



## Second Quarter 2015 Dissolution Progress Report

### 2Q 2015 Financial Highlights (Unaudited)

Pool Cash on Hand as of June 30, 2015:	\$ 5,071,379
Medical Claims Paid (credits exceeded claims):	\$ (4,658)
Pharmacy Claims Paid (credits exceeded claims):	\$ (375,065)
Subrogation Recoveries:	\$ 74,373
Open Subrogation Cases as of June 30, 2015:	\$ 1,023,813
Prompt Pay Penalties Collected:	\$ 9,333,465
Prompt Pay Penalties Transferred to TDI:	\$10,943,569
Prompt Pay Penalty Funds Held for TDI as of June 30, 2015:	\$ 3,213,052

### 2Q 2015 Operational Highlights

Number of Medical Claims Processed by TPA <sup>1</sup> :	1,700
Number of Pharmacy Claims Processed by PBM <sup>2</sup> :	28
Number of Telephone Calls Handled by Pool's TPA and PBM:	944
Number of Appeals Received by EDO <sup>3</sup> :	7
Number of Appeals Processed by EDO:	7
Number of Open Appeals as of June 30, 2015:	3

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<sup>1</sup> Third Party Administrator

<sup>2</sup> Pharmacy Benefit Manager

<sup>3</sup> Pool Executive Director's Office

**TEXAS HEALTH INSURANCE POOL**  
**Second Quarter 2015 Activities Summary**

Pool Staffing: EDO staffing during the quarter remained at one full-time employee (the Executive Director) and one part-time Accountant.

TDI Reporting: The 1Q 2015 dissolution progress report was submitted to the Commissioner on April 29, 2015. The Pool's 1Q 2015 financial statement was filed on May 18, 2015.

Transition Planning: The Pool's Executive Director and Counsel met with Texas Department of Insurance staff on June 18, 2015 to prepare for dissolution of the Pool, effective September 1, 2015.

Assessments: In early June, the Pool mailed preliminary assessment invoices to 150 Insurers and HMOs. July 10, 2015 is the deadline for companies to revise their data call reports. Once this revision period ends, the Pool will refund ±\$4.4 million in surplus funds to these Insurers and HMOs, allocated based on their updated market share information.

Prompt Pay Penalty Program: The EDO continued to audit the penalties reported and paid to the Pool. During the quarter, the EDO collected ±\$110,000 in back penalties directly associated with those audit efforts.

Unclaimed Money Fund: The EDO transferred ±\$73,000 in unclaimed agent fee and medical claim checks to the State Comptroller on June 30, 2015. The EDO also mailed ±20 notices to insurance agents who had not cashed their referral fee checks.

Miscellaneous Administrative Activities:

The Pool Board of Directors held its 86<sup>th</sup> meeting on May 27, 2015. The Pool's Y2014 audited financial statement was accepted by the Board during the meeting. PMB Helin Donovan, Certified Public Accountants, issued a clean audit report.

In May, the Pool received a \$370,089 settlement check associated with a 2014 claim filed in the Neurontin drug class action case.

The Y2014 Annual Report to the Governor was timely delivered on June 1, 2015 and was posted to the Pool's website.

The EDO received three new requests for records related to litigation between former Pool policyholders and third parties; a response to a prior request was completed.