



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE
PHP Medicare

NAIC Group Code 3408 3408 NAIC Company Code 16555 Employer's ID Number 83-2766121
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 11/01/2018 Commenced Business 04/01/2019

Statutory Home Office 1400 East Michigan Avenue, Lansing, MI, US 48912
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1400 East Michigan Avenue
(Street and Number)
Lansing, MI, US 48912, 517-364-8400
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1400 East Michigan Avenue, Lansing, MI, US 48912
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1400 East Michigan Avenue
(Street and Number)
Lansing, MI, US 48912, 517-364-8400
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.phpmichigan.com

Statutory Statement Contact Nicole Werner, 517-364-8400
(Name) (Area Code) (Telephone Number)
nicole.werner@phpmm.org, 517-364-8407
(E-mail Address) (FAX Number)

OFFICERS

President Dennis J. Reese # Treasurer Paula Reichle #
Chief Financial Officer and Chief Operations Officer George Schneider # Secretary Joseph Ruth

OTHER

DIRECTORS OR TRUSTEES

Dennis J. Reese # George Schneider # Paula Reichle #
Joseph Ruth # Richard Bruner #

State of Michigan SS:
County of Ingham

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.

Dennis J. Reese
President

George Schneider
Chief Financial Officer and Chief Operations Officer

Paula Reichle
Treasurer

Subscribed and sworn to before me this _____ day of _____

- 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.....

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare

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	0	0	0	0
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$11,696,327), cash equivalents (\$1,109,972) and short-term investments (\$0)	12,806,299	0	12,806,299	0
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	12,806,299	0	12,806,299	0
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,808	0	1,808	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,808,107	0	12,808,107	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	12,808,107	0	12,808,107	0
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.				
2502.				
2503.				
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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	0	0	0	0
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	0	0	0	0
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	819,900	0	819,900	0
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	180,767	0	180,767	0
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$0 current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	1,000,667	0	1,000,667	0
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	14,612,000	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(2,804,560)	0
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.20 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	11,807,440	0
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	12,808,107	0
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0
2501.	XXX	XXX		
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	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
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 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	0	0	0
2. Net premium income (including \$ 0 non-health premium income)	XXX	0	0	0
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0	0
4. Fee-for-service (net of \$ 0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	0	0	0
Hospital and Medical:				
9. Hospital/medical benefits	0	0	0	0
10. Other professional services	0	0	0	0
11. Outside referrals	0	0	0	0
12. Emergency room and out-of-area	0	0	0	0
13. Prescription drugs	0	0	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	0	0	0	0
Less:				
17. Net reinsurance recoveries	0	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	0	0	0
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$ 0 cost containment expenses	0	0	0	0
21. General administrative expenses	0	2,915,798	0	0
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	2,915,798	0	0
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(2,915,798)	0	0
25. Net investment income earned	0	111,238	0	0
26. Net realized capital gains (losses) less capital gains tax of \$ 0	0	0	0	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	111,238	0	0
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
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	(2,804,560)	0	0
31. Federal and foreign income taxes incurred	XXX	0	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	(2,804,560)	0	0
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
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	0	0	0
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.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
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	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	0	0	0
34. Net income or (loss) from Line 32	(2,804,560)	0	0
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	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	0	0	0
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	14,612,000	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	0	0
48. Net change in capital & surplus (Lines 34 to 47)	11,807,440	0	0
49. Capital and surplus end of reporting period (Line 33 plus 48)	11,807,440	0	0
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	0	0	0
2. Net investment income	109,430	0	0
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	109,430	0	0
5. Benefit and loss related payments	0	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,095,898	0	0
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	0	0	0
10. Total (Lines 5 through 9)	2,095,898	0	0
11. Net cash from operations (Line 4 minus Line 10)	(1,986,468)	0	0
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
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	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
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)	0	0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	14,612,000	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)	180,767	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	14,792,767	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	12,806,299	0	0
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	0	0	0
19.2 End of period (Line 18 plus Line 19.1)	12,806,299	0	0

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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Exhibit of Premiums, Enrollment and Utilization

NONE

Claims Payable - Aging Analysis of Unpaid Claims

NONE

Underwriting and Investment Exhibit

NONE

NOTES TO FINANCIAL STATEMENTS

NOTE 1

Summary of Significant Accounting Policies

1.

A. Accounting Practices

The financial statements of PHP Medicare are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS).

PHP Medicare was formed on November 1, 2018 on a non-stock basis and is a wholly owned subsidiary of Physicians Health Plan (PHP). PHP Medicare operations will commence on January 1, 2020.

