

THE UNIVERSITY of TEXAS SYSTEM

Nine Universities. Six Health Institutions. Unlimited Possibilities.

2015 ANNUAL REPORT



PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2014 – AUGUST 31, 2015

5,612	Faculty Covered (<i>FTEs</i>)
1,128	Fellows Covered (<i>FTEs</i>)
2,416	Residents Covered (<i>FTEs</i>)
3,971	Medical Students Covered
341	Medical Student Externships
19	New Lawsuits (<i>excluding TDCJ and non-Plan lawsuits</i>)
112	New Claims (<i>excluding TDCJ and non-Plan claims</i>)
186	Pending Claims and Lawsuits at August 31, 2015 (<i>excluding TDCJ and non-Plan claims & lawsuits</i>)
0	Number of Trials
84%	Cases Closed with No Plan Payment
\$1,120,784	Administrative Costs
\$683,070	Defense Costs
\$1,098,851 ¹	Settlement (Indemnity) Costs
\$587,397	Texas Medical Board Defense Costs
\$2,010	Plan Average Premium Occurrence (\$500,000/\$1,500,000)
\$16,298	TMLT Average Premium Mature Claims-Made Rate (\$500,000/\$1,000,000)
\$19,736	Preferred Professional Average Premium Mature Claims-Made Rate (\$500,000/\$1,500,000)
\$9,616,925	Premiums Collected
\$41,743,749	Market Value of Professional Liability Fund

¹ This amount and the amount indicated for Claim Liability Expenses in the Income Statement on page 8 differ slightly due to timing of payments.

PREMIUM COMPARISONS

Plan premium rates are significantly lower than Texas commercial insurance carriers. The chart below compares UT Health Science Center-Houston Plan rates by risk class in Harris County with two commercial carriers: Texas Medical Liability Trust (TMLT) and Preferred Professional. Although variations in risk class structures among carriers prevent a precise comparison, the chart is demonstrative of rate differences.

Risk Class		TMLT*	Preferred Professional**	U.T. Faculty Rates***
I	General Practice No Surgery	\$10,242	\$10,110	\$564
II	General Practice Minor Surgery	\$11,283	\$15,166	\$888
III	Emergency Medicine/Minor Surgery	\$14,076	\$23,253	\$1,416
IV	General Surgery	\$27,530	\$39,400	\$2,640
IV	Anesthesiology	\$12,512	\$15,321	\$2,640
V	Gynecology Minor Surgery	\$22,142	\$15,166	\$3,912

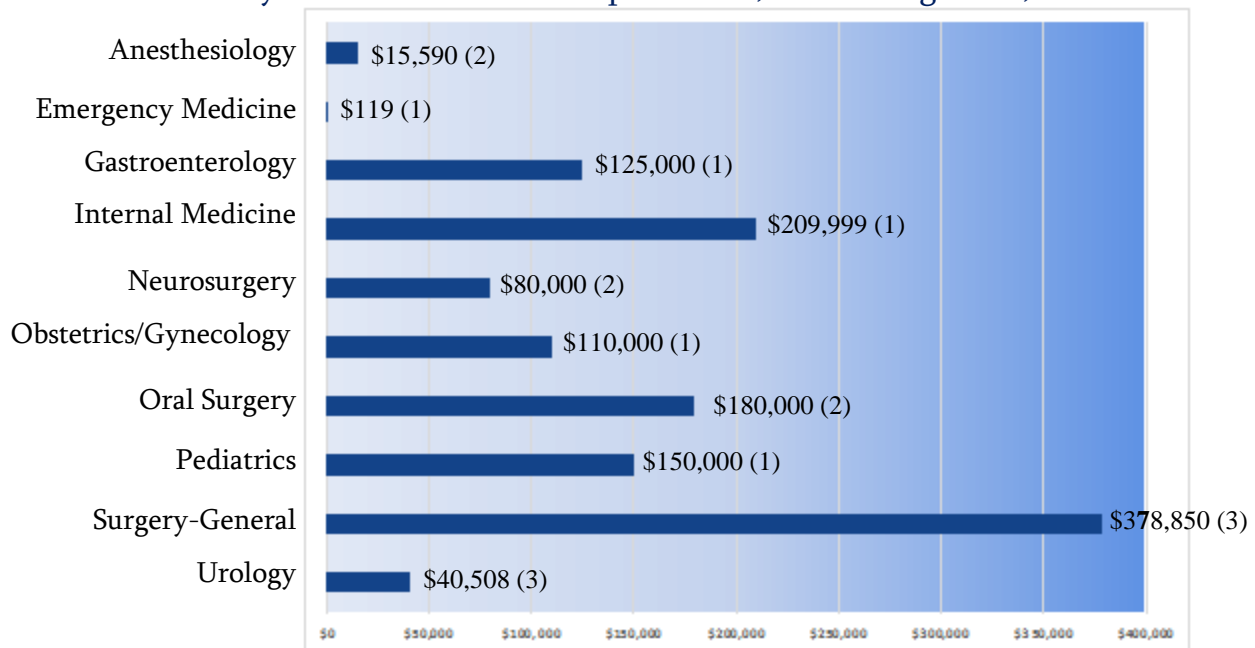
* Mature Claims-Made Rate (\$500,000 / \$1,000,000 Limits) Effective January 1, 2015

** Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective November 1, 2014 (New Business) & February 1, 2015 (Renewal Business)

*** Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2014

INDEMNITY PAYMENTS BY SPECIALTY

All U.T. System Institutions – September 1, 2014 – August 31, 2015

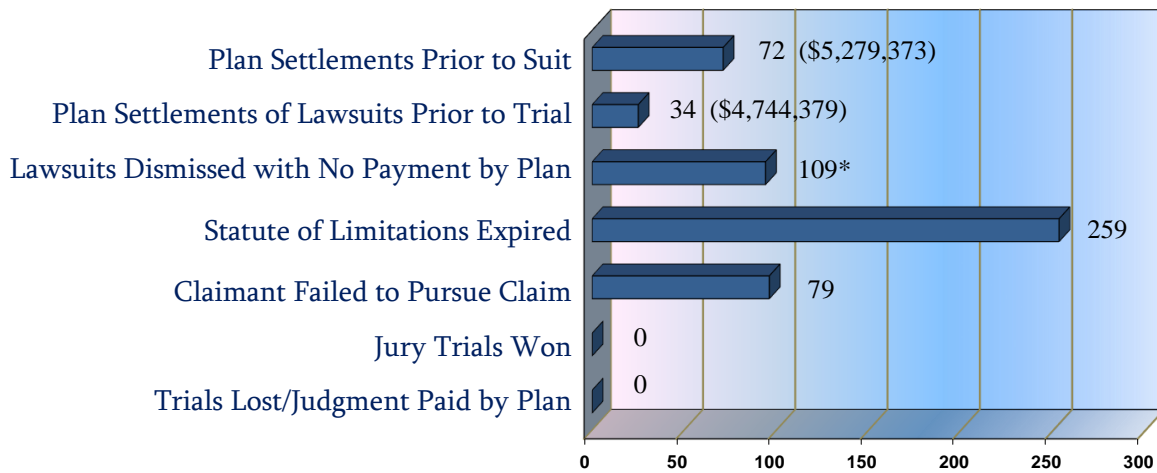


Includes Plan payments made on behalf of both institutions and physicians.

