REPORT ON EXAMINATION

OF

OXFORD HEALTH PLANS (NY), INC.

AS OF DECEMBER 31, 2021

EXAMINERS: **DANIEL P. MCBAY, CFE**
THOMAS DUDEK

DATE OF REPORT: **September 30, 2024**

TABLE OF CONTENTS

September 30, 2024

Honorable Adrienne A. Harris
Superintendent of Financial Services
Albany, New York 12257

Pursuant to the provisions of the New York Insurance Law and the New York State Public Health Law, and acting in accordance with the instructions contained in Appointment Number 32433, dated April 29, 2022, attached hereto, we have made an examination into the condition and affairs of Oxford Health Plans (NY), Inc., a for-profit health maintenance organization ("HMO") issued a certificate of authority by the New York State Department of Health ("NYSDOH") under the provisions of Article 44 of the New York Public Health Law, as of April 19, 1985. The following report is respectfully submitted.

The examination of Oxford Health Plans (NY), Inc., located at 4 Research Drive, 5th floor, Shelton, CT, was conducted remotely due to the COVID-19 pandemic.

Wherever the designations "OHP" or the "HMO" appear herein, without qualification, they should be understood to indicate Oxford Health Plans (NY), Inc. Wherever the designation "OHI" appears herein, without qualification, it should be understood to indicate Oxford Health Insurance, Inc., a for-profit stock company licensed pursuant to Article 42 of the New York Insurance Law. A concurrent examination was made of OHI and a separate report thereon has been submitted. OHI is an affiliate of OHP.

Wherever the designation "Oxford" appears herein, without qualification, it should be understood to indicate Oxford Health Plans, LLC, a Delaware corporation, and the parent of OHP.

Wherever the designation "UHG" appears herein, without qualification, it should be understood to indicate UnitedHealth Group Incorporated, a for-profit holding company and the ultimate parent of OHP and OHI.

Wherever the designation the "Department" or "DFS" appears herein, without qualification, it should be understood to indicate the New York State Department of Financial Services.

1. SCOPE OF EXAMINATION

The HMO was previously examined as of December 31, 2016. The examination covered the period from January 1, 2013 through December 31, 2016. This examination of the HMO was a financial examination, as defined in the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook, 2022 Edition* (the "Handbook"), and covered the period from January 1, 2017 through December 31, 2021. The examination was conducted observing the guidelines and procedures in the Handbook. Where deemed appropriate by the examiners, transactions occurring subsequent to December 31, 2021, were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook, which provides guidance for the establishment of an examination plan based on the examiners' assessment of risk in the HMO's operations and utilizes that evaluation in formulating the nature and extent of the examination. The examiners planned and performed the examination to evaluate the HMO's current financial condition, as well as to identify prospective risks that may threaten the future solvency of the HMO.

The examiners identified key processes, assessed the risks within those processes, and assessed the internal control systems and procedures used to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management, an evaluation of the overall financial statement presentation, and determined management's compliance with the Department's statutes and guidelines, Statutory Accounting Principles, as adopted by the Department, and NAIC annual statement instructions.

Information concerning the HMO's organizational structure, business approach, and control environment was utilized to develop the examination approach. The examination evaluated the HMO's risks and management activities in accordance with the NAIC's nine branded risk categories.

The nine branded risk categories identified by the NAIC are as follows:

- Pricing / Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The examination also evaluated OHP's critical risk categories in accordance with the NAIC's ten critical risk categories. These critical risk categories identified by the NAIC are as follows:

- Valuation / Impairment of Complex or Subjectively Valued Invested Assets
- Liquidity Considerations
- Appropriateness of Investment Portfolio and Strategy
- Appropriateness / Adequacy of Reinsurance Program
- Reinsurance Reporting and Collectability
- Underwriting and Pricing Strategy/Quality
- Reserve Data
- Reserve Adequacy
- Related Party / Holding Company Considerations
- Capital Management

The HMO was audited annually, for the years 2017 through 2021, by the accounting firm of Deloitte & Touche LLP ("D&T"). The HMO received an unmodified opinion in each of those years. Certain audit work papers of D&T were reviewed and relied upon in conjunction with this

examination. A review was also made of the UHG's corporate governance structure, which included its Internal Audit function and Enterprise Risk Management program, as they relate to the HMO.

