

Report on Examination

of

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.

East Providence, Rhode Island

as of

December 31, 2022



State of Rhode Island
Department of Business Regulation
Insurance Division



**State of Rhode Island
OFFICE OF THE HEALTH INSURANCE COMMISSIONER
1511 Pontiac Avenue, Bldg. 69-1 Cranston,
Rhode Island 02920**

ADOPTION ORDER

The attached Report on Examination as of December 31, 2022, of the condition and affairs of
WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.

was recently completed by duly qualified examiners, pursuant to the provisions of the Rhode Island General Laws.

Due consideration has been given to the comments of the examiners regarding the operation of the Company and its financial condition, as reflected in the report.

It is therefore ORDERED that said Report be, and it is hereby, adopted and filed and made an official record of this Department as of this date.

Office of the Health Insurance Commissioner

A handwritten signature in blue ink that reads "Cory B. King".

Dated: June 21, 2024

Cory B. King
Health Insurance Commissioner

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June 7, 2024

Cory King
Health Insurance Commissioner
State of Rhode Island
Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

Dear Commissioner King:

In accordance with your instructions and pursuant to Chapters 13.1 and 35 of Title 27 of the General Laws of the State of Rhode Island, an examination has been made as of December 31, 2022, of the financial condition and affairs of

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.

located at 450 Veterans Memorial Parkway, Suite 7A, East Providence, Rhode Island. The report of such examination is herewith submitted. WellCare Health Plans of Rhode Island, Inc. (also referred to as “WHPRI,” or “the Company”) was incorporated on 2/3/20 and commenced business on 1/1/21. The current inaugural examination was conducted by the Insurance Division of the State of Rhode Island (“Insurance Division”).

SCOPE OF EXAMINATION

The current examination covered the period from February 3, 2020, through December 31, 2022, and was performed in compliance with the above-mentioned sections of the General Laws of the State of Rhode Island, as amended. The current examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) *Financial Condition Examiners Handbook* (“Handbook”) risk-focused examination process and was performed in conjunction with the full-scope coordinated multi-state risk-focused examination (“Coordinated Exam”) of the Centene Corporation Group. The Lead State for the Coordinated Exam was Texas. Below are the insurers included in the exam, along with their respective states of domicile:

Name of Insurer	State of Domicile
Centene Venture Company Alabama Health Plan, Inc.	Alabama
WellCare of Alabama, Inc.	Alabama
Arkansas Health & Wellness Health Plan, Inc.	Arkansas
Arkansas Total Care, Inc.	Arkansas
QCA Health Plan, Inc.	Arkansas
Qualchoice Life & Health Insurance Company, Inc.	Arkansas
WellCare Health Insurance Company of America, Inc.	Arkansas
Bridgeway Health Solutions of Arizona, Inc.	Arizona
Hallmark Life Insurance Company	Arizona
Health Net Community Solutions of Arizona	Arizona
Health Net of Arizona, Inc.	Arizona
WellCare Health Insurance of Arizona, Inc.	Arizona
WellCare Health Insurance of the Southwest, Inc.	Arizona
WellCare Prescription Insurance, Inc.	Arizona
Health Net Life Insurance Company	California
WellCare Health Insurance of Connecticut, Inc.	Connecticut
WellCare of Connecticut, Inc.	Connecticut
Centene Venture Company Florida	Florida
Sunshine Health Community Solutions, Inc.	Florida

