



THE UNIVERSITY *of* TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

## 2020 ANNUAL REPORT

# PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2019 – AUGUST 31, 2020

12,350	Total Physicians/Dentists Covered by Plan
7,315	Faculty Covered ( <i>FTEs</i> )
1,291	Fellows Covered ( <i>FTEs</i> )
3,054	Residents Covered ( <i>FTEs</i> )
4,284	Medical Students Covered
215	Medical Student Externships
23	New Lawsuits ( <i>excluding CMC lawsuits</i> ) <sup>1</sup>
113	New Claims ( <i>excluding CMC claims</i> ) <sup>1</sup>
247	Pending Claims and Lawsuits at August 31, 2019 ( <i>excluding CMC claims &amp; lawsuits</i> ) <sup>1</sup>
0	Number of Trials
132	Cases Closed with No Plan Payment
\$1,641,924	Administrative Costs
\$1,077,483	Medical Malpractice Defense Costs
\$2,940,168	Settlement (Indemnity) Costs <sup>2</sup>
\$911,169	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)
\$12,309,247	Premiums Collected
\$37,197,489	Net Position of Professional Liability Fund

<sup>1</sup> Does not include Criminal Managed Care (CMC) physician services not covered under UT System Plan.

<sup>2</sup> This amount and the amount indicated for Claim 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: Texas Medical Liability Trust (TMLT) and Preferred Professional.<sup>1</sup> 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

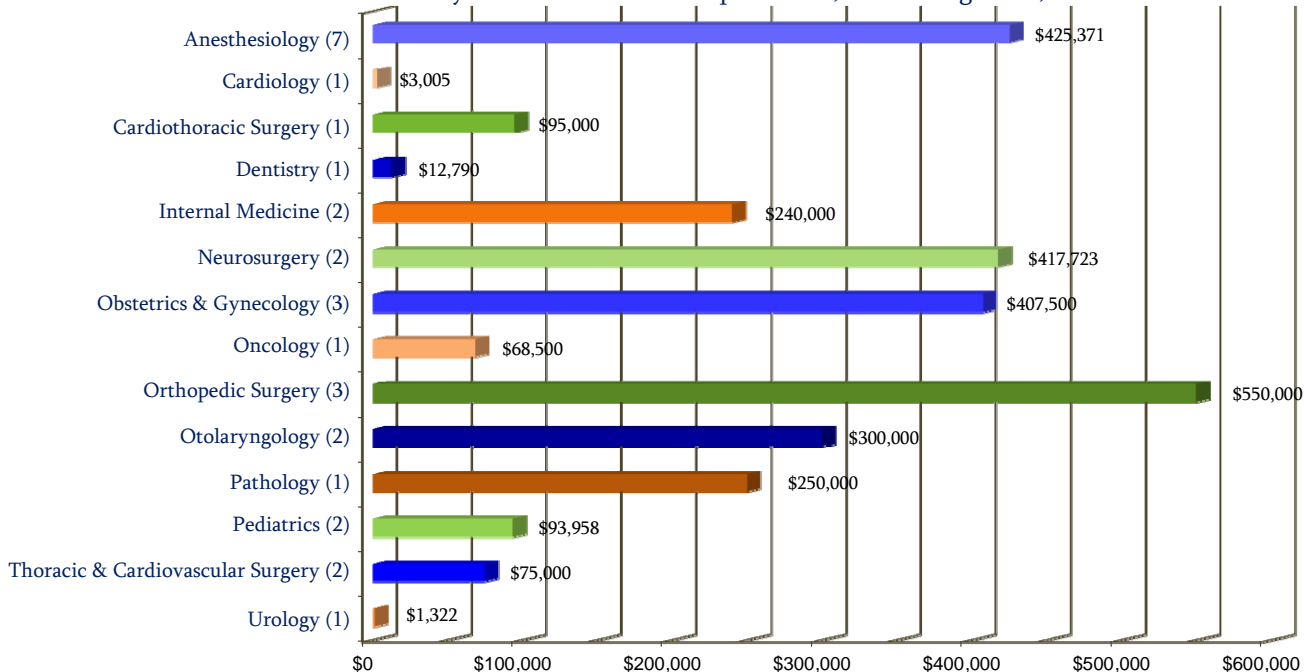
\* Mature Claims-Made Rate (\$500,000 / \$1,000,000 Limits) Effective January 1, 2020