DIFS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of PHP Medicare's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

	SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	(2,804,560)	0
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	(2,804,560)	0
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	11,807,440	0
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	11,807,440	0

B. Use of Estimates

In preparing the financial statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

1. Short term investments are stated at amortized cost or at market value depending upon the respective investment.
2. Bonds
Not applicable
3. Common stocks are stated at market value.
4. Preferred stocks
Not applicable
5. Mortgage loans
Not applicable
6. Loan-backed securities
Not applicable
7. Investments in subsidiaries, controlled and affiliated companies
Not applicable
8. Investments in joint ventures, partnerships and limited liability companies
Not applicable
9. Derivatives
Not applicable
10. Premium deficiency reserves
Not applicable
11. Estimating the liabilities for losses and loss/claim adjustment expenses:
Not applicable
12. PHP Medicare has adopted the capitalization policy of the parent, PHP. No modifications to this capitalization policy have occurred in the current year.
13. Estimating pharmaceutical rebate receivables: Estimates on pharmaceutical rebate receivables are based on historical per member data for periods in which the rebates have been substantially received. This estimate is applied to periods in which future balances are expected, reduced by receipts to-date.

D. Going Concern

The principle conditions of our current environment that would raise doubt as to the ability of the plan to continue as a going concern would include the variability and uncertainty of the current health care marketplace. While potentially significant, Management has developed plans to alleviate the potential for going concern by reviewing budgeted trends for the Health System as well as PHP Medicare, diversification of the products we offer on and off the marketplace, and proper underwriting for new and renewing membership.

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NOTE 2
Accounting Changes and Corrections of Errors

Not Applicable

NOTE 3
Business Combinations and Goodwill

Not Applicable

NOTE 4
Discontinued Operations

Not Applicable

NOTE 5
Investments

A-K. Not Applicable

L. Restricted Assets

1. Restricted Assets (Including Pledged)

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
a. Subject to contractual obligation for which liability is not shown			0		0.000	0.000
b. Collateral held under security lending agreements			0		0.000	0.000
c. Subject to repurchase agreements			0		0.000	0.000
d. Subject to reverse repurchase agreements			0		0.000	0.000
e. Subject to dollar repurchase agreements			0		0.000	0.000
f. Subject to dollar reverse repurchase agreements			0		0.000	0.000
g. Placed under option contracts			0		0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			0		0.000	0.000
i. FHLB capital stock			0		0.000	0.000
j. On deposit with states	1,109,972	0	1,109,972	1,109,972	8.666	8.666
k. On deposit with other regulatory bodies			0		0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)			0		0.000	0.000
m. Pledged as collateral not captured in other categories			0		0.000	0.000
n. Other restricted assets			0		0.000	0.000
o. Total Restricted Assets	1,109,972	0	1,109,972	1,109,972	8.666	8.666

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not Applicable

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not Applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not Applicable

M-R. Not Applicable

NOTE 6
Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

NOTE 7
Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not applicable.

NOTE 8
Derivatives Instruments

Not Applicable

NOTE 9
Income Taxes

PHP Medicare is exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code.

NOTE 10
Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A, B, C, D, E, F, G

PHP Medicare is solely owned by PHP, an HMO organized under the laws of the state of Michigan, and is a controlled entity of Sparrow Health System ("SHS"). PHP made a capital contribution of \$14.6 million to PHP Medicare in April 2019.

Substantially all administrative services are provided by PHP. PHP Medicare pays PHP for certain administrative expenses incurred by PHP. Amounts due from affiliates are \$0 at 9/30/2019. Amounts due to affiliates of \$180,767 at 9/30/19 are related to amounts owed under the management agreements.

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H. Amount Deducted for Investments in Upstream Company
Not Applicable

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets
Not Applicable

J. Write-down for Impairments of Investments in Affiliates
Not Applicable

K. Foreign Subsidiary Valued Using CARVM
Not Applicable

L. Downstream Holding Company Valued Using Look-Through Method
Not Applicable

M. All SCA Investments
Not Applicable

N. Investment in Insurance SCAs
Not Applicable

NOTE 11
Debt

Not Applicable

NOTE 12
Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not Applicable

NOTE 13
Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Stock

Not applicable

(2) Dividend Rate of Preferred Stock

Not applicable

(3) (4) (5) (6) Dividend Restrictions

Dividends are paid as declared by the Board of Directors of PHP Medicare. Under the insurance regulations of Michigan, the maximum amount of dividends that PHP Medicare may pay in a twelve month period is limited to the greater of 10% of surplus or the net gain from operations of the insurer, not including realized capital gains, as of December 31 of the preceding year. PHP Medicare did not declare or pay shareholder dividends in 2018 or 2019.