Sunshine State Health Plan, Inc.	Florida
WellCare Health Insurance of Hawaii, Inc.	Hawaii
Iowa Total Care, Inc.	Iowa
Celtic Insurance Company	Illinois
Centene Venture Company Illinois	Illinois
Harmony Health Plan, Inc.	Illinois
Meridian Health Plan of Illinois, Inc.	Illinois
WellCare of Illinois, Inc.	Illinois
Centene Venture Company Kansas	Kansas
Sunflower State Health Plan, Inc.	Kansas
WellCare Health Insurance of Kentucky, Inc.	Kentucky
WellCare Health Plans of Kentucky, Inc.	Kentucky
Louisiana Healthcare Connections, Inc.	Louisiana
Magellan Complete Care of Louisiana, Inc.	Louisiana
WellCare Health Insurance Company of Louisiana, Inc.	Louisiana
WellCare of Maine, Inc.	Maine
Centene Venture Company Michigan	Michigan
Meridian Health Plan of Michigan, Inc.	Michigan
Home State Health Plan, Inc.	Missouri
WellCare Health Plans of Missouri, Inc.	Missouri
WellCare of Missouri Health Insurance Company, Inc.	Missouri
Ambetter of Magnolia, Inc.	Mississippi
Magnolia Health Plan, Inc.	Mississippi
WellCare of Mississippi Inc	Mississippi
Ambetter of North Carolina, Inc.	North Carolina
Carolina Complete Health, Inc.	North Carolina
WellCare Health Insurance of North Carolina, Inc.	North Carolina
WellCare of North Carolina, Inc.	North Carolina
Nebraska Total Care, Inc.	Nebraska
Granite State Health Plan, Inc.	New Hampshire
WellCare Health Insurance Company of New Hampshire, Inc.	New Hampshire
WellCare of New Hampshire, Inc.	New Hampshire
Magellan Behavioral Health of New Jersey, LLC	New Jersey
WellCare Health Insurance Company of New Jersey, Inc.	New Jersey
WellCare Health Plans of New Jersey, Inc.	New Jersey
Western Sky Community Care, Inc.	New Mexico
American Progressive Life and Health Insurance of New York	New York
Buckeye Community Health Plan, Inc.	Ohio
Buckeye Health Plan Community Solutions, Inc.	Ohio
Oklahoma Complete Health, Inc.	Oklahoma
WellCare Health Insurance Company of Oklahoma, Inc.	Oklahoma
WellCare of Oklahoma, Inc.	Oklahoma

Health Net Health Plan of Oregon, Inc.	Oregon
Trillium Community Health Plan, Inc.	Oregon
Magellan Behavioral Health of Pennsylvania, Inc.	Pennsylvania
Magellan Complete Care of Pennsylvania, Inc.	Pennsylvania
Pennsylvania Health & Wellness, Inc.	Pennsylvania
WellCare Health Plans of Rhode Island, Inc.	Rhode Island
Centene Venture Company Tennessee	Tennessee
Rhythm Health Tennessee, Inc.	Tennessee
WellCare Health Insurance of Tennessee, Inc.	Tennessee
Centene Venture Company Texas	Texas
Envolve Dental of Texas, Inc.	Texas
Envolve Vision of Texas, Inc.	Texas
SelectCare of Texas, Inc.	Texas
Superior HealthPlan, Inc.	Texas
WellCare National Health Insurance Company	Texas
WellCare of Texas, Inc.	Texas
WellCare of Virginia, Inc.	Virginia
WellCare Health Plans of Vermont, Inc.	Vermont
Coordinated Care of Washington, Inc.	Washington
WellCare Health Insurance Company of Washington, Inc.	Washington
WellCare of Washington, Inc.	Washington
Bankers Reserve Life Insurance Company of Wisconsin	Wisconsin
Managed Health Services Insurance Corp	Wisconsin

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. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

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. The examination does not

attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment was identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact 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 were separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse or significant non-compliance findings noted during the examination conducted as of December 31, 2022.

COMPANY HISTORY

WHPRI was incorporated on February 3, 2020. WHPRI is licensed as a health maintenance organization ("HMO") domiciled in Rhode Island. WHPRI's ultimate parent, Centene Corporation ("Centene"), is a Fortune 500 company that offers a full spectrum of managed health products and services, primarily through Medicaid, commercial, and Medicare products. Centene has operations domestically and internationally. WHPRI's immediate parent, WellCare Health Plans, Inc., was acquired by Centene in January 2020. All 3,000,000 outstanding shares of WHPRI are owned by

WellCare Management Group, Inc., which is owned by WCG Health Management, Inc., which is in turn owned by WellCare Health Plans, Inc., which is in turn owned by Centene.