\*\* Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective November 1, 2019 (New Business) & February 1, 2020 (Renewal Business)

\*\*\* Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2019

### INDEMNITY PAYMENTS BY SPECIALTY<sup>2</sup>

All U.T. System Institutions – September 1, 2019 – August 31, 2020



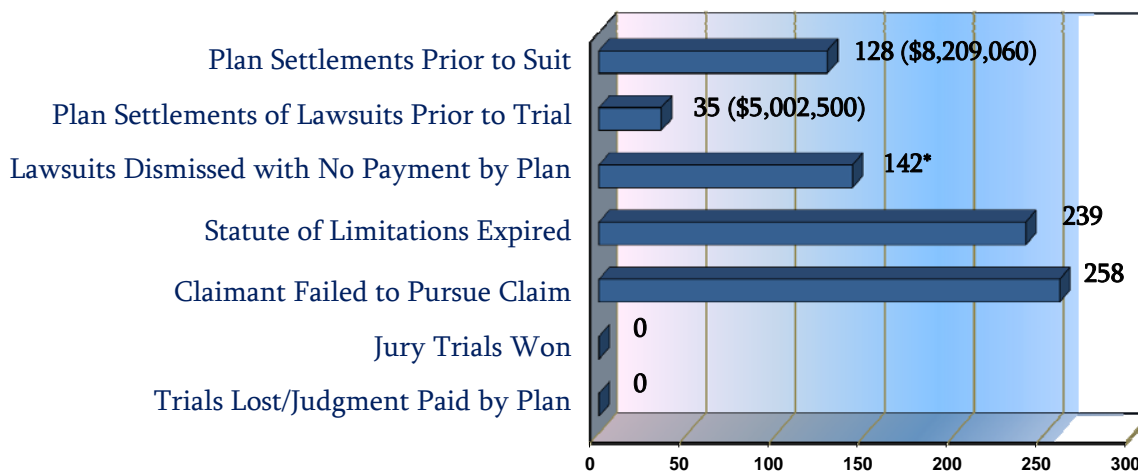
<sup>1</sup>Commercial rates provided by Texas Department of Insurance.

<sup>2</sup>Settlement payment amounts are based on claims closed during FY19-20.

## CLOSED CASES

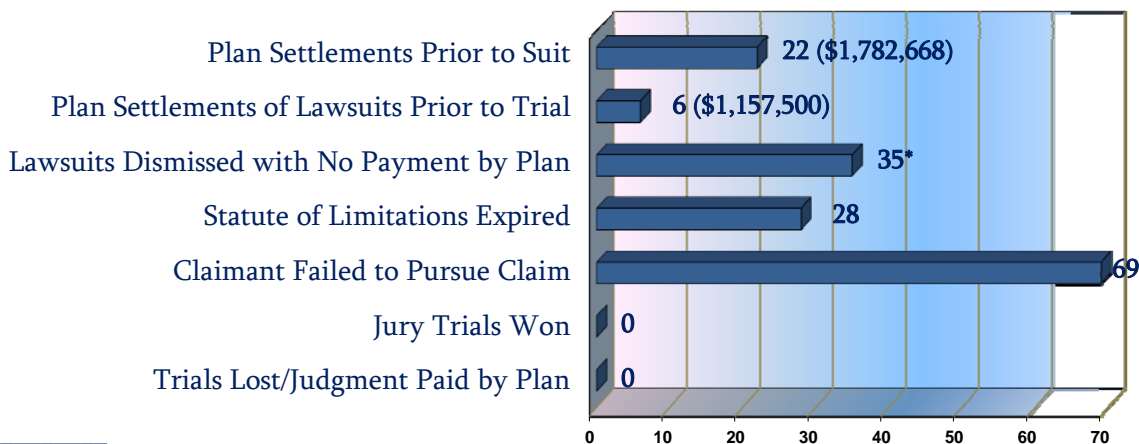
During the last five years, 802 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$13,211,560. Eighty percent closed with no payment by the Plan.