A review was made of the HMO's compliance with the provisions of Insurance Regulation No. 118 (11 NYCRR 89), "Audited Financial Statements." This regulation is based on the Model Audit Rule ("MAR"), as established by the NAIC, and all references to MAR within this report may be interpreted as reference to Insurance Regulation No. 118 (11 NYCRR 89).

The examiners also reviewed the corrective actions taken by the HMO with respect to the recommendations concerning financial issues contained in the prior report on examination. The results of the examiners' review are contained in Item 6 of this report.

Additionally, as part of this examination and in accordance with the provisions of the Handbook, a review was made of OHP's computer systems and operations that support OHP, on a risk-focused basis. Compliance with the provisions of the Financial Services Regulation Part No. 500 (23 NYCRR 500) – "Cybersecurity Requirements for Financial Services Companies" was also assessed.

This examination was conducted as a coordinated examination, as such term is defined in the Handbook (an examination of one insurer or a group of insurers performed by examiners from more than one state whereby the participating states share resources and allocate work among the examiners), of the insurance subsidiaries of UnitedHealth Group, Incorporated. The examination was led by the State of Connecticut with participation from sixteen (16) other states. Since the Lead and Participating states, as such terms are defined in the Handbook, are accredited by the NAIC, the states deemed it appropriate to rely on each other's work. The examination team

representing the Lead and Participating states, identified and assessed the risks for key functional activities across all of UnitedHealth Group, Incorporated's insurance subsidiaries under examination. The examination team also assessed the relevant prospective risks as they relate to the various insurance entities.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which require explanation or description.

2. DESCRIPTION OF THE HMO

OHP is a for-profit health maintenance organization ("HMO") that was incorporated on April 19, 1985, under New York State Law for the purpose of providing comprehensive health care services on a prepaid basis and for the purpose of establishing and operating a health maintenance organization and health care delivery system. OHP was granted a Certificate of Authority pursuant to the provisions of Article 44 of the New York Public Health Law and commenced business on June 1, 1986. OHP has been deemed a Competitive Medical Plan by the Centers for Medicare & Medicaid Services ("CMS") for purposes of the Federal Medicare Program. OHP's primary business is the provision of medical expense coverage for comprehensive healthcare services to its members on a pre-paid basis.

On July 29, 2004, the HMO's parent, Oxford Health Plans, LLC, was acquired by UnitedHealth Group, Incorporated and became a subsidiary of UHG.

Under the provisions of Part 98-1.11(f) of the Administrative Rules and Regulations of the New York State Department of Health (10 NYCRR 98-1.11(f)), each health maintenance

organization initiating operations under the authority of Article 44 of the New York State Public Health Law shall establish a deposit in the form of an escrow account for the protection of enrollees, in an amount equal to the greater of five percent (5%) of the estimated expenditures for health care services for the year or $100,000. As of December 31, 2021, the HMO had estimated expenditures for health care services in the amount of $513,321,142 and an escrow deposit requirement of $71,501,229. Pursuant to the provisions of 10 NYCRR 98-1.11(f) of the Administrative Rules and Regulations of the NYSDOH, the HMO established an escrow account in the amount of $71,501,229 (book / adjusted carrying value), as of December 31, 2021.

The HMO's authorized control level Risk-Based Capital ("RBC") was $22,016,464 as of December 31, 2021. Its total adjusted capital was $240,621,615, yielding an RBC ratio of 1,092.9% as of December 31, 2021.

A. Corporate Governance

Pursuant to the HMO's charter and by-laws, management of the HMO is to be vested in a board of directors (the "Board") consisting of no more than ten (10) members, at least twenty percent (20%) of whom shall be comprised of individuals ("enrollee-representatives") who are enrolled in the prepaid health care program operated by the HMO, and at least one-third (1/3) of whom shall be persons who reside in New York State. As of the examination date, the Board was comprised of five (5) members. The Board met at least four (4) times during each calendar year for the period under examination. As of December 31, 2021, the members of the Board of Directors and their principal business affiliations were as follows:

Name and Residence	Principal Business Affiliation
Kathleen Macias-Torres* Shrub Oak, NY	Associate Executive Director, Community Resource Center for the Developmentally Disabled, Inc.
Michael McGuire Wyckoff, NJ	President, Oxford Health Plans (NY), Inc.
Donald A. Stangler, M.D. Cos Cob, CT	Chief Medical Director UnitedHealthCare Clinical Services, Inc.
Susan C. Tully-Abdo Glenmont, NY	Senior Associate General Counsel UnitedHealthCare Services, Inc.
Elizabeth C. Winsor Canton, CT	Regional Chief Executive Officer, UnitedHealthCare Services, Inc.