(7) Mutual Advances to Surplus

Not applicable

(8) Company Stock Held for Special Purposes

Not applicable

(9) Changes in Special Surplus Funds

Not applicable

(10) Changes in Unassigned Funds

Not applicable

(11) Surplus Notes

Not applicable

(12) (13) Quasi Reorganizations

Not applicable

NOTE 14
Liabilities, Contingencies and Assessments

Not Applicable

NOTE 15
Leases

Not Applicable

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

Not Applicable

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

Not Applicable

NOTE 18
Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

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

Not Applicable

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare

NOTE 20

Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

(1) Items Measured at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and mutual funds. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are therefore classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds which are not exchange traded and common stock of a subsidiary which is valued using an adjusted market method. The estimated fair values of some of these bonds were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded. The Company has no Level 2 assets or liabilities.

Level 3 - Significant Unobservable Inputs: The Company has no Level 3 assets or liabilities.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash Equivalents	1,109,972	0	0	0	1,109,972
Total assets at fair value	1,109,972	0	0	0	1,109,972

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. No transfers between Levels 1 and 2 occurred during the current year.

(2) Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 or 3 categories.

(5) Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash Equivalents	1,109,972	1,109,972	1,109,972	0	0	0	0

D. Not Practicable to Estimate Fair Value

Not applicable

NOTE 21

Other Items

Not Applicable

Note 22

Subsequent Events

Subsequent events have been considered through the date of issuance of the statutory financial statements.

Note 23

Reinsurance

A. Ceded Reinsurance Report

Section 1 General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (x)

Section 2 Ceded Reinsurance Report - Part A.

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit?
Yes () No (x)

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (x)

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare

Section 3 Ceded Reinsurance Report - Part B.

- (1) What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.00
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (x)

B. Uncollectible Reinsurance
Not Applicable

C. Commutation of Ceded Reinsurance
Not Applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not Applicable

NOTE 24

Retrospectively Rated Contracts & Contracts Subject to Redetermination

A-C. The Company does not participate in traditional retrospectively rated contracts.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.
Not applicable

E. Risk Sharing Provisions of the Affordable Care Act
Not applicable

Note 25

Change in Incurred Claims and Claim Adjustment Expenses

Not Applicable

Note 26

Intercompany Pooling Arrangements

Not Applicable

Note 27

Structured Settlements

Not Applicable

NOTE 28

Health Care Receivables

Not Applicable

Note 29

Participating Policies

Not Applicable

Note 30

Premium Deficiency Reserves

Not Applicable

Note 31

Anticipated Salvage and Subrogation

Not Applicable

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare
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 []
- 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.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
 If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2 If yes, provide the name of the 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 [X] N/A []
 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.
- 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.
- 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).
- 6.4 By what department or departments?
- 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 [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [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 SEPTEMBER 30, 2019 OF THE PHP Medicare
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 [] 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 []
- 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 []
- 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 [] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

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 []
- 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 []
- 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 | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$0 | \$0 |
| 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 | \$0 | \$0 |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No []
- 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. 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. \$0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$0
- 16.3 Total payable for securities lending reported on the liability page. \$0

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare
GENERAL INTERROGATORIES

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 [] 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

- 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 []
- 17.4 If yes, give full information relating thereto:

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

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No []

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No []

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []
- 18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent0.0 %
 - 1.2 A&H cost containment percent0.0 %
 - 1.3 A&H expense percent excluding cost containment expenses0.0 %
- 2.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date\$.....0
- 2.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date\$.....0
3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]
- 3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