### All U.T. System Institutions Closed Claims & Lawsuits September 1, 2015 – August 31, 2020



In Fiscal Year 2020, 83 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, 2019 – August 31, 2020



\*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 services cases not covered under the Plan.

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

	2020	2019	2018	2017
Faculty	138	105	93	88
Fellows	0	0	0	0
Residents	80	76	81	75
Open Claims & Lawsuits	3	2	2	5
New Claims	2	2	0	2
New Lawsuits	0	0	1	0
Settlements Paid <sup>1</sup>	\$0.00	\$0.00	\$20,000	\$4,965
New TMB Matters-Faculty	4	1	3	1
New TMB Matters-Residents	0	0	0	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

**The University of Texas Health Science Center at Houston**

	2020	2019	2018	2017
Faculty	1788	1719	1643	1605
Fellows	263	255	227	247
Residents	1003	438	433	441
Open Claims & Lawsuits	59	49	79	76
New Claims	25	22	48	37
New Lawsuits	6	14	6	5
Settlements Paid <sup>1</sup>	\$390,795	\$913,500	\$433,500	\$807,004
New TMB Matters-Faculty	41	37	38	37
New TMB Matters-Residents	1	0	0	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	1	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

**The University of Texas Health Science Center at San Antonio**

	2020	2019	2018	2017
Faculty	1090	1029	990	968
Fellows*	142	137	121	126
Residents*	541	494	505	528
Open Claims & Lawsuits	24	21	25	25
New Claims	13	14	15	16
New Lawsuits	3	4	2	3
Settlements Paid <sup>1</sup>	\$500,000	\$312,857	\$283,758	\$717,500
New TMB Matters-Faculty	20	10	13	17
New TMB Matters-Residents	0	1	2	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

\* Does not include U.T. physicians within FTE adjustment due to rotations at V.A. Hospital (in 2020 a total of 2 faculty, 190 residents and 55 fellows)

**The University of Texas M.D. Anderson Cancer Center**

	2020	2019	2018	2017
Faculty	1266	1100	1049	1026
Fellows	299	390	388	379
Residents	0	2	3	0
Open Claims & Lawsuits	32	36	30	32
New Claims	22	23	20	20
New Lawsuits	1	2	2	0
Settlements Paid <sup>1</sup>	\$245,181	\$200,000	\$100,000	\$954,277
New TMB Matters-Faculty	10	12	16	14
New TMB Matters-Residents	0	0	0	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

**The University of Texas Southwestern Medical Center**

	2020	2019	2018	2017
Faculty*	2010	1867	1775	1713
Fellows	429	430	421	413
Residents*	680	717	685	685
Open Claims & Lawsuits	70	80	65	76
New Claims	35	67	52	50
New Lawsuits	5	7	1	2
Settlements Paid <sup>1</sup>	\$520,527	\$993,906	\$804,727	\$268,530
New TMB Matters-Faculty	23	23	25	35
New TMB Matters-Residents	3	0	5	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

\* Does not include U.T. physicians within FTE adjustment due to rotations at Parkland Hospital (in 2020 a total of 0 faculty and 418 residents)

**The University of Texas Medical Branch at Galveston\***

	2020	2019	2018	2017
Faculty	687	666	631	616
Fellows	146	106	103	89
Residents	516	505	500	517
Open Claims & Lawsuits	46	74	74	53
New Claims	9	29	33	21
New Lawsuits	7	5	18	5
Settlements Paid <sup>1</sup>	\$1,183,666	\$485,305	\$453,651	\$210,000
New TMB Matters-Faculty	17	11	8	20
New TMB Matters-Residents	4	7	1	1
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	10	11	0	0

\* UTMB data does not include CMC physician services not covered under the UT System Plan.

