



# QUARTERLY STATEMENT

AS OF JUNE 30, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## HealthSpan Integrated Care

NAIC Group Code	04831 (Current Period)	00000 (Prior Period)	NAIC Company Code	95204	Employer's ID Number		34-0922268	
Organized under the Laws of			Ohio	State of Domicile or Port of Entry			Ohio	
Country of Domicile				United States				
Licensed as business type:	Life, Accident & Health [ ]	Property/Casualty [ ]	Hospital, Medical & Dental Service or Indemnity [ ]					
	Dental Service Corporation [ ]	Vision Service Corporation [ ]	Health Maintenance Organization [ X ]					
	Other [ ]		Is HMO Federally Qualified? Yes [ ] No [ ]					
Incorporated/Organized	03/29/1962	Commenced Business			10/27/1976			
Statutory Home Office	1001 Lakeside Ave. Suite 1200 (Street and Number)				Cleveland, OH, US 44114-1153 (City or Town, State, County and Zip Code)			
Main Administrative Office	1001 Lakeside Ave. Suite 1200 (Street and Number)	Cleveland, OH, US 44114-1153 (City or Town, State, Country and Zip Code)			216-621-5600 (Area Code) (Telephone Number)			
Mail Address	1001 Lakeside Ave. Suite 1200 (Street and Number or P.O. Box)				Cleveland, OH, US 44114-1153 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1001 Lakeside Ave. Suite 1200 (Street and Number)	Cleveland, OH, US 44114-1153 (City or Town, State, Country and Zip Code)			216-621-5600 (Area Code) (Telephone Number)			
Internet Web Site Address	HealthSpan.org							
Statutory Statement Contact	Griffin Hurd (Name) gehurd@mercy.com (E-Mail Address)	513-981-6264 (Area Code) (Telephone Number) (Extension) 513-981-6118 (FAX Number)						

## OFFICERS

Name	President	Name	Title
Kenneth Page		Dave Nowiski	Treasurer

## OTHER OFFICERS

DIRECTORS OR TRUSTEES			
Robert Campbell	William Franks	R. Jeffrey Copeland	Walid Sidani MD
Allan Calonge			

State of ..... Ohio .....

ss

County of ..... Cuyahoga .....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kenneth Page  
President

Dave Nowiski  
Treasurer

a. Is this an original filing? Yes [ X ] No [ ]

b. If no:

1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this  
day of ,

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	28,136,842		28,136,842	27,714,020
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	55,721,374		55,721,374	59,046,223
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... 28,366,641 ), cash equivalents (\$ ..... 264,885 ) and short-term investments (\$ ..... 1 ).....	28,631,526		28,631,526	217,103,093
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets.....			0	0
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	112,489,742	.0	112,489,742	303,863,336
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	237,680		237,680	233,711
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	29,720,810		29,720,810	14,699,159
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	4,265,466		4,265,466	3,012,188
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....	2,481,759	2,481,759	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... 10,905,821 ).....	11,215,570	.309,749	10,905,821	12,295,443
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	6,236,450		6,236,450	0
24. Health care (\$ ..... 5,995,428 ) and other amounts receivable .....	10,208,706	2,247,561	7,961,145	8,732,224
25. Aggregate write-ins for other-than-invested assets .....	1,018,629	1,018,629	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	177,874,812	6,057,698	171,817,114	342,836,061
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27) .....	177,874,812	6,057,698	171,817,114	342,836,061
<b>DETAILS OF WRITE-INS</b>				
1101. .....				
1102. .....				
1103. .....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid & Other Current Assets.....	848,629	.848,629	0	0
2502. Other Property Equipment and Long Term Assets.....	170,000	.170,000	0	0
2503. .....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,018,629	1,018,629	0	0

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	42,661,161		42,661,161	40,997,111
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	601,667		601,667	498,584
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	3,219,465		3,219,465	1,583,768
9. General expenses due or accrued	2,913,228		2,913,228	5,424,848
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	269,875		269,875	463,101
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	24,775,019		24,775,019	214,524,676
16. Derivatives		0	0	0
17. Payable for securities	54,023		54,023	229,660
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current)	48,119,286	0	48,119,286	25,319,418
24. Total liabilities (Lines 1 to 23)	122,613,724	0	122,613,724	289,041,166
25. Aggregate write-ins for special surplus funds	XXX	XXX	1,800,957	4,513,596
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	80,000,000	40,000,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(32,597,567)	9,281,299
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... )	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	49,203,390	53,794,895
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	171,817,114	342,836,061
<b>DETAILS OF WRITE-INS</b>				
2301. Accrued Payroll and Related	7,832,989		7,832,989	7,367,463
2302. Workers Comp			0	0
2303. Other Liabilities	1,071,651		1,071,651	1,605,130
2398. Summary of remaining write-ins for Line 23 from overflow page	39,214,646	0	39,214,646	16,346,825
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	48,119,286	0	48,119,286	25,319,418
2501. Special Surplus	XXX	XXX	1,800,957	4,513,596
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	1,800,957	4,513,596
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	419,915	461,813	919,471
2. Net premium income (including \$ non-health premium income).....	XXX	175,875,909	208,051,107	419,331,792
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	1,025,941	688,348
5. Risk revenue.....	XXX		0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	70,048	438,776	735,430
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	175,945,957	209,515,824	420,755,570
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		71,313,730	67,994,965	132,020,177
10. Other professional services.....		5,938,670	11,493,290	26,733,850
11. Outside referrals.....			27,817,269	72,496,622
12. Emergency room and out-of-area.....		6,940,368	12,731,632	6,806,928
13. Prescription drugs.....		36,402,855	27,910,710	55,405,626
14. Aggregate write-ins for other hospital and medical.....	0	60,856,184	74,751,246	118,771,016
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15).....	0	181,451,807	222,699,112	412,234,219
<b>Less:</b>				
17. Net reinsurance recoveries.....		1,324,278	1,753,150	4,109,851
18. Total hospital and medical (Lines 16 minus 17).....	0	180,127,529	220,945,962	408,124,368
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 2,220,389 cost containment expenses.....		5,393,574	3,607,428	10,081,175
21. General administrative expenses.....		36,937,066	15,824,827	63,883,300
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	(9,899,519)
23. Total underwriting deductions (Lines 18 through 22).....	0	222,458,169	240,378,217	472,189,324
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(46,512,212)	(30,862,393)	(51,433,754)
25. Net investment income earned.....		114,813	191,577	(493,415)
26. Net realized capital gains (losses) less capital gains tax of \$.....		22,684	27,320	58,529
27. Net investment gains (losses) (Lines 25 plus 26).....	0	137,497	218,897	(434,886)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... (amount charged off \$ ..... )].....			0	(1,871,079)
29. Aggregate write-ins for other income or expenses.....	0	417,564	402,577	394,870
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(45,957,151)	(30,240,919)	(53,344,849)
31. Federal and foreign income taxes incurred.....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	(45,957,151)	(30,240,919)	(53,344,849)
<b>DETAILS OF WRITE-INS</b>				
0601. Other Revenues.....	XXX	70,048	438,776	735,430
0602. ....	XXX		0	0
0603. ....	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	70,048	438,776	735,430
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. Occupancy, Depreciation and Amortization.....			4,456,637	9,575,267
1402. Medical Office Facilities.....			21,740,955	0
1403. ....			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	60,856,184	48,553,654	109,195,749
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	60,856,184	74,751,246	118,771,016
2901. Miscellaneous.....		417,564	402,577	394,870
2902. Dissolution of Medical Services Agreement.....			0	0
2903. Other expenses associated with membership transfer.....			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	417,564	402,577	394,870

