

MQ010 was originally submitted without data. Amended page includes data.



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2003
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc.

NAIC Group Code 0000 (Current Period) (Prior Period) NAIC Company Code 52615 Employer's ID Number 38-3379956

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
Vision Service Corporation [] Other [] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 W. Washington St., Marquette, MI 49855
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 228 W. Washington St.
(Street and Number) Marquette, MI 49855 906-225-7500
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

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Internet Website Address www.uphp.com

Statutory Statement Contact Patrick N. Thomson CPA 906-225-7500
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pthomson@uphp.com 906-225-7690
(E-mail Address) (FAX Number)

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President Mr. Dennis Smith Secretary John Weiss MD
Treasurer Mr. John Schon

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State of Michigan } ss
County of Marquette

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.

Dennis H. Smith (CEO) John Weiss, MD Greg A. Gustafson (CFO)
President Secretary Treasurer

Subscribed and sworn to before me this
19 day of August, 2003

Tanya M. Koski

NOTES TO FINANCIAL STATEMENTS

Note 2 -- Accounting Changes and Corrections of Errors

The company is following the same accounting policies as 2002. Reinsurance Premiums (\$176,212.74) are being netted against premium revenue. The psychotropic drug reimbursements (\$2,842,593.40) are being netted against pharmacy expenses.

Note 7 -- Investment Income

As of June 30, 2003 the company has \$5,051.43 of accrued investment income on the balance sheet.

Note 24 -- Salvage and Subrogation

The company has a contract with the First Recovery Group of Southfield, Michigan as of September 2001. They investigate, identify, and collect subrogation recoveries. In the 2nd Quarter of 2003, they recovered \$2,730.50 for the company.

Certain schedules of the June 30, 2003 quarterly statement have been revised per corrections from Michigan's Office of Financial and Insurance Services.



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STATEMENT AS OF JUNE 30, 2003 OF THE Upper Peninsula Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	19,052	.0	.0	.0	.0	.0	.0	.0	18,738				314
2 First Quarter	26,211	.0	.0	.0	.0	.0	.0	.0	25,914	.0	.0	.0	297
3 Second Quarter	25,724								25,432				292
4. Third Quarter .....	.0												
5. Current Year	51,935								51,346				589
6 Current Year Member Months	155,295								153,493				1,802
Total Member Ambulatory Encounters for Period:													
7. Physician	44,121								43,782				339
8. Non-Physician	100,727								100,125				602
9. Total	144,848	0	0	0	0	0	0	0	143,907	0	0	0	941
10. Hospital Patient Days Incurred	4,103								4,101				2
11. Number of Inpatient Admissions	1,329								1,328				1
12. Health Premiums Collected	22,772,951								22,637,757				135,194
13. Life Premiums Direct .....	.0												
14. Property/Casualty Premiums Written .....	.0												
15. Health Premiums Earned	22,039,366								21,904,172				135,194
16. Property/Casualty Premiums Earned .....	.0												
17. Amount Paid for Provision of Health Care Services	18,105,523								18,042,306				63,217
18. Amount Incurred for Provision of Health Care Services	19,690,216								19,607,921				82,295

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Tanya M. Koski

STATEMENT AS OF JUNE 30, 2003 OF THE Upper Peninsula Health Plan, Inc.

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 Claims Incurred in Prior Years (Columns 1 + 3)	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 & medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan Premiums .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid	4,165,225	13,877,081	735,168	6,255,706	4,900,393	5,402,480
8. Other Health	20,687	42,530	1,545	21,274	22,232	26,520
9. Health Subtotal (Lines 1 to 8).....	4,185,912	13,919,611	736,713	6,276,980	4,922,625	5,429,000
10. Other non-health .....					.0	.0
11. Medical incentive pools, accruals and disbursements0	.0
12. Totals	4,185,912	13,919,611	736,713	6,276,980	4,922,625	5,429,000

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Tanya M. Koski

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 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]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 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]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, attach an explanation.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 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

6. 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 [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2001
- 7.2 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. 06/30/2001
- 7.3 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). 08/19/2002
- 7.4 By what department or departments?
State of Michigan - Office of Insurance & Financial Services
.....
- 8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
.....
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 9.4 If response to 9.3 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 Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
 10.2 If yes, explain:

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:\$0

13. Amount of real estate and mortgages held in short-term investments:\$0

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 Statement Value	2 Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-term Investments	\$	\$
14.25 Mortgages, Loans or 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	\$	\$
14.29 Receivable from Parent not 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.