### The University of Texas at Austin

	2020	2019	2018	2017
Faculty*	228	187	122	94
Fellows	0	0	0	2
Residents*	16	25	11	15
Open Claims & Lawsuits	10	6	2	3
New Claims	6	6	1	0
New Lawsuits	1	1	0	0
Settlements Paid <sup>1</sup>	\$100,000	\$0.00	\$110,000	\$0.00
New TMB Matters-Faculty	3	2	2	0
New TMB Matters-Residents	0	0	0	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	1	0	0

\* 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)

### The University of Texas at Rio Grande Valley

	2020	2019	2018	2017
Faculty	95	71	61	40
Fellows	12	7	0	0
Residents	218	197	168	137
Open Claims & Lawsuits	3	2	0	0
New Claims	1	2	0	1
New Lawsuits	0	1	0	0
Settlements Paid <sup>1</sup>	\$0.00	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	3	2	0	1
New TMB Matters-Residents	0	1	0	0
New Complaints – Enrolled Healthcare Professionals <sup>2</sup>	0	n/a	n/a	n/a
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>3</sup>	0	0	0	0

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

<sup>1</sup> Settlement payment amounts are based on claims closed during FY19-20.

<sup>2</sup> 2020 Began tracking enrolled healthcare professionals. Plan coverage began July 1, 2020.

<sup>3</sup> 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	8/31/2020	8/31/2019
<b>Assets</b>			
Operating Cash		\$ (6,125,443.07)	\$ (5,284,185.94)
Investments		62,952,963.29	57,700,840.43
Total Assets		56,827,520.22	52,416,654.49
<b>Liabilities</b>			
Accounts Payable		\$ 17,992.50	\$ 44,091.92
IBNR		19,612,039.00	19,486,096.00
Total Liabilities		19,630,031.50	19,530,187.92
<b>Net Position</b>		37,197,488.72	32,886,466.57

### Statement of Revenues, Expenses, and Changes in Net Position

	For the Year Ended	8/31/2020	8/31/2019
<b>Revenue</b>			
Premium Income		\$ 12,309,247.32	\$ 11,090,201.16
Interest Income		1,680,223.90	1,598,168.99
Total Revenue		13,989,471.22	12,688,370.15
Less Premium Refund		(6,000,000.00)	(6,000,000.00)
Net Revenue		7,989,471.22	6,688,370.15
<b>Expenses</b>			
Legal Expenses		\$ 1,077,483.49	\$ 1,470,040.86
Claim Liability Expenses		3,334,960.18	2,377,815.98
Medical Board Expenses		911,168.62	735,679.43
Administrative Expenses		1,641,923.90	1,594,041.00
Other Expenses		72,954.23	58,749.81
Total Expenses		7,038,490.42	6,236,327.08
Change in IBNR		125,943.00	(1,010,044.00)
Net Expenses		7,164,433.42	5,226,283.08
<b>Excess Revenue Over Expenses</b>		\$ 825,037.80	\$ 1,462,087.07
<b>Other Changes in Net Assets</b>			
Investments Market Value Increase (Decrease)		3,485,984.35	1,229,984.33
Transfer to special funds		-	(2,500,000.00)
Total Other Changes		3,485,984.35	(1,270,015.67)
<b>Change in Net Position</b>		\$ 4,311,022.15	\$ 192,071.40
<b>Beginning Net Position</b>		32,886,466.57	32,694,395.17
<b>Ending Net Position</b>		\$ 37,197,488.72	\$ 32,886,466.57

# INCOME STATEMENT