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	53,794,895	112,549,085	112,549,085
34. Net income or (loss) from Line 32	(45,957,151)	(30,240,919)	(53,344,849)
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	0	0	0
39. Change in nonadmitted assets	1,365,646	653,985	(5,409,024)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	40,000,000	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	0	0	0
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	270,437	(317)
48. Net change in capital and surplus (Lines 34 to 47)	(4,591,505)	(29,316,497)	(58,754,190)
49. Capital and surplus end of reporting period (Line 33 plus 48)	49,203,390	83,232,588	53,794,895
<b>DETAILS OF WRITE-INS</b>			
4701. Unassigned funds pension liability	0	0	0
4702. Unassigned funds post retirement liability	0	0	0
4703. Due to Kaiser Affiliates transferred to Kaiser	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	270,437	(317)
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	270,437	(317)

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	162,296,729	212,143,331	405,657,781
2. Net investment income.....	281,465	(63,083)	7,794,838
3. Miscellaneous income.....	2,560,162	1,904,888	14,790,358
4. Total (Lines 1 to 3).....	165,138,356	213,985,136	428,242,977
5. Benefit and loss related payments.....	179,716,757	265,162,717	438,964,796
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	44,321,613	19,302,779	73,274,978
7. Commissions, expenses paid and aggregate write-ins for deductions.....	0	0	0
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9).....	224,038,370	284,465,496	512,239,774
11. Net cash from operations (Line 4 minus Line 10).....	(58,900,014)	(70,480,360)	(83,996,797)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	2,641,840	5,702,054	44,376,152
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	1,414
12.7 Miscellaneous proceeds.....	4,037,468	3,762,883	229,660
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	6,679,308	9,464,937	44,607,226
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	3,212,599	62,212,261	71,918,576
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	712,620	93,457	808,870
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	175,637	0	1,579
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,100,856	62,305,718	72,729,025
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	2,578,452	(52,840,781)	(28,121,799)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	40,000,000	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(172,150,005)	11,714,793	196,244,879
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(132,150,005)	11,714,793	196,244,879
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(188,471,567)	(111,606,348)	84,126,283
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	217,103,093	132,976,810	132,976,810
19.2 End of period (Line 18 plus Line 19.1).....	28,631,526	21,370,462	217,103,093

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group							
Total Members at end of:										
1. Prior Year .....	74,819	8,522	44,220	0	0	0	6,000	16,077	0	0
2. First Quarter .....	70,829	8,743	40,131	0	0	0	5,933	16,022	0	0
3. Second Quarter .....	68,365	8,350	38,532	0	0	0	5,932	15,551	0	0
4. Third Quarter .....	0									
5. Current Year .....	0									
6. Current Year Member Months	419,915	50,334	238,486				35,855	95,240		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	202,608	13,239	78,973				20,579	89,817		
8. Non-Physician .....	32,213	3,188	14,246				2,874	11,905		
9. Total .....	234,821	16,427	93,219	0	0	0	23,453	101,722	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	1,304	111	487				124	582		
12. Health Premiums Written (a) .....	176,996,849	(1,654,686)	99,864,341				18,609,627	60,177,567		
13. Life Premiums Direct .....	0									
14. Property/Casualty Premiums Written .....	0									
15. Health Premiums Earned .....	176,996,849	(1,654,686)	99,864,341				18,609,627	60,177,567		
16. Property/Casualty Premiums Earned .....	0									
17. Amount Paid for Provision of Health Care Services .....	179,787,757	14,695,558	97,052,128				16,464,023	51,576,048		
18. Amount Incurred for Provision of Health Care Services	181,451,807	19,217,632	97,419,499				15,480,209	49,334,467		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 45,654,768

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

## **CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

## Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported) Due to Physician Group.	5,786,981					5,786,981
0199999 Individually listed claims unpaid	5,786,981	0	0	0	0	5,786,981
0299999 Aggregate accounts not individually listed-uncovered						
0399999 Aggregate accounts not individually listed-covered	9,896,818					9,896,818
0499999 Subtotals	15,683,799	0	0	0	0	15,683,799
0599999 Unreported claims and other claim reserves	XXX	XXX	XXX	XXX	XXX	26,977,361
0699999 Total amounts withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid	XXX	XXX	XXX	XXX	XXX	42,661,16
0899999 Accrued medical incentive pool and bonus amounts	XXX	XXX	XXX	XXX	XXX	

## STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

## UNDERWRITING AND INVESTMENT EXHIBIT

## ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	28,428,682	87,774,353	3,988,118	26,977,030	32,416,800	26,075,655
2. Medicare Supplement .....					0	0
3. Dental only .....					0	0
4. Vision only .....					0	0
5. Federal Employees Health Benefits Plan .....	2,462,021	12,475,652	480,237	3,248,494	2,942,258	4,712,545
6. Title XVIII - Medicare .....	7,082,075	40,240,696	1,026,136	6,941,146	8,108,211	10,208,864
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	.47
9. Health subtotal (Lines 1 to 8).....	37,972,778	140,490,701	5,494,491	37,166,670	43,467,269	40,997,111
10. Health care receivables (a).....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....					0	0
13. Totals (Lines 9-10+11+12).....	37,972,778	140,490,701	5,494,491	37,166,670	43,467,269	40,997,111

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

HealthSpan Integrated Care  
 Notes to Financial Statements  
 For the Six months Ended June 30, 2015 and the Year Ended December 31, 2014

1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of HealthSpan Integrated Care (“HealthSpan or the Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, (“NAIC SAP”), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio – Ohio Department of Insurance (ODI). There were no reported differences to net income, statutory surplus, or risk based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

		<b>State of Domicile</b>	<b>Six Months Ended 6/30/15</b>	<b>Year Ended 12/31/14</b>
			<b>(in thousands)</b>	<b>(in thousands)</b>
<b>NET INCOME</b>				
(1)	HealthSpan state basis (page 4, Line 32, Columns 2 & 3)	OH	\$ (45,957)	\$ (53,345)
(2)	State Prescribed Practices that increase / (decrease) NAIC SAP:	OH	-	-
(3)	State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
(4)	NAIC SAP (1-2-3=4)	OH	<u>(45,957)</u>	<u>(53,345)</u>
<b>SURPLUS</b>				
(5)	HealthSpan state basis (page 3, Line 33, Columns 3 & 4)	OH	\$ 49,203	\$ 53,795
(6)	State Prescribed Practices that increase / (decrease) NAIC SAP:	OH	-	-
(7)	State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
(8)	NAIC SAP (5-6-7=8)	OH	<u>49,203</u>	<u>53,795</u>

B – C

No significant changes from the 2014 annual statement

2) Accounting Changes and Corrections of Errors

No significant changes from the 2014 annual statement.