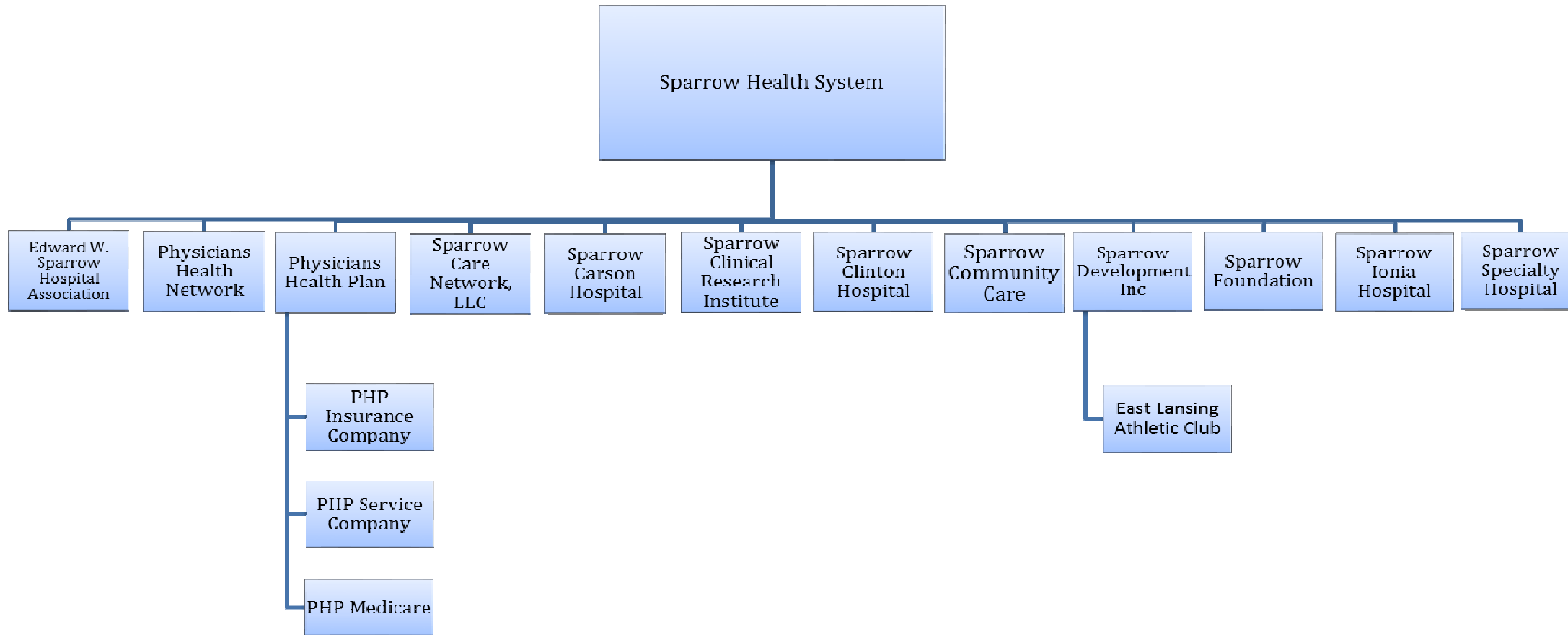
Current Year to Date - Allocated by States and Territories

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

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG.....1
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0
- N - None of the above - Not allowed to write business in the state.....56
- R - Registered - Non-domiciled RRGs.....0
- Q - Qualified - Qualified or accredited reinsurer.....0

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART



STATEMENT AS OF SEPTEMBER 30, 2019 OF THE PHP Medicare

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domi-ciliary Loca-tion	Relation-ship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percen-tage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Re-quired? (Y/N)	*
			38-2542859				SPARROW HEALTH SYSTEM	MI	UIP		Board of Directors	0.000			
			38-1490180				SPARROW CARSON HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-3218134				SPARROW IONIA HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			46-4526659				SPARROW CARE NETWORK, LLC	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-6100687				SPARROW FOUNDATION	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-2594856				PHYSICIANS HEALTH NETWORK	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-2543305				SPARROW COMMUNITY CARE	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			14-1885340				SPARROW SPECIALTY HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-1358172				SPARROW CLINTON HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-1360584				EW SPARROW HOSPITAL ASSOCIATION	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-2595963				SPARROW DEVELOPMENT, INC	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-3075242				SPARROW CLINICAL RESEARCH INSTITUTE	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-2886420				EAST LANSING ATHLETIC CLUB	MI	NIA	SPARROW DEVELOPMENT, INC	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
3408	PHYSICIANS HEALTH PLAN OF MID MI	95849	38-2356288				PHYSICIANS HEALTH PLAN	MI	IA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
3408	PHYSICIANS HEALTH PLAN OF MID MI	12816	20-5565219				PHP INSURANCE COMPANY	MI	IA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	N	
			38-3344741				PHP SERVICE COMPANY	MI	NIA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	Y	
3408	PHYSICIANS HEALTH PLAN OF MID MI	16555	83-2766121				PHP MEDICARE	MI	RE	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	N	

Asterisk	Explanation

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. Medicare Part D Coverage Supplement [Document Identifier 365]



Overflow Page for Write-ins

NONE

Schedule A - Verification - Real Estate

NONE

Schedule B - Verification - Mortgage Loans

NONE

Schedule BA - Verification - Other Long-Term Invested Assets

NONE

Schedule D - Verification - Bonds and Stock

NONE

Schedule D - Part 1B - Bonds and Preferred Stock by NAIC Designation

NONE

Schedule DA - Part 1 - Short-Term Investments

NONE

Schedule DA - Verification - Short-Term Investments

NONE

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

NONE

Schedule DB - Part B - Verification - Futures Contracts

NONE

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

NONE

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

NONE

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of Derivatives

NONE

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of cash equivalents acquired	1,109,972	0
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	0	0
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)	1,109,972	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,109,972	0

Schedule A - Part 2 - Real Estate Acquired and Additions Made

NONE

Schedule A - Part 3 - Real Estate Disposed

NONE

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

NONE

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

NONE

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

NONE

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

NONE

Schedule D - Part 3 - Long-Term Bonds and Stocks Acquired

NONE

Schedule D - Part 4 - Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed Of

NONE

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

NONE

Schedule DB - Part B - Section 1 - Futures Contracts Open

NONE

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

NONE

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

NONE

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

