstein West Allis, Wisconsin	Attorney Law Office and Center for Nonprofit Excellence	2019
Anne Kiekhofer Elm Grove, Wisconsin	Retired Nurse	2019
Kenneth Munson Milwaukee, Wisconsin	President and Chief Executive Officer Community Care, Inc.	2019
Dennis Purtell Elm Grove, Wisconsin	Retired Attorney	2019
Christy Smith Milwaukee, Wisconsin	Chief Financial Officer Community Care, Inc.	2019
Richard Theado Greenfield, Wisconsin	Retired	2019

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office	2018 Compensation
Kenneth Munson	Chief Executive Officer	\$423,255
Dr. Mary Gavinski MD	Chief Medical Officer	301,184
Edward Kohl	Chief Program Officer	245,791
Christy Smith	Chief Financial Officer	234,776
Virginia Kramer*	Chief Information Officer	210,030
Sherrice Gilcreast*	Chief Administrative Officer	205,101
Kelly Carter*	Program Officer	184,639
Michael Garlie*	Chief Compliance and Quality Officer	163,881

* Officers are employed and compensated by Community Care, Inc. (CCI)

Committees of the Board

The company's bylaws allow for the formation of certain committees by the board of directors. The company does not currently have any board committees. CCI's board committees cover CCHP.

The company has no employees. Necessary staff is provided through a management agreement with its parent, Community Care, Inc., who administers its programs. Under the agreement, effective July 1, 2005, CCI agrees to provide the following administrative services:

- Billing and collections
- Courier, mail and receiving
- Corporate minutes
- Books and records
- Central business office facility and support
- Payroll
- Telecommunications
- Provider network employment, contracting and management
- Marketing
- Quality management
- Risk management
- Medical direction
- Environmental services
- Financial/accounting support
- Administrative support
- Personal property
- Professional healthcare and social services
- Human resources
- Maintenance/mechanical report
- Information systems
- Medicaid and Medicare contract administration
- Claims adjudication and payment
- Utilization management
- Safety and security
- Medical record management

CCI also arranges for insurance and pharmacy benefit management services. CCI receives monthly compensation at cost for services rendered under the agreement, which are described in a regular monthly invoice provided by the administrator pursuant to the agreement and are due within 10 days of the receipt of the statement. The term of the ASA is one-year and automatically renews each year unless terminated by either party in writing.

Insolvency Protection for Policyholders

Under s. Ins 9.04 (6), Wis. Adm. Code, HMOs are required to either maintain compulsory surplus at the level required by s. Ins 51.80, Wis. Adm. Code, or provide for the following in the event of the company's insolvency:

1. Enrollees hospitalized on the date of insolvency will be covered until discharged;
and
2. Enrollees will be entitled to similar, alternate coverage which does not contain any medical underwriting or preexisting limitation requirements.

The company has met this requirement through its reinsurance contract, as discussed in the Reinsurance section of this report. The second requirement is no longer applicable with the elimination of medical underwriting with the implementation of the Affordable Care Act.

IV. AFFILIATED COMPANIES

The company is a member of a holding company system. Its ultimate parent is Community Care, Inc. The organizational chart below depicts the relationships among the affiliates in the group. A brief description of the significant affiliates of the company follows the organizational chart.

**Holding Company Chart
As of December 31, 2018**



Community Care, Inc.

Community Care, Inc., is a nonstock corporation organized under Chapter 181, Wis. Stat. and is tax-exempt under section 501(c)(3) of the Internal Revenue Code. CCI was incorporated in 1977 and is governed by a volunteer board of directors consisting of between 12 and 20 members. CCI is the parent company of Community Care Health Plan, Inc., and provides various administrative services for CCHP. CCI is organized for the purpose of providing health and long-term care services to the frail elderly, developmentally disabled, and physically disabled. CCI runs the Family Care Program, which is a Medicaid long-term care program and is the majority of the consolidated business. As of December 31, 2018, the company's GAAP audited financial statement reported assets of \$72,707,373, liabilities of \$50,655,245, and net assets of \$22,052,128. Operations for 2018 produced a net loss of \$(9,437,055) on revenues of \$472,702,432.

Agreements with Affiliates

The examination included a review of the agreement between the affiliates. The Administrative Services Agreement, effective July 1, 2005, between CCHP and CCI, has been discussed in section III of this report, captioned "Management and Control."

V. REINSURANCE

The company has reinsurance coverage under the contract outlined below:

Reinsurer:	General Security National Insurance Company
Type:	Specific Excess of Loss Reinsurance
Effective date:	January 1, 2019
Retention:	\$200,000 per member
Coverage:	90% of net losses in excess of the company's retention for Inpatient Hospital: Long Term Acute Facility Services, Rehabilitation Services and Transplant Services
Termination:	December 31, 2019

The contract has an endorsement containing the following insolvency provisions:

1. Reinsurer will continue plan benefits for members who are confined in an acute-care hospital on the date of insolvency until their discharge.
2. Reinsurer will continue plan benefits for any member-insured plan until the end of the contract period for which premiums have been paid to plan by that member or on his behalf.