3) Business Combinations and Goodwill

No significant changes from the 2014 annual statement.

4) Discontinued Operations

There were no discontinued operations during the reporting periods.

5) Investments

A –C Mortgage Loans, Restructured Debt and Reverse Mortgages

For the six months ended June 30, 2015 and the year ended December 31, 2014, HealthSpan had no investments in mortgage loans, restructured debt or reverse mortgages.

D) Loan-Backed Securities

At June 30, 2015 and December 31, 2014, HealthSpan held no loan-backed securities.

E) Repurchase Agreements and Securities Lending Transactions

For the six months ending June 30, 2015 and the year ending December 31, 2014, HealthSpan was not a party to repurchase agreements or securities lending transactions.

F) Real Estate

(1) and (2)

There were no impairment losses on real estate for the six months ended June 30, 2015 and the year ended December 31, 2014, and no real estate investments held for sale.

(3) and (4)

HealthSpan did not engage in retail land sales operations and had no real estate investments with participating mortgage loan features during the six months ended June 30, 2015 and the year ended December 31, 2014.

G) Investments in low-income housing tax credits

During the six months ended June 30, 2015 and the year ended December 31, 2014, HealthSpan had no investments in low-income housing credits.

H) Restricted Assets

At June 30, 2015 and December 31, 2014, the Company had \$405 thousand and \$406 thousand, respectively, on deposit with the State of Ohio.

(in thousands)						
Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$		
a lending agreements						
b Collateral held under security						
c Subject to repurchase agreements						
d Subject to reverse repurchase agreements						
e Subject to dollar repurchase agreements						
f Subject to dollar reverse repurchase agreements						
g Placed under option contracts						
h Letter stock or securities restricted as to sale						
i FHLB capital stock						
j On deposit with states	405	406	(1)	405	0.23%	0.24%
k On deposit with other regulatory bodies						
l Pledged as collateral not captured in other categories						
m Pledged as collateral not captured in other categories						
n Other restricted assets						
o Total Restricted Assets	\$ 405	\$ 406	\$ (1)	\$ 405	0.23%	0.24%

I – K

HealthSpan had no working capital finance investments, no offsetting of derivative, repurchase, or securities borrowing and lending assets or liabilities, and no structured notes for the reporting periods.

6) Joint Ventures, Partnerships & Limited Liability Companies

No significant changes from the 2014 annual statement.

7) Investment Income

No significant changes from the 2014 annual statement.

8) Derivative Instruments

No significant changes from the 2014 annual statement.

9) Income Taxes

No significant changes from the 2014 annual statement.

10) Information Concerning Parent, Subsidiaries and Affiliates

A –C Transactions with Affiliates

As discussed in the *Minimum Capital and Surplus* note, the Company received contributed surplus of \$40.0 million from HSP in the first quarter of 2015.

D) Amounts Due to or From Related Parties

At June 30, 2015 and December 31, 2014, due to affiliated HealthSpan Partners (HSP) insurance holding company organizations were as follows (in thousands):

	<u>6/30/2015</u>	<u>12/31/2014</u>
Net amounts due to:		
Mercy Health	\$ 5,212	\$ 157,161
HealthSpan Partners	<u>19,563</u>	<u>57,364</u>
Total due to affiliated organizations	\$ <u>24,775</u>	\$ <u>214,525</u>

E) Guarantees and Undertakings

HealthSpan does not provide other parties with guarantees.

F) Management and Service Contracts and Cost-Sharing Arrangements.

In January 2015, the ODI approved a modification to the compensation terms of HealthSpan's provider agreement with the Physician Group. Effective January 1, 2015, HealthSpan reimburses the Physician Group based on a capitation arrangement instead of actual cost. For the six months ended June 30, 2015, the capitation fee was \$17.8 million. For the year ended December 31, 2014, HealthSpan incurred expenses of \$68.1 million for physician services provided by the Physician Group.

For the six months ended June 30, 2015, and the year ended December 31, 2014, HealthSpan incurred expenses of \$17.2 million and \$9.7 million, respectively, for information technology, treasury, general management, administrative support, accounting and accounts payable processing services provided by a partner organization, Mercy Health.

G) Nature of Control Relationship

HSP is the sole corporate member of HealthSpan. HSP is a distinct, secular, and tax-exempt organization with the primary objective of developing provider networks and insurance products. HSP is a partner organization of Mercy Health, and is included in the consolidated financial statements of Mercy Health, who is the ultimate controlling party of HealthSpan. Mercy Health is a Catholic health organization, supervising market delivery systems consisting of hospitals, nursing homes, and other organizations providing health-related services.

H – J

During the six months ended June 30, 2015 and the year ended December 31, 2014, the Company had no amount deducted from its asset value or its parent's asset value due to their affiliation. Additionally, the Company had no investments in subsidiary, controlled or affiliated entities in 2015 or 2014.

K – L

The Company has no investments in foreign insurance subsidiaries or downstream noninsurance holding companies.

11) Debt

No significant changes from the 2014 annual statement.

12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences, and Post-retirement Benefit Plans

No significant changes from the 2014 annual statement.

13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) – (2)

HealthSpan is a nonprofit, charitable corporation and does not issue stock. HealthSpan Partners (HSP) is the sole corporate member of HealthSpan and no individual or entity has any ownership interest in HealthSpan. HealthSpan and HSP share certain corporate officers.

During the first quarter of 2015, the Company received \$40.0 million of contributed surplus from HSP.

(3) – (6)

For the six months ended June 30, 2015 and the year ended December 31, 2014, the Company paid no dividends. In accordance with the Ohio Revised Code, HealthSpan must receive approval from the ODI to pay a dividend or distribution during 2015 which, when combined with dividends or distributions paid within the preceding 12 months exceeds the greater of either (a) 10% of HealthSpan's statutory capital and surplus at December 31, 2014 or (b) HealthSpan's net gain from operations on a statutory basis for the year ended December 31, 2014. Accordingly, during 2015, prior approval from the ODI is required for any dividend or distribution payment, which exceeds \$5.4 million.

