



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

2021 ANNUAL REPORT

PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2020 – AUGUST 31, 2021

| | |
|--------------|---|
| 12,825 | Total Physicians/Dentists Covered by Plan |
| 7,702 | Medical & Dental Faculty Covered (<i>FTEs</i>) |
| 1,269 | Fellows Covered (<i>FTEs</i>) |
| 3,166 | Residents Covered (<i>FTEs</i>) |
| 18,517 | Health Care Professionals Covered (<i>FTEs</i>) |
| 4,320 | Medical Students Covered |
| 71 | Medical Student Externships |
| 26 | New Lawsuits (<i>excluding CMC lawsuits</i>) ¹ |
| 73 | New Claims (<i>including 2 HCP claims / excluding CMC claims</i>) ¹ |
| 54 | New Depositions & Trial Testimony (<i>including 1 HCP deposition</i>) |
| 305 | Pending Claims and Lawsuits at August 31, 2021 (<i>including 2 HCP claims & 1 Depo / excluding CMC claims & lawsuits</i>) ¹ |
| 0 | Number of Trials |
| 78 | Cases Closed with No Plan Payment |
| 124 | New TMB & Other Professional Board Matters (<i>including 4 HCP complaints</i>) |
| \$1,639,455 | Administrative Costs |
| \$996,941 | Medical Malpractice Defense Costs |
| \$2,297,893 | Settlement (Indemnity) Costs ² |
| \$701,173 | TMB & Other Professional Board Defense Costs |
| \$1,830 | Plan Average Faculty Physician Premium Occurrence (\$500,000/\$1,500,000) |
| \$23,082 | The Doctors Co. Average Physician Premium Mature Claims-Made Rate (\$500,000/\$1,500,000) |
| \$15,625 | ProAssurance Indemnity Co., Inc. Average Physician Premium Mature Claims-Made Rate (\$500,000/\$1,500,000) |
| \$12,549,122 | Premiums Collected |
| \$45,310,763 | Net Position of Professional Liability Fund |

¹Does not include Criminal Managed Care (CMC) physician and other health care professional services not covered under UT System Plan.

²This amount and the amount indicated for Claim and Lawsuit Liability Expenses in the Income Statement on page 9 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, The Doctors Co. and ProAssurance Indemnity Co., Inc.¹ Although variations in risk class structures among carriers prevent a precise comparison, the chart is demonstrative of rate differences.

| Risk Class | | The Doctors Co.* | ProAssurance Indemnity Co., Inc.** | UT Faculty Rates*** |
|------------|-------------------------------------|------------------|------------------------------------|---------------------|
| I | General Practice No Surgery | \$12,696 | \$11,378 | \$516 |
| II | General Practice Minor Surgery | \$15,864 | \$15,834 | \$816 |
| III | Emergency Medicine/Minor Surgery | \$29,120 | \$23,893 | \$1,296 |
| IV | General Surgery | \$42,033 | Not Listed | \$2,400 |
| IV | Anesthesiology | \$15,698 | \$12,800 | \$2,400 |
| V | Gynecology Minor Surgery | Not Listed | \$14,222 | \$3,552 |

* Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective January 1, 2021

** Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective January 1, 2022

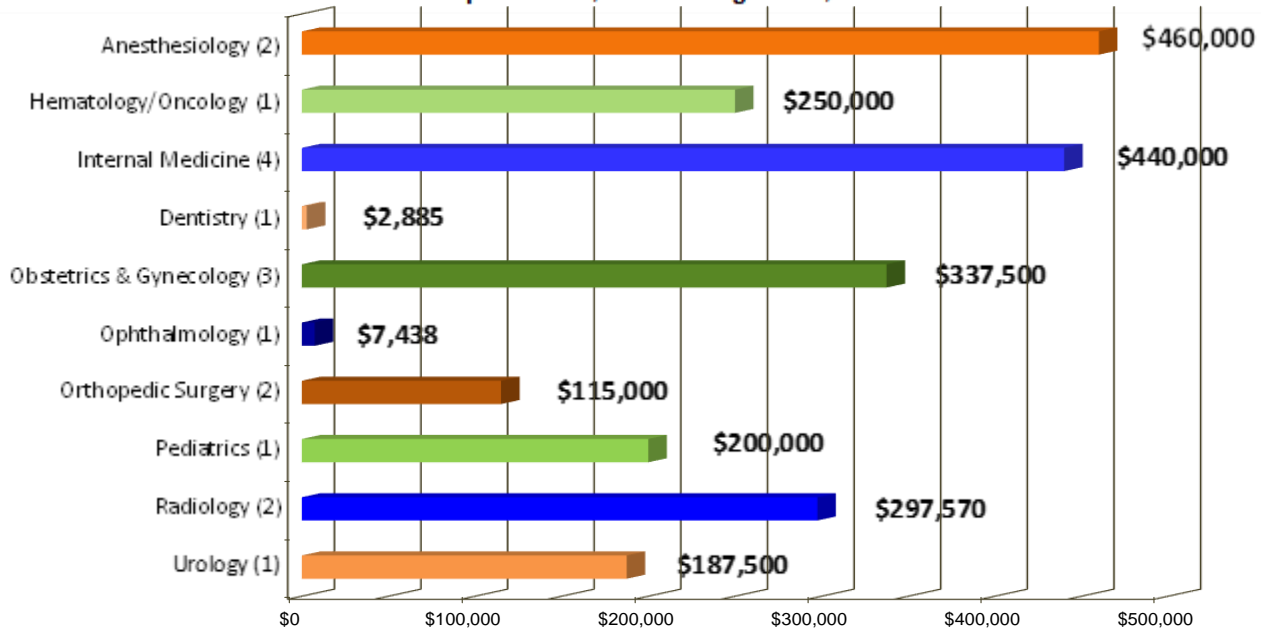
*** Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2020

FY 2021 IN SUMMARY

Indemnity Payments by Specialty²

All U.T. System Institutions

September 1, 2020 – August 31, 2021



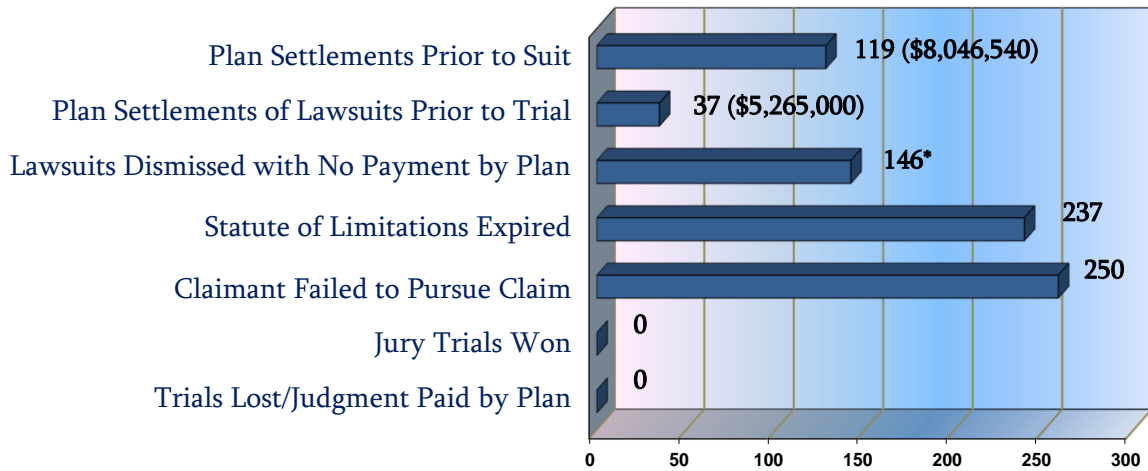
¹Commercial rates provided by Milliman.

²Settlement payment amounts are based on claims closed during FY20-21.