Reinsurer's maximum aggregate liability is limited to \$2,000,000 per member per agreement period

VI. FINANCIAL DATA

The following financial statements reflect the financial condition of the company as reported to the Commissioner of Insurance in the December 31, 2018, annual statement. Adjustments made as a result of the examination are noted at the end of this section in the area captioned "Reconciliation of Capital and Surplus per Examination." Also included in this section are schedules that reflect the growth of the company and the compulsory and security surplus calculation.

Community Care Health Plan, Inc.
Assets
As of December 31, 2018

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 8,718,106	\$	\$ 8,718,106
Cash, cash equivalents and short-term investments	11,960,417		11,960,417
Investment income due and accrued	35,715		35,715
Uncollected premiums and agents' balances in the course of collection	1,013,794		1,013,794
Accrued retrospective premiums and contracts subject to redetermination	545,910		545,910
Amounts recoverable from reinsurers	26,923		26,923
Amounts receivable relating to uninsured plans	137,748		137,748
Health care and other amounts receivable	<u>995,137</u>	<u>375,089</u>	<u>620,048</u>
Total Assets	<u>\$23,433,751</u>	<u>\$375,089</u>	<u>\$23,058,662</u>

Community Care Health Plan, Inc.
Liabilities and Net Worth
As of December 31, 2018

Claims unpaid		\$ 6,340,996
Unpaid claims adjustment expenses		95,115
General expenses due or accrued		728,814
Amounts withheld or retained for the account of others		97,219
Amounts due to parent, subsidiaries and affiliates		187,178
Liability for amounts held under uninsured plans		887,782
Aggregate write-ins for other liabilities (including \$(1) current)		<u>55,838</u>
Total Liabilities		8,392,942
Gross paid in and contributed surplus	\$ 3,402,049	
Unassigned funds (surplus)	<u>11,263,671</u>	
Less treasury stock, at cost		
Total Capital and Surplus		<u>14,665,720</u>
Total Liabilities, Capital and Surplus		<u>\$23,058,662</u>

Community Care Health Plan, Inc.
Statement of Revenue and Expenses
For the Year 2018

Net premium income		\$94,812,607
Aggregate write-ins for other health care related revenues		<u>18,000</u>
Total revenues		94,830,607
Medical and Hospital:		
Hospital/medical benefits	\$16,612,706	
Other professional services	57,790,001	
Emergency room and out-of-area	1,183,247	
Prescription drugs	<u>10,414,923</u>	
Subtotal	86,000,877	
Less		
Net reinsurance recoveries	<u>49,733</u>	
Total medical and hospital	85,951,144	
Claims adjustment expenses	1,281,508	
General administrative expenses	<u>6,276,746</u>	
Total underwriting deductions		<u>93,509,398</u>
Net underwriting gain or (loss)		1,321,209
Net investment income earned	139,420	
Net realized capital gains or (losses)	<u>(2,954)</u>	
Net investment gains or (losses)		<u>136,466</u>
Net Income (Loss)		<u>\$ 1,457,675</u>

Community Care Health Plan, Inc.
Capital and Surplus Account
For the Three-Year Period Ending December 31, 2018

	2018	2017	2016
Capital and surplus, beginning of year	\$13,157,796	\$12,471,436	\$8,797,533
Net income (loss)	1,457,675	1,086,330	3,236,302
Change in net deferred income tax			
Change in nonadmitted assets	50,249	(110,715)	160,221
Write-ins for gains and (losses) in surplus:			
2016 Late Medicaid Revenue adjustments		(289,256)	
2015 Late Medicare Revenue settlement			<u>277,380</u>
Surplus, End of Year	<u>\$14,665,720</u>	<u>\$13,157,796</u>	<u>\$12,471,436</u>

Community Care Health Plan, Inc.
Statement of Cash Flow
For the Year 2018

Premiums collected net of reinsurance		\$94,594,835
Net investment income		<u>139,443</u>
Total		94,734,278
Less:		
Benefit- and loss-related payments	\$85,858,699	
Commissions, expenses paid and aggregate write-ins for deductions	<u>7,534,910</u>	
Total		<u>93,393,610</u>
Net cash from operations		1,340,668
Proceeds from Investments Sold, Matured or Repaid:		
Bonds	1,160,000	
Cost of Investments Acquired—Long-term Only:		
Bonds	<u>1,309,045</u>	
Net cash from investments		(149,045)
Cash Provided/Applied:		
Other cash provided (applied)		<u>251,581</u>
Net Change in Cash, Cash Equivalents, and Short-Term Investments		1,443,204
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>10,517,214</u>
End of Year		<u>\$11,960,417</u>

Growth of Community Care Health Plan, Inc.