(7) – (8)

At June 30, 2015 and December 31, 2014, HealthSpan held no stock for special purpose and is not a mutual reciprocal.

- (9) As of June 30, 2015, HealthSpan has reclassified \$1.8 million from unassigned funds to special surplus, representing the Company's estimated Annual Fee on Health Insurers for the six months ended June 30, 2015.
- (10) No portion of surplus is represented by cumulative unrealized gains or losses.
- (11) The Company is not a party to any surplus notes.

(12) – (13)

HealthSpan did not undergo any quasi-reorganization in the years ended December 31, 2014 or 2013.

14) Liabilities, Contingencies and Assessments

No significant changes from the 2014 annual statement.

15) Leases

No significant changes from the 2014 annual statement.

16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes from the 2014 annual statement.

17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

HealthSpan has no transactions subject to the disclosure requirements of this footnote during the reporting periods.

A-B HealthSpan had no transfers of receivables, or transfers or servicing of financial assets.

C SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SSAP No.91R)*, paragraph 100 requires a reporting entity to disclose any wash sales involving securities with a NAIC designation of 3 or below. HealthSpan's investment strategy does not include purchasing any securities with a NAIC designation of 3 or below. During the six months ended June 30, 2015 and the year ended December 31, 2014, HealthSpan did not participate in any wash sale as defined by SSAP No. 91.

18) Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

No significant changes from the 2014 annual statement.

19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant changes from the 2014 annual statement.

20) Fair Value Measurements

A - B HealthSpan has no assets or liabilities that are measured and reported at fair value in the statement of financial position after initial recognition.

C HealthSpan utilizes a three-level valuation hierarchy for fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. For instruments classified in Level 1 of the hierarchy, valuation inputs are quoted prices for identical instruments in active markets at the measurement date. For instruments classified in Level 2 of the hierarchy, valuation inputs are directly observable but do not qualify as Level 1 inputs. Examples of Level 2 inputs include: quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; other observable inputs such as interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates; and market-correlated inputs that are derived principally from or corroborated by observable market data. For instruments classified in Level 3 of the hierarchy, valuation inputs are unobservable inputs for the instrument. Level 3 inputs incorporate assumptions about the factors that market participants would use in pricing the instrument.

Investments are reported at lower of amortized cost or fair value, with impairment recorded if amortized cost is greater than fair value. The fair values of investments are based on quoted market prices, if available, or estimated using quoted market prices for similar investments. If listed prices or quotes are not available, fair value is based upon other observable inputs or models that primarily use market-based or independently sourced market parameters as inputs. In addition to market information, models also incorporate transaction details such as maturity. Fair value adjustments, including credit, liquidity and other factors, are included, as appropriate, to arrive at a fair value measurement.

Investments at statement value and estimated fair value, at June 30, 2015 included (in thousands):

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds and other invested assets:						
U.S. Treasury and government-sponsored agencies	14,464	14,362	—	14,464	—	—
Industrial and miscellaneous bonds	13,792	13,775	—	13,792	—	—
Total bonds and other invested assets	28,256	28,137	—	28,256	—	—
Total investments	\$ 28,256	\$ 28,137	\$ —	\$ 28,256	\$ —	\$ —

Investments at statement value and estimated fair value, at December 31, 2014 included (in thousands):

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds and other invested assets:						
U.S. Treasury and government-sponsored agencies	14,618	14,530	—	14,618	—	—
Industrial and miscellaneous bonds	13,173	13,184	—	13,173	—	—
Total bonds and other invested assets	27,791	27,714	—	27,791	—	—
Total investments	\$ 27,791	\$ 27,714	\$ —	\$ 27,791	\$ —	\$ —

D There were no investments at June 30, 2015 or December 31, 2014 for which it was not practicable to estimate fair value.

21) Other Items

A – Extraordinary Items

On December 31, 2014, the Company closed four medical office facilities. Management considered the facility closure a triggering event for impairment of the related long-lived assets. The Company recorded an impairment charge of \$1.4 million of leasehold improvements, which is reported in net investment income earned on the Statement of Revenue and Expenses.

B – F

HealthSpan had no debt restructuring, unrecorded amounts representing segregated funds held for others, forward commitments, business interruption insurance recoveries or state transferable or non-transferable tax credits. Additionally, the Company had no uncollectible assets covered by SSAP No. 6, SSAP No. 47, or SSAP 66.

G – Subprime Mortgage – Related Risk Exposure

HealthSpan defines its exposure to subprime-mortgage-related risk as securities that are backed by loan portfolios that include loans offered to borrowers who do not meet the lending standards of the typical borrower. Indications of below-standard lending include factors such as interest rates higher than prime, credit scores and documentation of income. Information considered in determining exposure to subprime-mortgage-related risk includes default and repayment risk. Exposure to subprime-mortgage-related risk may include exposure related to changes in asset values, losses caused by receiving less than anticipated cash flows or from the potential sale of assets to meet future cash flow requirements. Management periodically reviews its exposure to subprime-mortgage-related risk and, as necessary, takes steps to mitigate or manage the Company's exposure to such risk.

At both June 30, 2015 and December 31, 2014, HealthSpan did not own fixed income securities with exposure to subprime-mortgage-related risk. The Company recognized no OTTI losses during the six months ended June 30, 2015 and the year ended December 31, 2014 related to these types of securities.

In determining its subprime-mortgage-related risk exposure, management surveyed internal and external managers and examined trustee security listings to develop a listing of individual securities with subprime-mortgage-related risk exposure.

H - I Retained Assets

HealthSpan had no retained assets held for beneficiaries during the reporting periods.

22) Events Subsequent

Effective July 1, 2015, HealthSpan executed a contract to lease office space at various facilities to the Physician Group. Also effective July 1, 2015, HealthSpan agreed to sell the Physician Group various medical and business equipment, administrative and medical supplies, linens, devices, vaccines and drugs required in connection with the Physician Group's use of the leased facilities. Finally, HealthSpan agreed to lease to the Physician

Group certain clinical, technical, clerical and other administrative employees required to conduct business related to HealthSpan's provider agreement with the Physician Group.

The Provider Agreement between HealthSpan and Physicians Group was amended effective July 1, 2015 to include ancillary services provided to HealthSpan members (in addition to the physician services currently being provided). HealthSpan will pay Physician Group a global capitation payment for all services provided directly by Physician Group with shared risk pools established for medical claims and pharmacy.

23) Reinsurance

No significant changes from the 2014 annual statement.

24) Retrospectively Rated Contracts

A – C

Except for premiums subject to the Affordable Care Act risk-sharing provisions, HealthSpan does not have contracts that are subject to retrospective premium adjustments.