CLOSED CASES

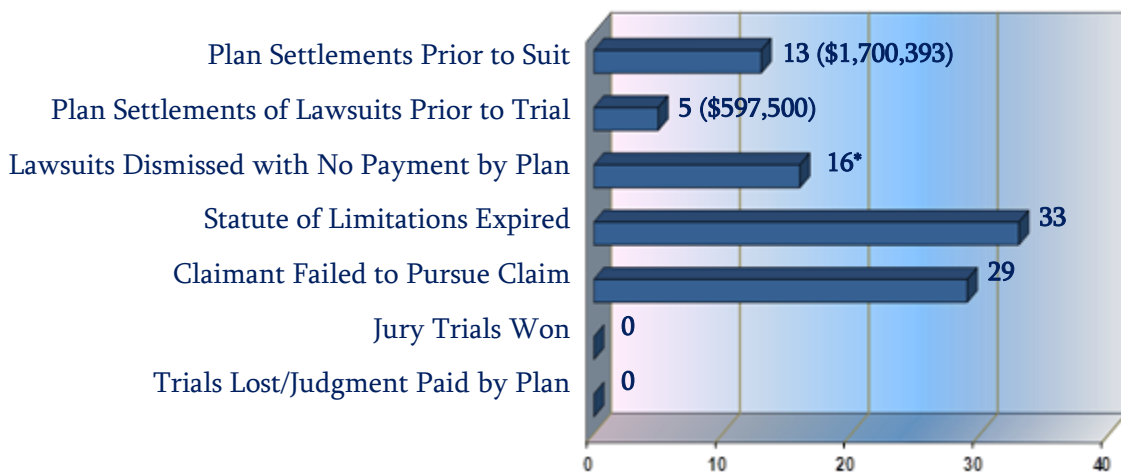
During the last five years, 789 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$13,311,540. Eighty percent closed with no payment by the Plan.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2016 – August 31, 2021



In Fiscal Year 2021, 81 percent of the cases closed required no payment by the Plan, a two percent decrease from last year.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2020 – August 31, 2021



*Includes Summary Judgments, Non-Suits, Dismissals, and Settlements by Co-defendants at no cost to the Plan.
All closed case data above excludes CMC physician and health care professional services cases not covered under the Plan.

The University of Texas at Austin

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|--------|-----------|
| Medical & Dental Faculty* | 256 | 228 | 187 | 122 |
| Fellows | 0 | 0 | 0 | 0 |
| Residents* | 6 | 16 | 25 | 11 |
| Health Care Professionals (FTE) | 346 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 11 | 10 | 6 | 2 |
| New Claims | 5 | 3 | 2 | 1 |
| New Lawsuits | 1 | 1 | 1 | 0 |
| New Depositions & Trial Testimony | 1 | 3 | 4 | 0 |
| Settlements Paid ¹ | \$247,570 | \$100,000 | \$0.00 | \$110,000 |
| New TMB Matters-Faculty | 0 | 3 | 2 | 2 |
| New TMB Matters-Residents | 0 | 0 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 1 | n/a |

* Includes Student Health Center physicians/Does not include U.T. physicians within FTE adjustment due to rotations at Seton/DMC (7 faculty and 18 residents)

Note: The 1 New Deposition & Trial Testimony matter for UT Austin in 2021 was opened for representation of a Plan covered Healthcare Professional.

The University of Texas Health Science Center at Tyler &
The University of Texas at Tyler

| | 2021 | 2020 | 2019 | 2018 |
|---|--------|--------|--------|----------|
| Medical & Dental Faculty | 208 | 138 | 105 | 93 |
| Fellows | 0 | 0 | 0 | 0 |
| Residents | 109 | 80 | 76 | 81 |
| Health Care Professionals (FTE) | 571 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 6 | 3 | 2 | 2 |
| New Claims | 4 | 2 | 2 | 0 |
| New Lawsuits | 0 | 0 | 0 | 1 |
| New Depositions & Trial Testimony | 0 | 0 | 0 | 0 |
| Settlements Paid ¹ | \$0.00 | \$0.00 | \$0.00 | \$20,000 |
| New TMB Matters-Faculty | 1 | 4 | 1 | 3 |
| New TMB Matters-Residents | 0 | 0 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

The University of Texas Health Science Center at Houston

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty | 1883 | 1788 | 1719 | 1643 |
| Fellows | 286 | 263 | 255 | 227 |
| Residents | 1019 | 1003 | 438 | 433 |
| Health Care Professionals (FTE) | 1315 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 76 | 59 | 49 | 79 |
| New Claims | 17 | 20 | 22 | 45 |
| New Lawsuits | 8 | 6 | 14 | 6 |
| New Depositions & Trial Testimony | 4 | 5 | 0 | 3 |
| Settlements Paid ¹ | \$440,000 | \$390,795 | \$913,500 | \$433,500 |
| New TMB Matters-Faculty | 41 | 41 | 37 | 38 |
| New TMB Matters-Residents | 1 | 1 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 1 | 1 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