WHPRI commenced business on January 1, 2021, and entered into a contract with the Centers for Medicare and Medicaid Services to offer Medicare Advantage coverage in Rhode Island. WHPRI contracts directly with healthcare providers on fee-for-service, per diem, diagnostic rate grouping, and capitation bases. The Company is currently licensed to transact business only in Rhode Island. As of December 31, 2022, WHPRI offers several different Medicare plans, including Health Maintenance Organization, Preferred Provider Organization, and Preferred Provider Organization-Dual Special Needs Plans.

MANAGEMENT AND CONTROL

Stockholders

WHPRI is 100% owned by WellCare Management Group, Inc., which owns all 3,000,000 outstanding shares of WHPRI common stock.

Board of Directors

According to the Bylaws, the Board of Directors of the Corporation shall consist of one or more members. The precise number of Directors shall be fixed by resolution of either the Shareholders or the Board of Directors from time to time. Except as otherwise required by law, the Directors shall be elected at the Annual Meeting of the Shareholders by a plurality of the votes cast by the shares represented in person or by proxy, except that succeeding Directors may be elected at a Special Meeting

of the Shareholders. Directors need not be Shareholders or residents of the state of Rhode Island.

The members of the Board of Directors, together with the principal business or professional affiliation of each director, were as follows as of December 31, 2022:

Name	Business Affiliation	Term Expires
Richard St. Patrick Parnell	President, WellCare Health Plans of Rhode Island, Inc.	2023

Committees

The Bylaws provide that the Board of Directors may create one or more committees and appoint members of the Board of Directors or those who are not members to serve on them. Each committee must have one or more members, who serve at the pleasure of the Board of Directors in compliance with the provisions of §§7-1.2-808 and 7-1.2-809 of the Rhode Island General Laws (the “Act”). The Board of Directors shall have the power at any time to fill vacancies in, change the membership of, or discharge any committee.

As of December 31, 2022, WHPRI did not have any committees at the entity level. The committees of the Centene Corporation were composed of the following individuals:

Audit & Compliance Committee

Name	Title
Orlando Ayala	Retired Chairman, Emerging Markets Microsoft Corporation
Jessica L. Blume	Retired Vice Chairman Deloitte, LLP
Christopher J. Coughlin	Former Executive VP and CFO Tyco International, Ltd.
Wayne S. DeVeydt	Executive Chairman Surgery Partners, Inc.
William L. Trubeck	Retired Executive Vice President and Chief Financial Officer H&R Block, Inc.

Compensation and Talent Committee

Name	Title
Christopher J. Coughlin	Former Executive VP and CFO Tyco International, Ltd.
Richard A. Gephardt	Chief Executive Officer and President Gephardt Group, LLC
Lori J. Robinson	Retired General United States Air Force
Theodore R. Samuels	Former President Capital Guardian Trust Company
William L. Trubeck	Retired Executive Vice President and Chief Financial Officer H&R Block, Inc.

Governance Committee

Name	Title
Jessica L. Blume	Retired Vice Chairman Deloitte
Wayne S. DeVeydt	Executive Chairman Surgery Partners, Inc.
Frederick H. Eppinger	Director, President, and Chief Executive Officer Stewart Information Services Company
Lori J. Robinson	Retired General United States Air Force

Value Creation Committee

Name	Title
Kenneth A. Burdick	Chairman and Chief Executive Officer LifeStance Health Group, Inc.
H. James Dallas	Former Senior Vice President, Quality and Operations Medtronic Public Limited Company
Frederick H. Eppinger	Director, President, and Chief Executive Officer Stewart Information Services Company
Sarah M. London	Chief Executive Officer Centene Corporation
Theodore R. Samuels	Former President Capital Guardian Trust Company

Officers

The Bylaws provide that the officers of the Company shall be designated and elected by the Board of Directors, with such responsibilities and duties as may be designated by the Board of Directors. The officers of the Company shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers with such other titles as the Board of Directors may determine. Any two or more offices may be held by the same person. No officer need be a Shareholder.