CLOSED CASES

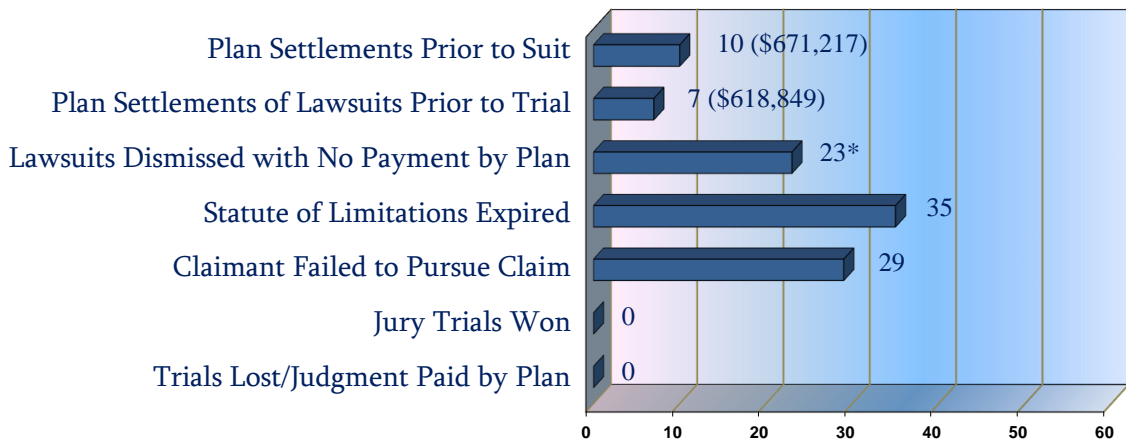
During the last five years, 539 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$10,023,752. Eighty-two percent were closed with no payment by the Plan.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2010 – August 31, 2015



In FY 2015, 84 percent of the cases closed required no payment by the Plan, a 2 percent decrease from last year.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2014 – August 31, 2015



*Includes Summary Judgments, Non-Suits, Dismissals, and Settlements by Co-defendants at no cost to the Plan.

The University of Texas Health Science Center at Tyler

	2015	2014	2013	2012
Faculty	83	74	69	63
Fellows	0	0	1	1
Residents	77	83	67	47
Open Claims & Lawsuits	5	4	3	2
New Claims	2	5	3	0
New Lawsuits	0	0	0	0
Settlements Paid	\$0.00	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	2	0	0	1
New TMB Matters-Residents	0	1	0	0

The University of Texas Health Science Center at Houston

	2015	2014	2013	2012
Faculty	1443	1318	1193	1068
Fellows	209	207	195	183
Residents*	453	416	415	399
Open Claims & Lawsuits	51	44	46	63
New Claims	30	21	11	31
New Lawsuits	7	4	1	5
Settlements Paid	\$430,363	\$267,400	\$2,222,434	\$150,791
New TMB Matters-Faculty	27	25	20	10
New TMB Matters-Residents	2	1	0	2

*Does not include U.T. residents on rotation at Memorial Hermann Hospital (in 2015 a total of 446)

The University of Texas Health Science Center at San Antonio

	2015	2014	2013	2012
Faculty*	904	857	870	844
Fellows*	120	177	85	73
Residents*	574	485	475	480
Open Claims & Lawsuits	13	17	17	21
New Claims	9	10	7	7
New Lawsuits	2	2	1	2
Settlements Paid	\$83,850	\$285,000	\$20,000	\$885,000
New TMB Matters-Faculty	23	36	9	7
New TMB Matters-Residents	11	2	0	0

*Does not include U.T. physicians on rotation at V.A. Hospital (in 2015 a total of 0 faculty, 161 residents and 46 fellows)

The University of Texas M.D. Anderson Cancer Center

	2015	2014	2013	2012
Faculty	999	949	910	872
Fellows	366	339	323	332
Residents	8	11	22	27
Open Claims & Lawsuits	29	17	14	16
New Claims	19	13	11	9
New Lawsuits	3	2	0	0
Settlements Paid	\$125,000	\$139,500	\$532,618	\$21,500
New TMB Matters-Faculty	12	5	1	3
New TMB Matters-Residents	0	0	0	1

The University of Texas Southwestern Medical Center

	2015	2014	2013	2012
Faculty*	1,562	1,524	1,443	1,401
Fellows	387	371	369	371
Residents*	732	738	735	689
Open Claims & Lawsuits	53	53	49	44
New Claims	33	36	21	21
New Lawsuits	3	2	4	3
Settlements Paid	\$650,853	\$32,418	\$543,287	\$750,193
New TMB Matters-Faculty	29	26	18	20
New TMB Matters-Residents	3	1	3	1