*Enrollee representative – Part 98-1.11(g) of the Administrative Rules and Regulations of the New York Department of Health (10 NYCRR 98-1.11(g)), requires that a minimum of twenty percent (20%) of the board of directors of a health maintenance organization be comprised of enrollee representatives. As of December 31, 2021, the HMO was in compliance with said requirement.

A review of the HMO's board meetings minutes during the period under examination demonstrated that the meetings were well attended with all board members attending at least one-half of the meetings they were eligible to attend.

The principal officers of the HMO as of December 31, 2021 were as follows:

Name	Title
Michael McGuire	President and Chairman of the Board
Peter M. Gill	Treasurer
Jessica L. Zuba	Secretary
Timothy C. Archer	Chief Financial Officer
Heather A. Lang	Assistant Secretary
Nyle B. Cottington	Vice President
Stanford P. Cohen M.D.	Chief Medical Officer

It should be noted that certain members of the board and senior management of the HMO are also members of the board and senior management of other affiliated companies.

Subsequent to the examination period and as of December 31, 2022, Michael McGuire – President was replaced by Junior R. Harewood and Timothy C. Archer – Chief Financial Officer was replaced by Peter A. Semmer.

i. Enterprise Risk Management

UHG is a publicly traded, diversified health company subject to the Sarbanes-Oxley Act of 2002, and is required to be compliant with Insurance Regulation No. 203 (11 NYCRR 82) – "Enterprise Risk Management and Own Risk and Solvency Assessment". Enterprise Risk Management ("ERM") and Internal Audit are enterprise-wide functions, thus, unless otherwise noted, references to UHG are applicable to the HMO.

UHG has adopted an ERM framework for addressing and mitigating risks, including prospective business risks. Exhibit M of the Handbook (*Understanding the Corporate Governance Structure*) was utilized by the examiners as guidance for assessing corporate governance. Overall, it was determined that the HMO's corporate governance structure is adequate, sets an appropriate "tone at the top", supports a proactive approach to operational risk management, and contributes to an effective system of internal controls. It was found that senior management promotes a corporate culture that acknowledges, understands and maintains an effective control environment.

The HMO's management has an adequate approach to identifying and mitigating risks across the organization, including prospective business risks. The HMO deals proactively with its areas of risk and its management is knowledgeable about mitigation strategies. Through risk discussions

and other measures, the HMO's management discusses significant issues and reacts to changes in the environment with a clear commitment to address risk factors and manages the business accordingly. The HMO's overall risk management process takes a proactive approach to identifying, tracking, and dealing with significant current and emerging risk factors.

ii. Internal Audit Department

UHG has established an Internal Audit Department ("IAD"), which is independent of management, to serve the UHG Audit Committee ("UHG AC") of the board. The UHG AC is comprised entirely of external directors. During the examination period, a portion of UHG's internal audit work was outsourced to, and therefore executed by, Ernst & Young, LLP ("EY"), an independent accounting firm. EY has experience consistent with industry norms, and all EY manager-level and above resources maintain applicable industry certifications. The IAD directs and supervises all internal audit work performed by EY.

The IAD assists all levels of management by reviewing and testing financial and operational controls and processes established by management to ensure compliance with laws, regulations and policies. The scope of the IAD program is coordinated with D&T, OHP's independent certified public accountant, to ensure optimal audit coverage and efficiency. To the extent possible, the examiner relied upon the work performed by the IAD, as required by the Handbook.

During the course of this examination, consideration was given to the significant and potential impact of certain IAD findings. No exceptions relative to OHP's corporate governance were noted.

iii. Insurance Regulation No. 118

A review was made of the HMO's compliance with the provisions of Insurance Regulation 118 (11 NYCRR 89), "Audited Financial Statements". Under Part 89.1 of Insurance Regulation 118 (11 NYCRR 89.1), the audit committee for UHG, a Sox-compliant company, is considered independent, as defined in the Sarbanes-Oxley Act of 2002. Insurance Regulation 118 is based on MAR, as established by the NAIC.