The Officers serving, and their respective titles as of December 31, 2022, are as follows:

Name	Title
Richard St. Patrick Parnell	President
Janet Robey Alonzo	Vice President, Secretary
James Edward Snyder III	Vice President, Treasurer
Tricia Lynn Dinkelman	Vice President, Tax

Organizational Structure

The following represents an abbreviated organizational chart as of December 31, 2022, which illustrates the identities and interrelationships between the Company, its parent, affiliated insurers, and other members of the holding company system:

<u>Company</u>	<u>Domicile</u>	<u>% Owned</u>
Centene Corporation	Delaware	100%
WellCare Health Plans, Inc.	Delaware	100%
WCG Health Management, Inc.	Delaware	100%
The WellCare Management Group, Inc.	New York	100%
WellCare Health Plans of Rhode Island, Inc.	Rhode Island	100%

Intercompany Agreements

Management Services Agreement with Centene Management Company, LLC (“CMC”)

Effective January 1, 2022, the Company has a contract with Centene Management Company, LLC, a wholly owned subsidiary of Centene, to provide certain management and administrative services, claims processing utilization review, payroll services, and the majority of the administrative functions for the Company, excluding certain sales and marketing functions and other professional consulting expenses. This agreement was amended and restated effective January 1, 2023.

Management Services Agreement with Comprehensive Health Management, Inc. (“CHMI”)

Effective October 15, 2020, the Company entered into a contract with Comprehensive Health Management, Inc. which provided, supervised, and managed the day-to-day operations of the Company, including accounting, legal and financial services, management of information and computer systems,

data processing, administration of benefits, adjudication and processing of claims, customer service, network credentialing services, and coordination of communications to members and providers. Beginning on January 1, 2022, these functions transitioned to Centene Management Company LLC.

Radiology Services Agreement with National Imaging Association, Inc.

Effective November 7, 2020, the Company entered into a service agreement with National Imaging Associates, Inc. (“NIA”) to provide Covered Radiology Services to members. The other entities included in this agreement are One Care by Care1st Health Plans of Arizona, Inc., an Arizona company (“OCRE”); WellCare Health Plans of Arizona, Inc., an Arizona company (“WCAZ”); WellCare Health Insurance of the Southwest, Inc., an Arizona company (“WCSW”); and WellCare Health Plans of Vermont, Inc., a Vermont company (“WCVT”). NIA became an affiliate in January 2022 when its parent organization was acquired by Centene Corporation. Centene Corporation subsequently divested its controlling interest in NIA in January 2023.

Master Services Agreement with Envolve People Care, Inc.

Effective January 1, 2021, the Company entered into a services agreement with Envolve People Care, Inc. Envolve PeopleCare provided nurse advice call line and triage services. This agreement was terminated effective January 1, 2022.

Tax Sharing Agreement

The Company’s federal income tax return is filed on a consolidated basis with its ultimate parent company, Centene. Allocation of federal income taxes with affiliates subject to the tax sharing

agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. This agreement includes all Cetene subsidiaries that are insurance companies.

TERRITORY AND PLAN OF OPERATION

The Company is currently licensed to transact business only in Rhode Island. WHPRI offers only Medicare Advantage products in Bristol, Kent, Newport, Providence, and Washington counties located in the State of Rhode Island. As of December 31, 2022, WHPRI offers Health Maintenance Organization, Preferred Provider Organization, and Preferred Provider Organization-Dual Special Needs Plans.

REINSURANCE

Excess of Loss Reinsurance Agreement

As of December 31, 2022, WHPRI had an HMO Specific Excess of Loss Reinsurance Agreement with PartnerRe America Insurance Company to provide stop-loss insurance. PartnerRe agreed to reinsure losses in excess of \$5,000,000, not to exceed \$5,000,000 per covered member.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Rhode Island Insurance Division 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 statement and should be considered an integral part of the financial statements:

Comparative Statement of Assets
December 31, 2022 and February 3, 2020

Comparative Statement of Liabilities, Capital and Surplus
December 31, 2022 and February 3, 2020

Statement of Revenue and Expenses
Year Ended December 31, 2022

Reconciliation of Capital and Surplus
February 3, 2020 to December 31, 2022

Analysis of Examination Adjustments
December 31, 2022

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.
Comparative Statement of Assets
December 31, 2022 and February 3, 2020 (inception)

