

Changes in presentation to more closely reflect business transactions



QUARTERLY STATEMENT

AS OF JUNE 30, 2016  
OF THE CONDITION AND AFFAIRS OF THE

HealthSpan Integrated Care

NAIC Group Code	00000	(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 [ ]			
	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				Cleveland, OH, US 44114-1153			
	(Street and Number)				(City or Town, State, Country and Zip Code)			
Main Administrative Office	1001 Lakeside Ave. Suite 1200		Cleveland, OH, US 44114-1153		216-621-5600			
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	1001 Lakeside Ave. Suite 1200		Cleveland, OH, US 44114-1153					
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)					
Primary Location of Books and Records	1001 Lakeside Ave. Suite 1200		Cleveland, OH, US 44114-1153		216-621-5600			
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Web Site Address					KP.org			
Statutory Statement Contact	Felicia Browning				216-479-5510			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	Felicia.Browning@Mercy.com				216-623-8793			
	(E-Mail Address)				(FAX Number)			

OFFICERS

Name	Title	Name	Title
Allan Greenberg #	President	Dave Nowiski	Treasurer

OTHER OFFICERS

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DIRECTORS OR TRUSTEES

Jeffrey J Copeland	Robert Campbell	William Franks	Allan Calonge
Walid Sidani MD			

State of .....

County of ..... ss

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.

Allan Greenberg President	Dave Nowiski Treasurer	a. Is this an original filing? Yes [ ] No [ X ]
Subscribed and sworn to before me this _____ day of _____,		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached
		1 08/22/2016 _____

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	28,574,036		28,574,036	27,111,892
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) .....			0	16,711,879
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	13,619,675		13,619,675	0
5. Cash (\$ .....96,690,055 ), cash equivalents (\$ .....30,653,721 ) and short-term investments (\$ .....1 ) .....	127,343,776		127,343,776	101,404,413
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) .....	169,537,487	0	169,537,487	145,228,184
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	238,738		238,738	231,165
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	9,640,209		9,640,209	10,386,890
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 (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	3,645,687		3,645,687	4,206,692
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 .....	7,701,643		7,701,643	4,827,973
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 .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	122,044		122,044	5,387,444
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	0		0	24,577,800
24. Health care (\$ ..... ) and other amounts receivable .....	19,942,506	4,167,927	15,774,579	4,835,673
25. Aggregate write-ins for other-than-invested assets .....	826,786	826,786	0	5,176
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	211,655,100	4,994,713	206,660,387	199,686,997
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	211,655,100	4,994,713	206,660,387	199,686,997
DETAILS OF WRITE-INS				
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 .....	826,786	826,786	0	5,176
2502. ....			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) .....	826,786	826,786	0	5,176

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	268,428	419,915	791,660
2. Net premium income (including \$ non-health premium income).....	XXX	140,110,190	175,875,909	360,173,360
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses) .....	XXX		0	0
5. Risk revenue .....	XXX		0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	1,856,557	70,048	71,639
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	141,966,747	175,945,957	360,244,999
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		80,929,166	71,313,730	204,041,859
10. Other professional services .....		5,640,964	5,938,670	13,000,793
11. Outside referrals .....			0	0
12. Emergency room and out-of-area .....		9,967,244	6,940,368	16,588,933
13. Prescription drugs .....		28,208,061	36,402,855	73,396,842
14. Aggregate write-ins for other hospital and medical.....	0	3,321,581	60,856,184	55,422,729
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15) .....	0	128,067,016	181,451,807	362,451,156
<b>Less:</b>				
17. Net reinsurance recoveries .....		948,964	1,324,278	4,794,275
18. Total hospital and medical (Lines 16 minus 17) .....	0	127,118,052	180,127,529	357,656,881
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 3,638,627 cost containment expenses.....		6,489,368	5,393,574	10,978,215
21. General administrative expenses.....		35,891,787	36,937,066	78,670,650
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		(27,532,460)	0	84,426,836
23. Total underwriting deductions (Lines 18 through 22) .....	0	141,966,747	222,458,169	531,732,582
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	0	(46,512,212)	(171,487,583)
25. Net investment income earned .....		257,532	114,813	434,905
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(31,524)	22,684	(34,663,564)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	226,008	137,497	(34,228,659)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )] .....			0	(1,941,875)
29. Aggregate write-ins for other income or expenses .....	0	5,759,189	417,564	(9,904,884)
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	5,985,197	(45,957,151)	(217,563,001)
31. Federal and foreign income taxes incurred .....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	5,985,197	(45,957,151)	(217,563,001)
<b>DETAILS OF WRITE-INS</b>				
0601. Other Revenues.....	XXX		70,048	71,639
0602. Transition Services Agreement Revenue.....	XXX	1,856,557	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	1,856,557	70,048	71,639
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. Payments Under Government Programs Novation.....		2,843,299	0	0
1402. Medical Office Facilities.....			0	0
1403. Medical Administration and other medical expenses.....			0	52,120,300
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	478,282	60,856,184	3,302,429
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	3,321,581	60,856,184	55,422,729
2901. Miscellaneous.....		416,652	417,564	854,537
2902. Impairment Expense.....		(2,371,492)	0	(10,759,421)
2903. Gain on Sale of Insurance Business.....		5,000,000	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	2,714,029	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	5,759,189	417,564	(9,904,884)

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.....	29,560,431		29,560,431	8,998,310
2305. Premium Tax and Other Taxes Payable.....	650,000		650,000	1,960,644
2306. Affordable Care Act Payable.....	19,491,983		19,491,983	14,566,180
2307. ....			0	0
2308. ....			0	0
2397. Summary of remaining write-ins for Line 23 from Page 03	49,702,414	0	49,702,414	25,525,134

MQ004 Additional Aggregate Lines for Page 04 Line 14.  
\*REVEX1

	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.....			0	0
1405. Other Benefits (Home Care, Hospice, DME) excluding payroll.....			0	3,302,429
1406. Community Service.....		527,301	2,069,686	0
1407. Care Delivery.....		(49,019)	58,786,498	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	478,282	60,856,184	3,302,429

MQ004 Additional Aggregate Lines for Page 04 Line 29.  
\*REVEX1

	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
2904. Other Income Plant Maintenance.....		1,451,779		
2905. Gain on Sale of Equipment.....		1,262,250		
2997. Summary of remaining write-ins for Line 29 from Page 04	0	2,714,029	0	0

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	16,711,879	59,046,222
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	356,279	1,035,834
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....	2,262,250	34,847,820
8. Deduct current year's depreciation .....	1,186,233	8,522,357
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	13,619,675	16,711,879
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	13,619,675	16,711,879

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

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

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