UHG's management of general controls is applied to all of its subsidiaries and affiliates, which includes the HMO. As part of its Insurance Regulation No. 118 (11 NYCRR 89) analysis, the risks from various operations were identified and segregated by operational cycles and entity level controls. The IAD performed its own control testing and accumulated its findings, none of which were considered material. To the extent possible, the examiner relied upon the work performed by the IAD, as prescribed by the Handbook.

B. Territory and Plan of Operation

The HMO was licensed as a for-profit health maintenance organization under Article 44 of the New York Public Health Law on June 1, 1986, and began operations on that date. At December 31, 2021, the HMO was authorized to transact business in the following twenty six (26) counties in the state of New York:

Albany	Bronx	Clinton	Columbia	Dutchess
Essex	Franklin	Greene	Kings	Nassau
New York	Orange	Putnam	Queens	Rensselaer
Richmond	Rockland	Saratoga	Schenectady	St. Lawrence
Suffolk	Sullivan	Ulster	Warren	Washington
Westchester				

The HMO offered comprehensive commercial products to individuals and employer groups. Each contract outlines the coverage provided and renewal provisions. The HMO did not offer commercial products upon renewal in 2017 or any other exam year.

The HMO serves as a plan sponsor offering Medicare Parts A & B, along with Medicare Part D prescription drug insurance coverage under a contract with CMS.

The following schedule shows direct written premiums earned during the five-year examination period:

Year	Direct Premiums Earned
2017	$1,102,663,857
2018	$ 867,757,376
2019	$ 778,778,708
2020	$ 618,318,919
2021	$ 572,009,832

The following chart shows the HMO's members by line of business during the examination period:

	HMO		Point of Service			Government		Total
	Group	Ind.	Large Group	Small Group	Ind.	Healthy NY	Medicare	
2017	15	3	0	0	0	0	88,448	88,466
2018	0	0	0	0	0	0	85,488	85,488
2019	0	0	0	0	0	0	72,626	72,626
2020	0	0	0	0	0	0	53,275	53,275
2021	0	0	0	0	0	0	48,998	48,998