Year	Assets	Liabilities	Capital and Surplus	Premium Earned	Medical Expenses Incurred	Net Income
2018	\$23,058,662	\$ 8,392,942	\$ 14,665,720	\$94,830,607	\$85,951,144	\$1,457,675
2017	21,263,654	8,105,858	13,157,796	91,903,206	84,688,882	1,086,330
2016	20,322,386	7,850,950	12,471,436	94,605,573	83,639,432	3,236,302
2015	16,823,709	8,026,176	8,797,533	96,156,727	90,260,517	(1,079,289)

Year	Profit Margin	Medical Expense Ratio	Administrative Expense Ratio	Change in Enrollment
2018	1.5%	90.6%	8.0%	-3.5%
2017	1.2	92.2	6.7	-2.1
2016	3.4	88.4	8.3	-6.8
2015	-1.1	93.9	7.3	-4.5

Enrollment and Utilization

Year	Enrollment	Hospital Days/1,000	Average Length of Stay
2018	2,192	2,644	7.3
2017	2,271	2,294	6.7
2016	2,319	2,104	6.3
2015	2,488	1,846	5.5

Per Member Per Month Information

	2018	2017	Percentage Change
Premiums:			
Medicare	\$2,591.68	\$2,849.03	6.0%
Medicaid	4,058.65	3,829.34	3.6
Aggregate	<u>3,551.57</u>	<u>3,348.82</u>	6.1
Expenses:			
Hospital/medical benefits	622.29	524.11	18.7
Other professional services	2,164.74	2,152.86	0.6
Emergency room and out-of-area	44.32	41.36	7.2
Prescription Drugs	390.13	369.93	5.5
Less: Net reinsurance recoveries	<u>1.86</u>	<u>1.38</u>	35.0
Total medical and hospital	<u>3,219.63</u>	<u>3,086.89</u>	4.3
Claims adjustment expenses	48.00	50.71	-5.3
General administrative expenses	<u>235.12</u>	<u>175.31</u>	34.1
Total underwriting deductions	<u>\$3,502.75</u>	<u>\$3,312.91</u>	5.7

In 2018, the company gained \$1.3 from operations after a gain of \$1.0 million in 2017, a gain of \$3.1 million in 2016, and a loss of \$1.2 in 2015. The disabled population is expected to continue to increase compared to the existing elderly population. The younger disabled populations are higher users of services. The PACE program is expected to experience declining membership, with 38% of the PACE membership being comprised of nuns in religious orders, with approximately 53% over the age of 90 within this population.

In 2014 and 2015, CCHP received extremely high-cost, intellectually/developmentally disabled members from the closing of a behavioral health facility. Additional Medicaid funding to reflect the high-cost members was received in 2015.

Financial Requirements

The financial requirements for an HMO under s. Ins 9.04, Wis. Adm. Code, are as follows:

Amount Required

- | | |
|---|--|
| 1. Minimum capital or permanent surplus | Either:
\$750,000, if organized on or after July 1, 1989
or
\$200,000, if organized prior to July 1, 1989 |
| 2. Compulsory surplus | The greater of \$750,000 or:

If the percentage of covered liabilities to total liabilities is less than 90%, 6% of the premium earned in the previous 12 months;

If the percentage of covered liabilities to total liabilities is at least 90%, 3% of the premium earned in the previous 12 months |
| 3. Security surplus | The greater of:
140% of compulsory surplus reduced by 1% of compulsory surplus for each \$33 million of additional premiums earned in excess of \$10 million
or
110% of compulsory surplus |

Covered liabilities are those due to providers who are subject to statutory hold-harmless provisions.

The company's calculation as of December 31, 2018, as modified for examination adjustments is as follows:

Assets		\$23,058,662
Less:		
Liabilities		<u>8,392,942</u>
Assets available to satisfy surplus requirements		14,665,720
Net premium earned		
HMO business	\$94,812,607	
Factor	<u>3%</u>	
Total		
Compulsory surplus		<u>2,844,378</u>
Compulsory Surplus Excess (Deficit)		<u>\$11,821,342</u>
Assets available to satisfy surplus requirements		\$14,665,720
Compulsory surplus	2,844,378	
Security factor	<u>138%</u>	
Security surplus		<u>3,925,241</u>
Security Surplus Excess (Deficit)		<u>\$10,740,479</u>

Reconciliation of Capital and Surplus per Examination

No adjustments were made to surplus as a result of the examination. The amount of surplus reported by the company as of December 31, 2018, is accepted.