	December 31, 2022	February 3, 2020	Increase (Decrease)
Bonds	\$125,754	\$ -	\$125,754
Cash, cash equivalents, and short-term investments	7,989,272	3,327,991	4,661,281
Investment income due and accrued	179	636	(457)
Accrued retrospective premiums and contracts subject to redetermination	577,581	-	577,581
Amounts receivable relating to uninsured plans	1,069,855	-	1,069,855
Net deferred tax asset	30,127	-	30,127
Current federal and foreign income tax recoverable and interest thereon	-	31,683	(31,683)
Receivables from parent, subsidiaries, and affiliates	-	757	(757)
Health care and other amounts receivable	1,241,948	-	1,241,948
Aggregate write-ins for other-than-invested assets	-	3,931	(3,931)
Total Assets	<u>\$11,034,716</u>	<u>\$3,364,998</u>	<u>\$7,669,718</u>

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.
Comparative Statement of Liabilities, Capital and Surplus
December 31, 2022 and February 3, 2020 (inception)

	December 31, 2022	February 3, 2020	Increase (Decrease)
Claims unpaid	\$3,455,279	\$ -	\$3,455,279
Accrued medical incentive pool and bonus	150,953	-	150,953
Unpaid claims adjustment expenses	39,938	-	39,938
Aggregate health policy reserves	12,336	-	12,336
Premiums received in advance	367	-	367
General expenses due or accrued	90,863	-	90,863
Current federal and foreign income tax payable	336,514	-	336,514
Net deferred tax liability	-	449	(449)
Amounts due to parent, subsidiaries and affiliates	264,694	154,209	110,485
Liability for amounts held under uninsured plans	701,438	-	701,438
Aggregate write-ins for other liabilities	41,026	-	41,026
Total Liabilities	<u>\$5,093,408</u>	<u>\$ 154,658.00</u>	<u>\$4,938,750</u>
Common capital stock	3,000,000	1,000	2,999,000
Gross paid in and contributed surplus	2,127,840	3,326,840	(1,199,000)
Unassigned funds (surplus)	813,468	(117,500)	930,968
Total Capital and Surplus	<u>5,941,308</u>	<u>3,210,340</u>	<u>2,730,968</u>
Total Liabilities, Surplus and Other Funds	<u>\$11,034,716</u>	<u>\$3,364,998</u>	<u>\$7,669,718</u>

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.
Statement of Revenue and Expenses
Year Ended December 31, 2022

Underwriting Income:

Premiums earned \$25,641,032

Deductions:

Losses incurred -

Loss adjustment expenses incurred -

Other underwriting expenses incurred 24,047,994

Total underwriting deductions 24,047,994

Net underwriting gain (loss) 1,593,038

Investment Income:

Net investment income earned 115,249

Net realized capital gains (losses)
less capital gains tax -

Net investment gain (loss) 115,249

Other Income (Expenses):

Net gain or (loss) from agents' or premium balances (9,856)

Total other income (expenses) (9,856)

Net income, after dividends to policyholders, after
capital gains tax, and before all other federal
and foreign income taxes 1,698,431

Federal and foreign income taxes incurred 361,946

Net income \$1,336,485

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.
Reconciliation of Capital and Surplus
February 3, 2020 (inception) to December 31, 2022

Capital and Surplus, February 3, 2020:			\$	-
	<u>Gains</u>	<u>Losses</u>		
Net Income	817,848			
Change in net deferred income tax	30,126			
Change in nonadmitted assets		(34,506)		
Paid in Capital	1,000			
Surplus adjustments	<u>5,126,840</u>			
Total Gains and Losses	<u>5,975,814</u>	<u>(34,506)</u>		
Net change in Capital and Surplus for the period				<u>5,941,308</u>
Capital and Surplus, December 31, 2022			<u>\$</u>	<u>5,941,308</u>

WELLCARE HEALTH PLANS OF RHODE ISLAND, INC.
Analysis of Examination Adjustments
December 31, 2022

The examination of WellCare Health Plans of Rhode Island, Inc., performed as of December 31, 2022, did not disclose any material misstatements to the financial statements contained in its 2022 Annual Statement filing. Accordingly, the amounts reported by the Company have been accepted for purposes of this report.