C. Reinsurance

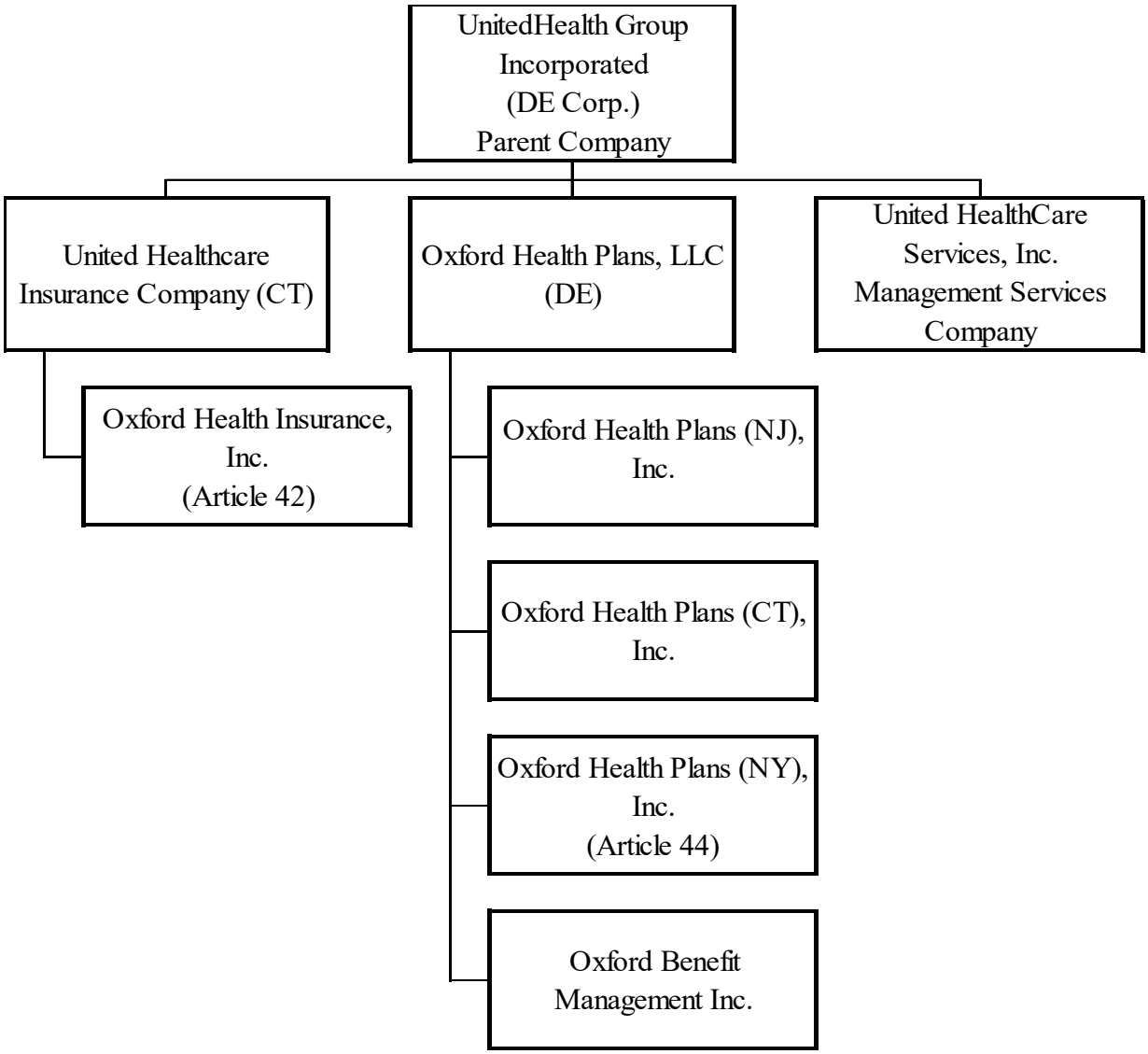
The HMO does not have any affiliated or unaffiliated reinsurance agreements in place as of December 31, 2021. The HMO participated in the Regulation No. 146 (11 NYCRR-361.5) pool – "Establishment and operation of market stabilization mechanisms for certain Health insurance

markets", which required insurers and HMOs in the small group and individual markets to contribute certain amounts to, or receive certain amounts from, the Healthy New York small employer pool based on paid claims criteria. The HMO recognized reinsurance expenses related to Regulation No. 146 (11 NYCRR-361.5) of $2,816,854 in December 31, 2020, which was recorded as net reinsurance incurred in the financial statements. The reinsurance program terminated September 10, 2020.

D. Holding Company System

As a member of a holding company system, OHP is required to file registration statements pursuant to the requirements of Part 98-1.16(e) of the Administrative Rules and Regulations of the New York State Health Department (10 NYCRR 98-1.16). All pertinent filings made regarding the aforementioned statutes during the examination period were reviewed, and no exceptions were noted.

The following is an excerpt of the organizational chart of the HMO's holding company system as of December 31, 2021:



The following is a summary of OHP's relationship with several of the affiliates shown above:

- UHG is a Delaware corporation that is publicly traded and the ultimate parent of Oxford Health Insurance, Inc., Oxford Health Plans (NY), Inc., Oxford Health Plans, LLC, UnitedHealthCare Services, Inc., and over one hundred and fifty (150) other affiliated companies.

- United HealthCare Services, Inc. ("UHS"), a management services company within UHG, provides administrative, financial, management, accounting, underwriting, marketing, legal, medical provider, member services, medical management, agency development, employee management and benefit, information systems, and other general and

administrative services to affiliated companies within UHG's holding company system. Most of the directors and officers of Oxford and various UHG companies are considered employees of UHS rather than the individual insurers under UHG's holding company system.

- Oxford Health Plans, LLC is a Delaware corporation and the parent corporation of the HMO and various other Oxford companies.

- Oxford Health Insurance, Inc. is a for-profit accident and health insurer licensed in New York and is a subsidiary of UnitedHealthcare Insurance Company (CT).