There were no examination reclassifications as a result of this examination.

VII. SUMMARY OF EXAMINATION RESULTS

Compliance with Prior Examination Report Recommendations

There were three specific comments and recommendations in the previous examination report. Comments and recommendations contained in the last examination report and actions taken by the company are as follows:

1. Management and Control—It is again recommended that the board or a committee of the board act annually to review and approve the compensation of the Chief Executive Officer.

Action—Compliance.

2. Investments—It is again recommended that the board or a subordinate committee thereof review and approve purchases or sales of all investments in the future on at least a quarterly basis in accordance with s. 613.51 (4), Wis. Stat.

Action—Compliance.

3. Executive Compensation—It is recommended that the company properly complete the Report on Executive Compensation in accordance with ss. 601.42 and 611.63 (4), Wis. Stat.

Action—Compliance.

Summary of Current Examination Results

This section contains comments and elaboration on those areas where adverse findings were noted or where unusual situations existed. Comment on the remaining areas of the company's operations is contained in the examination work papers.

Reinsurance Broker

A review of the company's reinsurance broker agreement disclosed the agreement does not have several provisions required by s. Ins. 47.03, Wis. Adm. Code. The missing provisions consist of the following items:

- The insurer may terminate the reinsurance intermediary-broker authority at any time.
- The reinsurance intermediary broker will render accounts to the insurer accurately, detailing all material transactions including information necessary to support all commissions, charges and other fees received by, or owing, to the reinsurance intermediary broker, and remit all funds due to the insurer within 30 days of receipt.
- The reinsurance intermediary broker will hold all funds collected for the insurer's account in a fiduciary capacity in a qualified United States financial institution.
- The reinsurance intermediary broker will comply with s. Ins 47.04, Wis. Adm. Code. This section pertains to books and records.
- The reinsurance intermediary broker will comply with the written standards established by the insurer for the cession or retrocession of all risks.
- The reinsurance intermediary broker will disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

It is recommended that the company obtain a reinsurance broker agreement that is in compliance with s. Ins. 47.03, Wis. Adm. Code.

Business Continuity Plan/Disaster Recovery Plan

The IT review indicated that the company does not perform a business impact analysis or risk assessment as part of the business continuity plan/disaster recovery plan. It is recommended that the company perform a business impact analysis or a risk assessment as part of the business continuity plan/disaster recovery plan. Community Care, Inc., did perform an applications criticality

analysis as part of the Disaster Recovery Plan and is now in the process of performing a formal business risk assessment which is expected to be completed by year's end.

Business Continuity Plan Review

The IT review indicated that the review period of the business continuity plan/disaster recovery plan is set for more than a year. The industry standard for reviewing these plans is annually. It is recommended that the business continuity plan/disaster recovery plan be reviewed annually as an industry best practice. While a formal review of the entire plan is not performed annually, adjustments are made as the environment changes, which occurs at least annually.

VIII. CONCLUSION

Community Care Health Plan, Inc., is a nonprofit mixed model HMO that was incorporated on August 12, 2004, and commenced business on July 1, 2005. The company's parent, CCI, administers the operations of CCHP through an administrative agreement. The company's core products are PACE and Partnership programs, which are integrated Medicare/Medicaid long-term care products serving frail elderly, developmentally disabled, and physically disabled adults in its service area.

CCHP reported a net income of \$1,457,675 and surplus is rising. The company has declining PACE enrollment but is working to boost enrollment. The examination resulted in three recommendations, one relating to the reinsurance broker agreement and two relating to the business continuity plan/disaster recovery plan.

IX. SUMMARY OF COMMENTS AND RECOMMENDATIONS

1. Page 19 - Reinsurance Broker—It is recommended that the company obtain a reinsurance broker agreement that is in compliance with s. Ins. 47.03, Wis. Adm. Code.
2. Page 19 - Business Continuity Plan/Disaster Recovery Plan—It is recommended that the company perform a business impact analysis or a risk assessment as part of the business continuity plan/disaster recovery plan.
3. Page 20 - Business Continuity Plan Review—It is recommended that the business continuity plan/disaster recovery plan be reviewed annually as an industry best practice.

X. ACKNOWLEDGMENT

The courtesy and cooperation extended during the course of the examination by the officers and employees of the company is acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination:

Name	Title
Kongmeng Yang	Insurance Financial Examiner
Yi Xu	Insurance Financial Examiner
Eleanor Lu	IT Specialist
Karl Albert, CFE	Quality Control Specialist
Jerry DeArmond, CFE	Reserve Specialist
Gene Renard, CFE	ACL Specialist
Jim Krueger	Assistant ACL Specialist

Respectfully submitted,



Jacob Burkett
Examiner-in-Charge