COMMENTS ON FINANCIAL STATEMENTS

Bonds

\$ 125,754

The above amount is the net admitted value of bonds held by the Company as of December 31, 2022 and is the same amount reported in its 2022 Annual Statement.

One hundred percent (100%) of the bond portfolio is held in the form of a special deposit with the State of Rhode Island.

The quality designations of all securities included in the Company’s bond portfolio were reviewed based upon criteria established by the NAIC’s Securities Valuation Office. It was noted that 100% of the bond portfolio were designated NAIC 1, which are bonds of the “highest” quality, according to the NAIC Designation system.

The aggregate book/adjusted carrying value, fair value, actual cost, and par value of the bond portfolio as of December 31, 2022, is as follows:

Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value
\$125,754	\$123,496	\$128,818	\$125,000

Cash, cash equivalents, and short-term investments **\$ 7,989,272**

Cash	7,989,272
Cash Equivalents	0
Short-term investments	0

The above amount is the net admitted value of cash, cash equivalents, and short-term investments held by the Company at December 31, 2022 and is the same amount reported in its 2022 Annual Statement.

Actuarially-Determined Assets and (Liabilities)

Accrued retrospective premiums and contracts subject to redetermination	\$577,581
Amounts receivable relating to uninsured plans	1,069,855
Health care and other amounts receivable	1,241,948
Claims unpaid	(3,455,279)
Accrued medical incentive pool and bonus amounts	(150,953)
Unpaid claims adjustment expenses	(39,938)
Aggregate health policy reserves	(12,336)

The Texas Department of Insurance’s (“TDI”) in-house actuaries performed a review of the Centene Group’s Reserving Key Functional Activity. The Illinois Department of Insurance contracted with Risk & Regulatory Consulting, LLC to perform a review of the Centene Group’s Actuarial Pricing Key Functional Activity. The actuarially determined amounts above are the same as those reported in the Company’s 2022 Annual Statement. TDI actuaries performed a review of WHPRI’s annual statement, actuarial opinion and memorandum, and certain internal management reports including spreadsheet models containing claim “triangles”. Discussions with the Company’s actuary and other Company employees regarding reserves and related items were performed. The TDI actuaries reviewed various methodologies used to determine Risk Adjustment Liabilities, Assets, and IBNR, as appropriate. Independent calculations of reserves for claims IBNR with runout through December 31, 2023, were

also performed. TDI actuaries concluded the assumptions and methodologies used by Centene to develop the reserves are reasonable, and recasts of the reserves have shown that the reserve levels set by Centene have been sufficient or conservative. No adjustments to the booked numbers were recommended.

SUBSEQUENT EVENTS

A review of financial information, the Company's records, and the minutes to the Board of Directors' meetings and its various committees for the period subsequent to the examination period was performed to ascertain whether any subsequent events have occurred which would have a material impact on the Company's operations or financial statements. In addition, an inquiry was made of the Company's management regarding subsequent events. Based upon our review, there was one significant event and/or transaction which occurred subsequent to the period covered by this examination:

Capital Contribution from Parent

In February 2024, the Company received a cash capital contribution of \$500,000 from WellCare Management Group, Inc., the immediate parent of WHPRI, that was declared at the end of 2023. The Rhode Island Insurance Division was given prior notification of the capital contribution. The Company recorded the contribution in the 2023 Annual Statement as a Type I subsequent event (*an event that provides additional evidence with respect to conditions that existed at the date of the balance sheet and affects the estimates inherent in the process of preparing financial statements*) in accordance with Statement of Statutory Accounting Principles No. 72, paragraph 8.

CONCLUSION

We have applied verification procedures to the data and information contained in this report using sampling techniques and other examination procedures as deemed appropriate. While sampling and other examination procedures do not give complete assurance that all errors and irregularities will be detected, had any been detected during the course of this examination, such errors and/or irregularities would have been disclosed in this report. Other than what has been noted in the body of this report, we were not informed of, and did not become aware of, any errors or irregularities that could have a material effect on the financial condition of the Company as presented in this report. Participating in the examination with the undersigned were various insurance examiners from the Rhode Island Insurance Division.

Respectfully submitted,



Nicholas Illuzzi, CFE
Associate Insurance Examiner-In-Charge
Rhode Island Insurance Division