The HMO maintains significant intercompany agreements with several affiliated organizations, as follows:

OptumRx NY IPA, Inc. ("OptumRx") Management Services Agreement

Pursuant to the terms of this Management Services Agreement, which was approved by the Department on September 9, 2013, OptumRx provides services that may include, but are not limited to, administrative services related to pharmacy benefit management and pharmacy claims processing for enrollees, manufacturer rebate administration, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics.

The OptumRX Management Services Agreement latest amendment was submitted for review and approval to DFS on September 16, 2015 and was approved on October 14, 2015. The amendment was effective as of January 1, 2016.

UHS' Management Services Agreement

Pursuant to the terms of this Management Services Agreement, which was approved by DFS on March 27, 2014, UHS provides management services to the HMO for a fee based on cost

reimbursement. The agreement may be terminated upon written notification of either party.

Management fees under this arrangement are included in general and administrative expenses and claims adjustment expenses in the accompanying statement of revenue and expenses. Direct expenses not included in the management services agreement, such as broker commissions, examination fees, and premium taxes are paid by UHS on the behalf of the HMO. UHS is reimbursed by the HMO for these direct expenses.

On November 12, 2018, the latest amendment of the Management Services Agreement was submitted to DFS. The amendment was approved on December 18, 2018 and became effective on March 1, 2017.

Tax Sharing Agreement

On July 29, 2004, OHP entered into a Tax Allocation Agreement (the "Tax Agreement") with UHG. The Tax Agreement establishes a formal method for the allocation and payment of federal, state and local income tax liabilities related to the consolidated federal income tax returns filed each year.

The Tax Agreement was submitted for review and approval to DFS and NYSDOH on August 17, 2004, and was retroactively approved to July 29, 2004, on September 8, 2004.

In addition to the agreements described above, the HMO maintains several immaterial agreements with other affiliated organizations.

E. Abandoned Property Law

Section 1316 of the Abandoned Property Law states, in part:

> "… Any amount issued and payable on or after July first, nineteen hundred seventy-four payable to a resident of this state on or because of a policy of insurance other than life insurance, which is held or owing by a domestic insurer or a foreign insurer authorized to do business in this state or by an agent or agency of such insurer, shall be deemed abandoned property if unclaimed for three years by the person entitled thereto. Where such amount is held or owing by a domestic insurer for an unknown person or a person whose address is unknown, such amount is presumed to be payable to a resident of this state.
>
> 2. Every insurer shall cause to be published, on or before the first day of May in each year, a list of such abandoned property in the same manner as that prescribed for life insurance companies by section seven hundred two of this chapter.
>
> 3. Such property which was deemed abandoned pursuant to subdivision one of this section shall be paid or delivered to the comptroller within the first ten days of September of each year. Such payment shall be accompanied by a true and accurate report that shall be in such form and manner as the state comptroller may prescribe."

Section 1316 of the New York Abandoned Property Law provides that amounts payable to a resident of this state from a policy of insurance, if unclaimed for three years, shall be deemed to be abandoned property. Such abandoned property shall be reported to the New York State Comptroller on or before the first day of April each year. Such filing is required of all insurers regardless of whether or not they have any abandoned property to report.

When an unclaimed property reaches its dormancy period, as per UHG's "Corporate Treasury Unclaimed Property" policy and procedures, UHG is required to:

1. Confirm the owners' interest in property that meets the state thresholds by sending the owner a Due Diligence Letter.

2. Notify the respective business area to reissue the check once the owner provides a timely response to the Due Diligence Letter. If, however a response is not received to the Due Diligence Letter, the unclaimed property is to be escheated to the New York State Comptroller.

Upon review, the examiners noted the following:

- The Due Diligence Letters sent to the owners, for four (4) sample items, were not sent in accordance with the timeframe prescribed in the UHG's Corporate Treasury Unclaimed policy,

- UHG did not reissue checks in a timely manner, after confirmation was received from an owner, for four (4) of the sampled items.
- UHG, for four (4) reissued checks, could not provide supporting documentation showing whether a response to the original Due Diligence Letter was ever received by UHG. As per the Company's policy, once an owner responds timely to the Due Diligence Letter, a check is reissued. However, UHC reissued all four (4) checks in late 2022, years after the period for which the unclaimed property should have been escheated to New York State, and shortly after the examiners began reviewing the Company's Abandoned Property.

Additionally, it was found that:

- four (4) sample items were aged more than the dormancy period that requires escheatment to the state, as defined by Section 1316 of the Abandoned Property Law.