*Does not include U.T. physicians on rotation at Parkland Hospital (in 2015 a total of 3 faculty physicians and 270 residents)

The University of Texas Medical Branch at Galveston

	2015	2014	2013	2012
Faculty	558	513	520	543
Fellows	44	32	54	56
Residents	557	517	523	523
Open Claims & Lawsuits	33	20	25	39
New Claims	19	13	10	9
New Lawsuits	4	1	0	2
Settlements Paid	\$0.00	\$201,116	\$95,000	\$426,044
New TMB Matters-Faculty	25	10	12	7
New TMB Matters-Residents	2	1	2	0

The University of Texas at Austin

	2015	2014	2013	2012
Faculty*	52	28	27	28
Fellows	2	0	0	0
Residents*	15	0	0	0
Open Claims & Lawsuits	1	1	2	1
New Claims	0	0	2	0
New Lawsuits	0	0	0	0
Settlements Paid	\$0.00	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	0	0	0	0
New TMB Matters-Residents	0	0	0	0

*Includes student health center physicians

NOTE: All institutions' enrollment numbers are on a FTE basis.

Professional Medical Liability Plan

Statement of Net Position
As of

	8/31/2015	8/31/2014
Assets		
Operating Cash	\$ (1,886,728.38)	\$ 3,835,048.41
Investments	59,816,413.08	61,830,878.12
Accounts Receivable	-	-
Total Assets	<u>\$ 57,929,684.70</u>	<u>\$ 65,665,926.53</u>
Liabilities		
Accounts Payable	\$ 71,782.33	\$ 11,568.38
IBNR	16,114,153.00	15,784,597.00
Total Liabilities	<u>\$ 16,185,935.33</u>	<u>\$ 15,796,165.38</u>
Net Position	<u>\$ 41,743,749.37</u>	<u>\$ 49,869,761.15</u>

Statement of Revenues, Expenses, and Changes in Net Position

	For the Year Ended	8/31/2015	8/31/2014
Revenue			
Premium Income		\$ 9,616,924.60	\$ 9,022,038.85
Interest Income		1,970,436.57	1,837,185.93
Total Revenue		<u>\$ 11,587,361.17</u>	<u>\$ 10,859,224.78</u>
Less Premium Refund		(6,000,000.00)	(6,000,000.00)
Net Revenue		<u>\$ 5,587,361.17</u>	<u>\$ 4,859,224.78</u>
Expenses			
Legal Expenses		\$ 683,069.79	\$ 638,296.97
Claim Liability Expenses		1,098,850.59	983,464.39
Medical Board Expenses		587,396.89	378,872.39
Administrative Expenses		1,120,784.10	1,447,128.00
Other Expenses		46,620.00	38,503.08
Total Expenses		<u>\$ 3,536,721.37</u>	<u>\$ 3,486,264.83</u>
Change in IBNR		329,556.00	(2,016,407.00)
Net Expenses		<u>\$ 3,866,277.37</u>	<u>\$ 1,469,857.83</u>
Excess Revenue Over Expenses		<u>\$ 1,721,083.80</u>	<u>\$ 3,389,366.95</u>
Other Changes in Net Assets			
Investments Market Value Increase (Decrease)		\$ (3,847,095.58)	\$ 4,057,006.48
Other Transfers/Adjustments		-	-
Transfer to special funds		(6,000,000.00)	-
Total Other Changes		<u>\$ (9,847,095.58)</u>	<u>\$ 4,057,006.48</u>
Change in Net Position		<u>\$ (8,126,011.78)</u>	<u>\$ 7,446,373.43</u>
Beginning Net Position		<u>\$ 49,869,761.15</u>	<u>\$ 42,423,387.72</u>
Ending Net Position		<u>\$ 41,743,749.37</u>	<u>\$ 49,869,761.15</u>