The University of Texas Health Science Center at San Antonio

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty | 1142 | 1090 | 1029 | 990 |
| Fellows* | 125 | 142 | 137 | 121 |
| Residents* | 503 | 541 | 494 | 505 |
| Health Care Professionals (FTE) | 349 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 32 | 24 | 21 | 25 |
| New Claims | 10 | 5 | 6 | 9 |
| New Lawsuits | 2 | 3 | 4 | 2 |
| New Depositions & Trial Testimony | 7 | 8 | 8 | 6 |
| Settlements Paid ¹ | \$475,000 | \$500,000 | \$312,857 | \$283,758 |
| New TMB Matters-Faculty | 26 | 20 | 10 | 13 |
| New TMB Matters-Residents | 2 | 0 | 1 | 2 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

* Does not include U.T. physicians within FTE adjustment due to rotations at V.A. Hospital (in 2021 a total of 1 faculty, 224 residents and 47 fellows)

Note: The 10 New Claims for UT Health Science Center at San Antonio in 2021 include 1 claim against a Plan covered Healthcare Professional opened for early negotiations.

The University of Texas M.D. Anderson Cancer Center

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty | 1276 | 1266 | 1100 | 1049 |
| Fellows | 285 | 299 | 390 | 388 |
| Residents | 0 | 0 | 2 | 3 |
| Health Care Professionals (FTE) | 6256 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 52 | 32 | 36 | 30 |
| New Claims | 8 | 8 | 11 | 7 |
| New Lawsuits | 1 | 1 | 2 | 2 |
| New Depositions & Trial Testimony | 25 | 14 | 12 | 13 |
| Settlements Paid ¹ | \$315,000 | \$245,181 | \$200,000 | \$100,000 |
| New TMB Matters-Faculty | 9 | 10 | 12 | 16 |
| New TMB Matters-Residents | 0 | 0 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 1 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

The University of Texas Southwestern Medical Center

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty* | 2130 | 2010 | 1867 | 1775 |
| Fellows | 419 | 429 | 430 | 421 |
| Residents* | 761 | 680 | 717 | 685 |
| Health Care Professionals (FTE) | 5089 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 87 | 70 | 80 | 65 |
| New Claims | 20 | 17 | 28 | 31 |
| New Lawsuits | 5 | 5 | 7 | 1 |
| New Depositions & Trial Testimony | 8 | 18 | 39 | 21 |
| Settlements Paid ¹ | \$300,000 | \$520,527 | \$993,906 | \$804,727 |
| New TMB Matters-Faculty | 16 | 23 | 23 | 25 |
| New TMB Matters-Residents | 0 | 3 | 0 | 5 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 1 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

* Does not include U.T. physicians within FTE adjustment due to rotations at Parkland Hospital (in 2021 a total of 0 faculty and 391 residents)

Note: The 20 New Claims for UT Southwestern Medical Center in 2021 include 1 claim against a Plan covered Healthcare Professional opened for early negotiations.

The University of Texas Medical Branch at Galveston*

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-------------|-----------|-----------|
| Medical & Dental Faculty | 697 | 687 | 666 | 631 |
| Fellows | 135 | 146 | 106 | 103 |
| Residents | 541 | 516 | 505 | 500 |
| Health Care Professionals (FTE) | 4203 | n/a | n/a | n/a |
| Open Claims & Lawsuits* | 36 | 46 | 74 | 74 |
| New Claims* | 9 | 8 | 29 | 26 |
| New Lawsuits* | 9 | 7 | 5 | 18 |
| New Depositions & Trial Testimony | 6 | 1 | 0 | 7 |
| Settlements Paid ¹ | \$520,323 | \$1,183,666 | \$485,305 | \$453,651 |
| New TMB Matters-Faculty | 12 | 17 | 11 | 8 |
| New TMB Matters-Residents | 1 | 4 | 7 | 1 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 1 | 0 | 0 | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 9 | 10 | 11 | 0 |

* UTMB data does not include CMC physician and other health professional services not covered under the UT System Plan.