It should be noted that for these selections UHG reissued checks in 2022 instead of remitting the unclaimed property to the New York State Comptroller. UHG should not continue to reissue checks for unclaimed property that qualifies for remittance to New York State.

It is recommended that UHG comply with Section 1316 of the New York Abandoned Property Law by reviewing its policies and procedures to strengthen the controls around unclaimed property, including but not limited to, the timeliness of sending Due Diligence Letters, the reissuance of checks and the escheatment of unclaimed property.

Additionally, it is recommended that UHG comply with Section 1316 of the New York Abandoned Property Law by performing an analysis of all unclaimed property to identify any such property that meets the state's dormancy period and escheat that property to the New York State Comptroller.

F. Significant Operating Ratios

The underwriting ratios presented below are on an earned-incurred basis and encompass

the five-year period covered by this examination:

Underwriting Ratios	Amounts	Ratios
Total hospital and medical	$3,402,156,071	86.23%
Other claim adjustment expenses	49,494,836	1.26%
Cost containment expenses	117,307,899	2.97%
General administrative expenses	350,501,400	8.88%
Net underwriting gain	25,855,031	.66%
Net premium income	$3,945,315,237	100.00%

3. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, and surplus as of December 31, 2021, as contained in the HMO's 2021 filed annual statement, a condensed summary of operations, and a reconciliation of the capital and surplus account for each of the years under review.

The examiners' review of a sample of transactions did not result in any differences which affected the HMO's financial condition as presented in its financial statements contained in the December 31, 2021 filed annual statement.

Independent Accountants

The firm of Deloitte & Touche, LLP ("D&T") was retained by OHP to audit the HMO's combined statutory basis statements of financial position as of December 31st of each year in the examination period, and the related statutory basis statements of operations, surplus, and cash flows for the year then ended.

D&T concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the HMO at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

A. Balance Sheet

Assets

Bonds	$279,050,826
Cash, cash equivalents and short-term investments	13,311,136
Investment income due and accrued	1,871,325
Uncollected premiums and agents' balances in the course of collection	531,844
Accrued retrospective premiums and contracts subject to redetermination	29,140,616
Amounts receivable related to uninsured plans	3,984,361
Current federal income tax recoverable	632,375
Net deferred tax asset	701,398
Health care and other amounts receivable	13,853,793
Aggregate write-ins for other than invested assets	2,216,193
Total assets	$345,293,867

Liabilities

Claims unpaid	$ 76,554,421
Accrued medical incentive pool and bonus amounts	7,027,720
Unpaid claims adjustment expenses	540,325
Aggregate health policy reserves	668,432
Aggregate health claim reserves	145,905
Premiums received in advance	716,854
General expenses due or accrued	2,117,972
Remittances and items not allocated	231,907
Amounts due to parent, subsidiaries and affiliates	7,231,738
Liability for amounts held under uninsured plans	8,950,454
Aggregate write-ins for other liabilities	486,524
Total liabilities	$104,672,252

Capital and Surplus

Common capital stock	$ 19
Gross paid in and contributed surplus	61,684,743
Aggregate write-ins for other than special surplus funds	71,501,229
Unassigned funds (surplus)	107,435,624
Total capital and surplus	$240,621,615
Total liabilities capital and surplus	$345,293,867

NOTE: The Internal Revenue Service has not conducted any audits of the income tax returns filed on behalf of the HMO during the period under this examination. The examiners are unaware of any potential exposure of the HMO to any further tax assessment and no liability has been established herein relative to such contingency.

A. Statement of Revenue and Expenses and Changes to Capital and Surplus

The HMO's capital and surplus decreased by $41,812,723 during the five-year examination period, January 1, 2017 through December 31, 2021, detailed as follows:

Revenue		
Net premium income	$3,939,528,692	
Change in unearned premium reserves and reserve for rate credits	5,786,545	
Total revenue		$3,945,315,237
Hospital and Medical Expenses		
Hospital/medical benefits	$3,013,261,609	
Other professional services	18,738,260	
Emergency room and out-of-area	136,813,412	
Prescription drugs	209,898,030	
Incentive pool, withhold adjustments	30,644,073	
Net reinsurance recoveries	(7,199,313)	
Total hospital and medical expenses	$3,402,156,071	
Claims adjustment expenses, including $117,307,899 cost containment expenses	166,802,735	
General administrative expenses	350,501,400	
Total underwriting deductions		$3,919,460,206
Net underwriting gain		$ 25,855,031
Net investment gain		48,652,111
Net loss from agents' balances		(3,680,119)
Aggregate write-ins for other income or expenses		(10,483)
Net income before taxes		70,816,540
Federal and foreign income taxes incurred		16,411,009
Net income		$ 54,405,531

Changes in Capital and Surplus

Capital and surplus, per report on examination as of December 31, 2016			$282,434,338
	Gains in Surplus	Losses in Surplus	
Net income	$54,405,531		
Change in nonadmitted assets	10,780,155		
Change net unrealized capital losses		$ 370,471	
Change in net deferred income tax		6,627,938	
Dividends to stockholders		100,000,000	
Net change in surplus			$(41,812,723)
Capital and surplus, per report on examination, as of December 31, 2021			$240,621,615

4. CLAIMS UNPAID

The examination liability of $76,554,421 for the above captioned account is the same as the amount reported by the HMO as of December 31, 2021.

The examination analysis of the claims unpaid reserve was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the HMO's internal records and filed annual statements as verified during the examination. The examination reserve was based upon actual payments made through a point in time, plus an estimate for claims remaining unpaid at that date. Such estimate was calculated based on actuarial principles, which utilized the HMO's experience in projecting the ultimate cost of claims incurred on or prior to December 31, 2021.

5. SUBSEQUENT EVENT

Changes to the board of Directors

Subsequent to December 31, 2021, a change to the makeup of the Board of Directors included the following:

- Elizabeth Corkum Winsor was replaced on February 14, 2023 by Paul Marden, a resident of New York, NY. Mr. Harden serves as the Health Plan Chief Executive Officer, E&I Northeast. A resident of New York, NY.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination as of December 31, 2017, contained the following four (4) comments and recommendations pertaining to the financial portion of the examination (page number refers to the prior report on examination):

ITEM		PAGE NO.
1.	Internal Audit Department	
	It is recommended that the Plan adopt a formal process for the timely communication of significant control deficiencies and their remediation to the independent audit committee.	11
	The HMO has complied with this recommendation.	
2.	Territory and Plan of Operations	
	It is recommended that the Plan comply with New York Department of Health Law Section 2807-d(1)(a) by instituting controls to ensure that all facilities for which the Surcharge is due are properly identified within the system.	13
	The HMO has complied with this recommendation.	
	It is further recommended that OHP-NY determine the total amount of additional liability to NYHCRA and pay such fees.	
	The HMO has complied with this recommendation.	
3.	Reinsurance	
	It is recommended that management add a description of the New York Stop Loss Agreement in the Reinsurance footnote of the Annual Statement and disclose the amounts recoverable.	14
	The HMO has complied with this recommendation.	

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

Respectfully submitted,

_____/S/_____
Daniel P. McBay, CPA, CFE
Examiner in Charge

STATE OF NORTH CAROLINA)

) SS.

)

COUNTY OF GUILFORD)

Daniel P. McBay, being duly sworn, deposes and says that the foregoing submitted report is true to the best of his knowledge and belief.

_____/S/_____
Daniel P. McBay

Subscribed and sworn to before me

this_____day of_____2024

Respectfully submitted,

_____/S/_____
Thomas Dudek
Supervising Insurance Examiner

STATE OF NEW YORK)

) SS.

)

COUNTY OF NEW YORK)

Thomas Dudek. being duly sworn, deposes and says that the foregoing submitted report is true to the best of his knowledge and belief.

_____/S/_____
Thomas Dudek

Subscribed and sworn to before me

this_____day of_____2024

APPOINTMENT NO. **32433**

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, ***ADRIENNE A. HARRIS****, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

Noble Consulting Services, Inc.

as a proper person to examine the affairs of

OXFORD Health Plan (NY), Inc.

and to make a report on organization to me in writing of the said

HMO

with such other information as they shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 29th day of April, 2022

Adrienne A. Harris
Superintendent of Financial Services

By: Alice W. McKenney

Alice McKenney
Deputy Bureau Chief
Health Bureau