D. HealthSpan did not incur medical loss rebates pursuant to the Public Health Service Act for the six months ended June 30, 2015 or the year ended December 31, 2014.

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES / NO)? Yes.

The company had zero balances for premium adjustments for the risk corridors programs due to a lack of sufficient data to estimate the recoverable amount.

(2) The admitted assets, liabilities and revenue elements of the ACA programs are as follows:

ACA Program	Financial Statement Element	Amount (in thousands), as of 6/30/15
<b>a. Permanent ACA Risk Adjustment Program</b>		
	<b>Assets</b>	
	1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -
	<b>Liabilities</b>	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	27
	3. Premium adjustments payable due to ACA Risk Adjustment	21,591
	<b>Operations (Revenue &amp; Expense)</b>	
	4. Reported as revenue in premium for accident and health contracts (written / collected) due to ACA Risk Adjustment	(21,591)
	5. Reported in expenses as ACA risk adjustment user fees (incurred / paid)	18
<b>b. Transitional ACA Reinsurance Program</b>		
	<b>Assets</b>	
	1. Amount recoverable for claims paid due to ACA Reinsurance	3,516
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	-
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance (2)	-
	<b>Liabilities</b>	
	4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	1,568
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	270
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance (2)	-
	<b>Operations (Revenue &amp; Expense)</b>	
	7. Ceded reinsurance premiums due to ACA Reinsurance	193
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	780
	9. ACA Reinsurance contributions - not reported as ceded premium	1,017
<b>c. Temporary ACA Risk Corridors Program</b>		
	<b>Assets</b>	
	1. Accrued retrospective premium due to ACA Risk Corridors (1)	-
	<b>Liabilities</b>	
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors (1)	-
	<b>Operations (Revenue &amp; Expense)</b>	
	3. Effect of ACA Risk Corridors on net premium income (paid / received) (1)	-
	4. Effect of ACA Risk Corridors on change in reserves for rate credits. (1)	-

(1) Insufficient data to make an estimate  
 (2) Estimated balance is zero

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1 - 3)		Prior Year Accrued Less Payments (Col 2 - 4)		To Prior Year Balances		To Prior Year Balances
		1	2	3	4	5	6	7	8	9	10	
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
1	Premium adjustment receivable	\$	-	\$	-	\$	-	\$	-	\$	-	\$
2	Premium adjustment (payable)	\$	-	\$	-	\$	-	\$	-	\$	-	\$
3	Subtotal ACA Permanent Risk Adjustment Program	\$	-	\$	-	\$	-	\$	-	\$ 13,188,115	C	\$
b.	Transitional ACA Reinsurance Program	\$	-	\$	-	\$	-	\$	-	\$ 13,188,115	C	\$
1	Amounts recoverable for claims paid	\$	-	\$	-	\$	-	\$	-	\$	-	\$
2	Amounts recoverable for claims unpaid (contra liability)	\$	2,108,810	\$	-	\$ 290,443	\$	-	\$ 1,818,367	\$	-	\$ 851,096
3	Amounts receivable relating to uninsured plans	\$	521,610	\$	-	\$	-	\$ 521,610	\$	-	\$ (521,610)	
4	Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$	-	\$	-	\$	-	\$	-	\$	-	\$
5	Ceded reinsurance premiums payable	\$	-	\$ 3,307,827	\$	-	\$ 2,756,523	\$	-	\$ 551,304	\$	-
6	Liability for amounts held under uninsured plans	\$	-	\$ 463,101	\$	-	\$ 361,110	\$	-	\$ 101,991	\$	-
7	Subtotal ACA Transitional Reinsurance Program	\$	-	\$	-	\$	-	\$	-	\$ (24,807)	\$	\$ 77,184
c.	Temporary ACA Risk Corridors Program	\$	2,630,420	\$ 3,770,928	\$ 290,443	\$ 3,117,633	\$ 2,339,977	\$ 653,295	\$ 329,486	\$ (24,807)	\$ 2,669,463	\$ 628,488
1	Accrued retrospective premium	\$	-	\$	-	\$	-	\$	-	\$	-	\$
2	Reserve for rate credits or policy experience rating refunds	\$	-	\$	-	\$	-	\$	-	\$	-	\$
3	Subtotal ACA Risk Corridors Program	\$	-	\$	-	\$	-	\$	-	\$	-	\$
d.	Total for ACA Risk Sharing Provisions	\$	2,630,420	\$ 3,770,928	\$ 290,443	\$ 3,117,633	\$ 2,339,977	\$ 653,295	\$ 329,486	\$ 13,163,308	\$ 2,669,463	\$ 13,816,603

25) Change in Incurred Claims and Claim Adjustment Expenses

Analysis of claims activity as of and for the six months ended June 30, 2015 and the year ended December 31, 2014 (in thousands):

	<u>6/30/2015</u>	<u>12/31/2014</u>
Claims Payable		
Balance Beginning of Period	\$ 40,997	\$ 78,725
Balance End of Period	<u>42,661</u>	<u>40,997</u>
Change in Claims Payable - Increase (Decrease)	<u>1,664</u>	<u>(37,728)</u>
Incurred Claims:		
Insured Events of Current Year	177,657	\$ 411,578
Increase (Decrease) Insured Events of Prior Year	2,470	(3,454)
Total Incurred Claims	<u>180,127</u>	<u>408,124</u>
Payment of Claims:		
Claims Incurred in Prior Years	37,973	75,386
Claims Incurred in Current Year	140,491	370,466
Total Claims Paid	<u>\$ 178,464</u>	<u>\$ 445,852</u>

No additional premiums or return premiums have been accrued as a result of the prior-year effects.

26) Intercompany Pooling Arrangements

HealthSpan has no intercompany pooling arrangements.

27) Structured Settlements

Not applicable for health entities.

28) Health Care Receivables

At June 30, 2015, HeathSpan admitted a pharmacy rebate receivable of 1.1 million. The receivable was estimated based on prescriptions filled during 2015. Pharmaceutical rebate receivables, in millions, were as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
6/30/2015	\$1.1	\$1.1	\$1.7	\$0.1	
3/31/2015	\$1.4	\$1.4	\$1.2		
12/31/2014	\$1.5	\$1.5	\$1.2	\$0.9	
9/30/2014	\$3.7	\$3.7	\$0.5		
6/30/2014	\$2.6	\$2.6	\$0.4		
3/31/2014	\$1.1	\$1.1			

HealthSpan has no risk-sharing receivables.

29) Participating Policies

HealthSpan has no participating policies.

30) Premium Deficiency Reserves

No significant changes from the 2014 annual statement.

31) Anticipated Salvage and Subrogation

No significant changes from the 2014 annual statement.