The University of Texas at Rio Grande Valley

| | 2021 | 2020 | 2019 | 2018 |
|---|--------|--------|--------|--------|
| Medical & Dental Faculty | 99 | 95 | 71 | 61 |
| Fellows | 19 | 12 | 7 | 0 |
| Residents | 227 | 218 | 197 | 168 |
| Health Care Professionals (FTE) | 88 | n/a | n/a | n/a |
| Open Claims & Lawsuits | 4 | 3 | 2 | 0 |
| New Claims | 0 | 0 | 2 | 0 |
| New Lawsuits | 0 | 0 | 1 | 0 |
| New Depositions & Trial Testimony | 2 | 1 | 0 | 0 |
| Settlements Paid ¹ | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| New TMB Matters-Faculty | 2 | 3 | 2 | 0 |
| New TMB Matters-Residents | 0 | 0 | 1 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 0 | n/a | n/a |
| New Board Complaints - Med. Professionals Not enrolled in Plan ³ | 0 | 0 | 0 | n/a |

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

¹ Settlement payment amounts are based on claims and lawsuits closed during the corresponding FY.

² 2020 Began tracking enrolled healthcare professionals; Plan coverage began July 1, 2020.

³ 2019 Began tracking complaints to the Texas Medical Board and similar Professional Boards which were represented by OGC Health Law attorneys on behalf of CMC physicians and all other medical professionals, such as Physician Assistants, that were not enrolled in the Plan at that time.

This data is reflected in the last item of the tables for "INSTITUTIONS IN SUMMARY", pages 5-8.

Professional Medical Liability Plan

Statement of Net Position

| | As of | 8/31/2021 | 8/31/2020 |
|---------------------|-------|----------------------|----------------------|
| Assets | | | |
| Operating Cash | | \$ (5,080,166.44) | \$ (6,125,443.07) |
| Investments | | 71,391,896.40 | 62,952,963.29 |
| Prepaid Expenses | | 14,929.02 | - |
| Total Assets | | <u>66,326,658.98</u> | <u>56,827,520.22</u> |
| Liabilities | | | |
| Accounts Payable | | \$ 42,399.29 | \$ 17,992.50 |
| IBNR | | 20,973,497.00 | 19,612,039.00 |
| Total Liabilities | | <u>21,015,896.29</u> | <u>19,630,031.50</u> |
| Net Position | | <u>45,310,762.69</u> | <u>37,197,488.72</u> |

Statement of Revenues, Expenses, and Changes in Net Position

| | For the Month Ended | 8/31/2021 | 8/31/2020 |
|--|---------------------|-------------------------|-------------------------|
| Revenue | | | |
| Premium Income | | \$ 12,549,121.74 | \$ 12,309,247.32 |
| Interest Income | | 1,921,679.17 | 1,680,223.90 |
| Total Revenue | | <u>14,470,800.91</u> | <u>13,989,471.22</u> |
| Less Premium Refund ¹ | | (6,000,000.00) | (6,000,000.00) |
| Net Revenue | | <u>8,470,800.91</u> | <u>7,989,471.22</u> |
| Expenses | | | |
| Legal Expenses | | \$ 996,941.08 | \$ 1,077,483.49 |
| Claim Liability Expenses | | 1,992,622.36 | 3,334,960.18 |
| Medical Board Expenses | | 701,173.34 | 911,168.62 |
| Administrative Expenses | | 1,639,454.74 | 1,641,923.90 |
| Other Expenses | | 96,487.85 | 72,954.23 |
| Total Expenses | | <u>5,426,679.37</u> | <u>7,038,490.42</u> |
| Change in IBNR | | <u>1,361,458.00</u> | <u>125,943.00</u> |
| Net Expenses | | <u>6,788,137.37</u> | <u>7,164,433.42</u> |
| Excess Revenue Over Expenses | | \$ 1,682,663.54 | \$ 825,037.80 |
| Other Changes in Net Assets | | | |
| Investments Market Value Increase (Decrease) | | 6,430,610.43 | 3,485,984.35 |
| Transfer to special funds | | - | - |
| Total Other Changes | | <u>6,430,610.43</u> | <u>3,485,984.35</u> |
| Change in Net Position | | \$ 8,113,273.97 | \$ 4,311,022.15 |
| Beginning Net Position | | <u>37,197,488.72</u> | <u>32,886,466.57</u> |
| Ending Net Position | | <u>\$ 45,310,762.69</u> | <u>\$ 37,197,488.72</u> |

INCOME STATEMENT