16. Excluding items in Schedule E, 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

16.1 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
Wells Fargo Trust Department.....	101 W. Washington St., Marquette, MI 49855.....

16.2 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)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

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

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

16.5 Identify all investment advisors, brokers/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
421093006.....	Joe Huss.....	101 W. Washington St., Marquette, MI 49855.....



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Dennis H. Smith (CEO) John Weiss, MD Greg A. Gustafson (CFO)
President Secretary Treasurer

Subscribed and sworn to before me this
19 day of August, 2003

Tanya M. Koski

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year-to-Date						
			3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/Casualty Premiums	
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD								
22. Massachusetts	MA								
23. Michigan	MI	No	Yes	135,194		22,080,385			
24. Minnesota	MN								
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA								
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Canada	CN								
57. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a)	1	135,194	0	22,080,385	0	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798. Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)				0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2003
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc.

NAIC Group Code 0000 (Current Period) (Prior Period) NAIC Company Code 52615 Employer's ID Number 38-3379956

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
Vision Service Corporation [] Other [] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 W. Washington St., Marquette, MI 49855
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 228 W. Washington St.
(Street and Number) Marquette, MI 49855 906-225-7500
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 228 W. Washington St., Marquette, MI 49855
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 228 W. Washington St.
(Street and Number) Marquette, MI 49855 906-225-7500
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.uphp.com

Statutory Statement Contact Patrick N. Thomson CPA 906-225-7500
(Name) (Area Code) (Telephone Number) (Extension)
pthomson@uphp.com 906-225-7690
(E-mail Address) (FAX Number)

Policyowner Relations Contact 228 W. Washington St.
(Street and Number) Marquette, MI 49855 906-225-7500
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President Mr. Dennis Smith Secretary John Weiss MD
Treasurer Mr. John Schon

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

<u>Mr. John Schon</u>	<u>Mr. James Bogan</u>	<u>Mr. Robert Vairo</u>
<u>Mr. John Chartier</u>	<u>Mr. William Nemacheck</u>	<u>Kirk Lufkin MD</u>
<u>Catherine Kroll DO</u>	<u>Mr. Fred Geissler</u>	<u>Jerry Luoma MD</u>
<u>Ms. Connie Lekander</u>	<u>Richard Bruner DO</u>	<u>Mark Callaghan MD</u>
<u>Mr. Wayne Hellerstedt</u>	<u>Mr. David Jahn</u>	<u>John Weiss MD</u>
<u>Ms. Michelle Tavernier</u>	<u>Satish Chawla MD</u>	

State of Michigan } ss
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Dennis H. Smith (CEO)
President

John Weiss, MD
Secretary

Greg A. Gustafson (CFO)
Treasurer

Subscribed and sworn to before me this
19 day of August, 2003

Tanya M. Koski

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	155,295	113,511
2. Net premium income (including non-health premium income).....	XXX	22,039,366	16,023,508
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(477,398)	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	21,561,968	16,023,508
Hospital and Medical:			
9. Hospital/medical benefits		11,068,148	7,527,096
10. Other professional services		1,972,598	1,204,468
11. Outside referrals			0
12. Emergency room and out-of-area		797,346	594,957
13. Prescription drugs		5,852,124	4,186,823
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool and withhold adjustments			0
16. Subtotal (Lines 9 to 15)	0	19,690,216	13,513,344
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	19,690,216	13,513,344
19. Non-health claims			
20. Claims adjustment expenses		1,197,604	839,079
21. General administrative expenses.....		705,217	535,232
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	0	21,593,037	14,887,655
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(31,069)	1,135,853
25. Net investment income earned		33,786	48,719
26. Net realized capital gains or (losses)			0
27. Net investment gains or (losses) (Lines 25 plus 26)	0	33,786	48,719
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	2,717	1,184,572
31. Federal and foreign income taxes incurred	XXX		337,730
32. Net income (loss) (Lines 30 minus 31)	XXX	2,717	846,842
DETAILS OF WRITE-INS			
0601. QAAP Tax Assessment.....	XXX	(477,398)	0
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	(477,398)	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0