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2010

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2010

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 07/09/2012

6.4 By what department or departments?

Ohio Department of Insurance.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] NA [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

7.2 If yes, give full information:

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care****GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  Yes [X]  No [ ]

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? .....  Yes [ ]  No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? .....  Yes [ ]  No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....  Yes [X]  No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 6,236,450

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....  Yes [ ]  No [X]

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....  Yes [ ]  No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....  Yes [ ]  No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....  Yes [ ]  No [ ]

If no, attach a description with this statement.

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**GENERAL INTERROGATORIES**

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....
16.3 Total payable for securities lending reported on the liability page	\$.....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Bank and Trust.....	801 Pennsylvania, Kansas City, MO 64105.....
Fifth Third Bank.....	38 Fountain Square Plaza, Cincinnati, OH 45263.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
8158.....	Robert W. Baird & Co. Inc.....	777 East Wisconsin Avenue, Milwaukee, WI 53202.....
.....	.....	.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

18.2 If no, list exceptions:

.....

**GENERAL INTERROGATORIES**  
**PART 2 - HEALTH**

1. Operating Percentages:

1.1 A&H loss percent.....	103.7 %
1.2 A&H cost containment percent.....	1.3 %
1.3 A&H expense percent excluding cost containment expenses.....	22.8 %
2.1 Do you act as a custodian for health savings accounts?.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$ _____
2.3 Do you act as an administrator for health savings accounts?.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ _____

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

## **SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

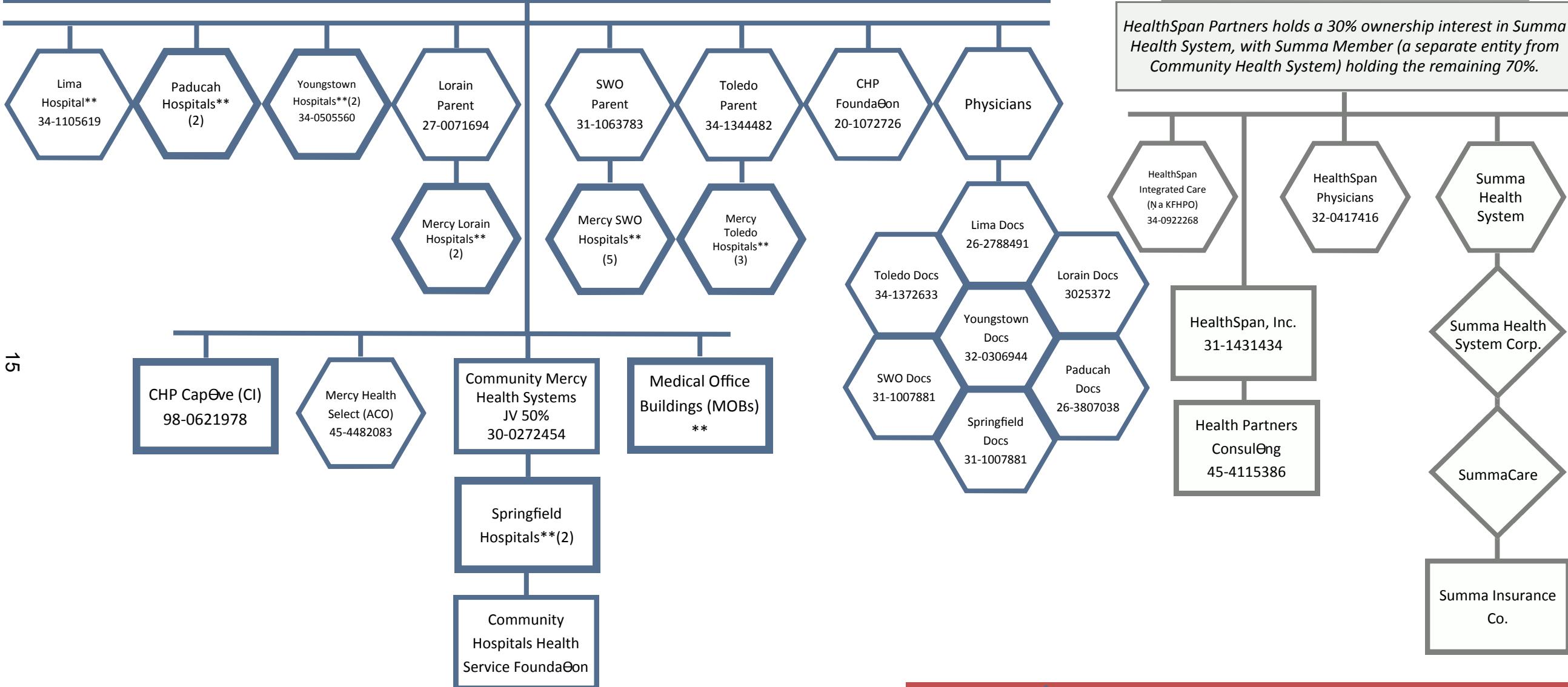
States, Etc.	1 Active Status	Direct Business Only						
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7
1. Alabama .....	AL							0
2. Alaska .....	AK							0
3. Arizona .....	AZ							0
4. Arkansas .....	AR							0
5. California .....	CA							0
6. Colorado .....	CO							0
7. Connecticut .....	CT							0
8. Delaware .....	DE							0
9. Dist. Columbia .....	DC							0
10. Florida .....	FL							0
11. Georgia .....	GA							0
12. Hawaii .....	HI							0
13. Idaho .....	ID							0
14. Illinois .....	IL							0
15. Indiana .....	IN							0
16. Iowa .....	IA							0
17. Kansas .....	KS							0
18. Kentucky .....	KY							0
19. Louisiana .....	LA							0
20. Maine .....	ME							0
21. Maryland .....	MD							0
22. Massachusetts .....	MA							0
23. Michigan .....	MI							0
24. Minnesota .....	MN							0
25. Mississippi .....	MS							0
26. Missouri .....	MO							0
27. Montana .....	MT							0
28. Nebraska .....	NE							0
29. Nevada .....	NV							0
30. New Hampshire .....	NH							0
31. New Jersey .....	NJ							0
32. New Mexico .....	NM							0
33. New York .....	NY							0
34. North Carolina .....	NC							0
35. North Dakota .....	ND							0
36. Ohio .....	OH	112,676,112	45,654,768		18,665,969			176,996,849
37. Oklahoma .....	OK							0
38. Oregon .....	OR							0
39. Pennsylvania .....	PA							0
40. Rhode Island .....	RI							0
41. South Carolina .....	SC							0
42. South Dakota .....	SD							0
43. Tennessee .....	TN							0
44. Texas .....	TX							0
45. Utah .....	UT							0
46. Vermont .....	VT							0
47. Virginia .....	VA							0
48. Washington .....	WA							0
49. West Virginia .....	WV							0
50. Wisconsin .....	WI							0
51. Wyoming .....	WY							0
52. American Samoa .....	AS							0
53. Guam .....	GU							0
54. Puerto Rico .....	PR							0
55. U.S. Virgin Islands .....	VI							0
56. Northern Mariana Islands .....	MP							0
57. Canada .....	CAN							0
58. Aggregate other alien .....	OT	XXX	0	0	0	0	0	0
59. Subtotal .....		XXX	112,676,112	45,654,768	0	18,665,969	0	176,996,849
60. Reporting entity contributions for Employee Benefit Plans .....		XXX						0
61. Total (Direct Business)	(a)	0	112,676,112	45,654,768	0	18,665,969	0	176,996,849
<b>DETAILS OF WRITE-INS</b>								
58001		XXX						
58002		XXX						
58003		XXX						
58998	Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
58999	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and other Alien.

# Mercy Health

Tax Exempt 31-1161086

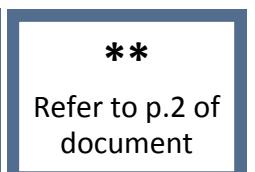
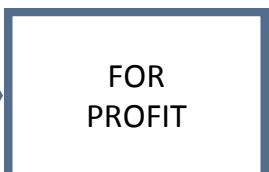
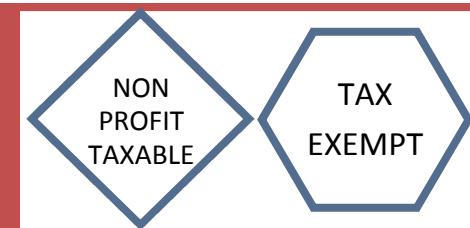


MH Org Chart 2\_20\_2015

Note: Ownership is based on 100% ownership or membership interest unless otherwise noted. All entities are domiciled in Ohio except as noted.

(1): The relationship between Mercy and HSP is based on the HealthSpan Partners Loan Agreement (previously filed with ODI) and common board members.

**KEY**



**\*\***  
Refer to p.2 of document

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1

Asterisk	Explanation
#	Catholic Health Partners name was changed to Mercy Health effective July 1, 2014.....

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.

Bar Code:

1.



**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**OVERFLOW PAGE FOR WRITE-INS**

MQ003 Additional Aggregate Lines for Page 03 Line 23.  
\*LIAB

	1 Covered	2 Uncovered	3 Total	4 Total
2304. Medicare Reserves / Payables.....	9,916,407		9,916,407	10,036,317
2305. Premium Tax and Other Taxes Payable.....	1,421,533		1,421,533	2,867,801
2306. Affordable Care Act Payable.....	27,876,706		27,876,706	3,442,707
2307. .....			0	0
2308. .....			0	0
2397. Summary of remaining write-ins for Line 23 from Page 03	39,214,646	0	39,214,646	16,346,825

MQ004 Additional Aggregate Lines for Page 04 Line 14.

	1 Current Year To Date Uncovered	2 Current Year To Date Total	3 Prior Year To Date Total	4 Prior Year Ended December 31 Total
1404. Medical Administration.....			38,311,703	90,000,845
1405. Other Benefits (Home Care, Hospice, DME) excluding payroll.....			1,943,635	3,662,454
1406. Community Service.....		2,069,686	8,298,316	15,532,450
1407. Care Delivery.....		58,786,498	0	0
1408. .....			0	0
1409. .....			0	0
1410. .....			0	0
1411. .....			0	0
1412. .....			0	0
1413. .....			0	0
1414. .....			0	0
1497. Summary of remaining write-ins for Line 14 from Page 04	0	60,856,184	48,553,654	109,195,749

MQ005 Additional Aggregate Lines for Page 05 Line 47.

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
4704. Payroll related liabilities transferred to Kaiser.....		0	0
4705. PDR liability transferred to Kaiser.....		0	0
4706. Pension liability transferred to Kaiser.....		0	0
4707. Post retirement liability transferred to Kaiser.....		0	0
4708. Other liabilities transferred to Kaiser.....		0	0
4709. Other gains and (losses) in surplus.....		270,437	(317)
4797. Summary of remaining write-ins for Line 47 from Page 05	0	270,437	(317)

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE A – VERIFICATION**

<b>Real Estate</b>		<b>1</b>	<b>2</b>
	Year To Date	Prior Year Ended December 31	
1. Book/adjusted carrying value, December 31 of prior year .....	59,046,222	66,471,801	
2. Cost of acquired:			
2.1 Actual cost at time of acquisition .....	712,620	808,870	
2.2 Additional investment made after acquisition .....	0	0	
3. Current year change in encumbrances .....	0	0	
4. Total gain (loss) on disposals .....	0	0	
5. Deduct amounts received on disposals .....	0	0	
6. Total foreign exchange change in book/adjusted carrying value .....	0	0	
7. Deduct current year's other-than-temporary impairment recognized .....	0	0	
8. Deduct current year's depreciation .....	4,037,468	8,234,449	
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	55,721,374	59,046,222	
10. Deduct total nonadmitted amounts .....	0	0	
11. Statement value at end of current period (Line 9 minus Line 10) .....	55,721,374	59,046,222	

**SCHEDULE B – VERIFICATION**

<b>Mortgage Loans</b>		<b>1</b>	<b>2</b>
	Year To Date	Prior Year Ended December 31	
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0	
2. Cost of acquired:			
2.1 Actual cost at time of acquisition .....	0	0	
2.2 Additional investment made after acquisition .....	0	0	
3. Capitalized deferred interest and other .....	0	0	
4. Accrual of discount .....	0	0	
5. Unrealized valuation increase (decrease) .....	0	0	
6. Total gain (loss) on disposals .....	0	0	
7. Deduct amounts received on disposals .....	0	0	
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0	
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	0	0	
10. Deduct current year's other-than-temporary impairment recognized .....	0	0	
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0	
12. Total valuation allowance .....	0	0	
13. Subtotal (Line 11 plus Line 12) .....	0	0	
14. Deduct total nonadmitted amounts .....	0	0	
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0	

**SCHEDULE BA – VERIFICATION**

<b>Other Long-Term Invested Assets</b>		<b>1</b>	<b>2</b>
	Year To Date	Prior Year Ended December 31	
1. Book/adjusted carrying value, December 31 of prior year .....	0	0	
2. Cost of acquired:			
2.1 Actual cost at time of acquisition .....	0	0	
2.2 Additional investment made after acquisition .....	0	0	
3. Capitalized deferred interest and other .....	0	0	
4. Accrual of discount .....	0	0	
5. Unrealized valuation increase (decrease) .....	0	0	
6. Total gain (loss) on disposals .....	0	0	
7. Deduct amounts received on disposals .....	0	0	
8. Deduct amortization of premium and depreciation .....	0	0	
9. Total foreign exchange change in book/adjusted carrying value .....	0	0	
10. Deduct current year's other-than-temporary impairment recognized .....	0	0	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0	
12. Deduct total nonadmitted amounts .....	0	0	
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0	

**SCHEDULE D – VERIFICATION**

<b>Bonds and Stocks</b>		<b>1</b>	<b>2</b>
	Year To Date	Prior Year Ended December 31	
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	27,714,020	400,417	
2. Cost of bonds and stocks acquired .....	3,212,599	71,918,576	
3. Accrual of discount .....	15,573	44,415	
4. Unrealized valuation increase (decrease) .....	22,684	(416)	
5. Total gain (loss) on disposals .....	2,641,840	58,529	
6. Deduct consideration for bonds and stocks disposed of .....	186,194	44,376,152	
7. Deduct amortization of premium .....	0	331,349	
8. Total foreign exchange change in book/adjusted carrying value .....	0	0	
9. Deduct current year's other-than-temporary impairment recognized .....	0	0	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9) .....	28,136,842	27,714,020	
11. Deduct total nonadmitted amounts .....	0	0	
12. Statement value at end of current period (Line 10 minus Line 11) .....	28,136,842	27,714,020	

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	24,324,272	2,430,854	2,525,063	(317,928)	24,324,272	23,912,135	0	24,698,666
2. NAIC 2 (a).....	4,257,917			231,675	4,257,917	4,489,592	0	3,635,077
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds.....	28,582,189	2,430,854	2,525,063	(86,253)	28,582,189	28,401,727	0	28,333,743
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	28,582,189	2,430,854	2,525,063	(86,253)	28,582,189	28,401,727	0	28,333,743

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE DA - PART 1**

**Short-Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999		XXX			

**SCHEDULE DA - VERIFICATION**

**Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1	0
2. Cost of short-term investments acquired .....		7,336,083
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		1,414
6. Deduct consideration received on disposals .....		7,330,488
7. Deduct amortization of premium.....		7,008
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1	1
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1	1

Schedule DB - Part A - Verification  
**NONE**

Schedule DB - Part B - Verification  
**NONE**

Schedule DB - Part C - Section 1  
**NONE**

Schedule DB - Part C - Section 2  
**NONE**

Schedule DB - Verification  
**NONE**

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	619,723	0
2. Cost of cash equivalents acquired .....	2,508,178	111,636,999
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals .....	2,863,016	111,017,275
7. Deduct amortization of premium .....	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	264,885	619,723
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	264,885	619,723

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

**SCHEDULE A - PART 2**

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
<i>Acquired by purchase</i>								
Signage Brooklyn Heights.....	Brooklyn Heights.....	Ohio.....	04/01/2015.....	Brilliant Electric Sign.....	32,624.....		32,624.....	
Signage Bedford.....	Bedford.....	Ohio.....	01/01/2015.....	Brilliant Electric Sign.....	51,838.....		51,838.....	
Signage Cleveland Heights.....	Cleveland Heights.....	Ohio.....	05/01/2015.....	Brilliant Electric Sign.....	81,218.....		81,218.....	
Ophthalmology Branding.....	Parma.....	Ohio.....	06/01/2015.....	Bolton Pratt Company.....	87,682.....		87,682.....	
Set up Temporary exam rooms.....	Parma.....	Ohio.....	06/01/2015.....	Optics Incorporated.....	1,800.....		1,800.....	
0199999 - Acquired by purchase					255,162	0	255,162	0
0399999 Totals					255,162	0	255,162	0

**SCHEDULE A - PART 3**

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Changes in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain(Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred	
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B/A. C.V. (11-9-10)	13 Total Foreign Exchange Change in B.A. C. V.								
<i>None</i>																				
0399999 Totals																				

E01

Schedule B - Part 2  
**NONE**

Schedule B - Part 3  
**NONE**

Schedule BA - Part 2  
**NONE**

Schedule BA - Part 3  
**NONE**

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

## **SCHEDULE D - PART 3**

### Show All Long-Term Bonds and Stock Acquired During the Current Quarter

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E04

STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 For eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)			
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.										
<b>Bonds - U.S. Governments</b>																								
912828-NT-3...	US TREASURY 2.625% 08/15/20...		05/13/2015	Various			341,051	325,000	334,320	333,273			(509)			(509)		332,764		8,288	8,288	6,307	08/15/2020	1...
912828-QY-9...	US TREASURY 2.250% 07/31/18...		06/22/2015	Morgan Stanley			232,945	225,000	232,050	230,843			(771)			(771)		230,072		2,872	2,872	4,559	07/31/2018	1...
912828-WX-4...	US TREASURY 0.500% 07/31/16...		06/29/2015	Various			450,760	450,000	449,650	449,721			81			81		449,802		958	958	1,972	07/31/2016	1...
<b>0599999 - Bonds - U.S. Governments</b>																								
<b>8399997 - Subtotals - Bonds - Part 4</b>																								
<b>8399999 - Subtotals - Bonds</b>																								
9999999 Totals																								
(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues																								

E05

Schedule DB - Part A - Section 1  
**NONE**

Schedule DB - Part B - Section 1  
**NONE**

Schedule DB - Part D - Section 1  
**NONE**

Schedule DB - Part D - Section 2  
**NONE**

Schedule DL - Part 1  
**NONE**

Schedule DL - Part 2  
**NONE**

**STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
5TH 3RD Deposit Account.....					18,593,979	42,426,737	28,364,592	XXX
Key Bank Concentration.....					53,433	604,993	146,939	XXX
Key Bank Cash.....					(101,964)		(144,890)	XXX
Key Bank Miscellaneous Cash.....					(10,879)			XXX
Key Bank Dues Depository.....					(3,468,214)			XXX
					0			XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	0	0	15,066,355	43,031,730	28,366,641	XXX
0399999 Total Cash on Deposit	XXX	XXX	0	0	15,066,355	43,031,730	28,366,641	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
<b>0599999 Total</b>	<b>XXX</b>	<b>XXX</b>	<b>0</b>	<b>0</b>	<b>15,066,355</b>	<b>43,031,730</b>	<b>28,366,641</b>	<b>XXX</b>

## STATEMENT AS OF JUNE 30, 2015 OF THE HealthSpan Integrated Care

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds: U.S. Governments - Issuer Obligations							
SSGA TREASURY.....		.06/25/2015.....			264,885		
0199999 - Bonds: U.S. Governments - Issuer Obligations					264,885	0	0
0599999 - Bonds: U.S. Governments - Subtotals					264,885	0	0
7799999 - Total Bonds - Subtotals - Issuer Obligations					264,885	0	0
8399999 - Total Bonds - Subtotals - Bonds					264,885	0	0
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8699999 Total Cash Equivalents					264,885	0	0