



THE UNIVERSITY *of* TEXAS SYSTEM

2023 ANNUAL REPORT

PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2022 – AUGUST 31, 2023

| | |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13,161 | Total Physicians/Dentists Covered by Plan |
| 8,346 | Medical & Dental Faculty Covered (<i>FTEs</i>) |
| 1,529 | Fellows Covered (<i>FTEs</i>) |
| 3,286 | Residents Covered (<i>FTEs</i>) |
| 21,446 | Health Care Professionals Covered (<i>FTEs</i>) |
| 4,266 | Medical & Dental Students Covered |
| 343 | Medical & Dental Student Externships |
| 17 | New Lawsuits (<i>excludes CMC lawsuits</i>) ¹ |
| 148 | New Claims (<i>includes 3 HCP claims / excludes CMC claims</i>) ¹ |
| 63 | New Depositions & Trial Testimony (<i>includes 7 HCP depositions</i>) |
| 252 | Pending Claims and Lawsuits at August 31, 2023 (<i>includes 4 HCP claims & 56 Depositions / excludes CMC claims & lawsuits</i>) ¹ |
| 0 | Number of Trials |
| 140 | Cases Closed with No Plan Payment ¹ |
| 164 | New TMB & Other Professional Board Matters (<i>includes 14 HCP complaints</i>) |
| \$2,123,540 | Administrative Costs |
| \$1,168,431 | Medical Malpractice Defense Costs |
| \$2,452,434 | Settlement (Indemnity) Costs ² |
| \$898,888 | TMB & Other Professional Board Defense Costs |
| \$1,830 | Plan Average Faculty Physician Premium Occurrence (\$500,000/\$1,500,000) |
| \$21,350 | The Doctors Co. Average Physician Premium Mature Claims-Made Rate (\$500,000/\$1,500,000) |
| \$19,438 | ProAssurance Indemnity Co., Inc. Average Physician Premium Mature Claims-Made Rate (\$500,000/\$1,500,000) |
| \$13,661,588 | Premiums Collected |
| \$42,810,021 | 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 12 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 | \$13,319 | \$11,499 | \$516 |
| II | General Practice Minor Surgery | \$16,667 | \$15,665 | \$816 |
| III | Emergency Medicine/Minor Surgery | \$28,647 | \$25,084 | \$1,296 |
| IV | General Surgery | \$46,325 | \$35,953 | \$2,400 |
| IV | Anesthesiology | \$16,792 | \$14,216 | \$2,400 |
| V | Gynecology Minor Surgery | Not Listed | \$14,216 | \$3,552 |

* Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective April 1, 2023

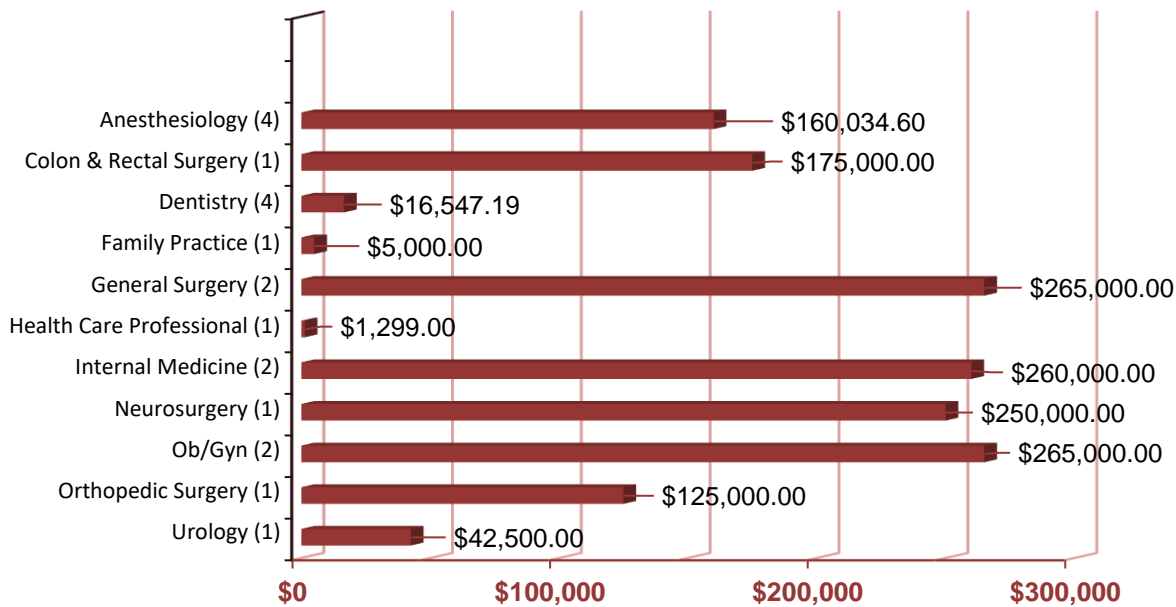
** Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective April 1, 2023

*** Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2022

Indemnity Payments by Specialty²

All U.T. System Institutions

September 1, 2022 – August 31, 2023



¹Commercial rates provided by Milliman.

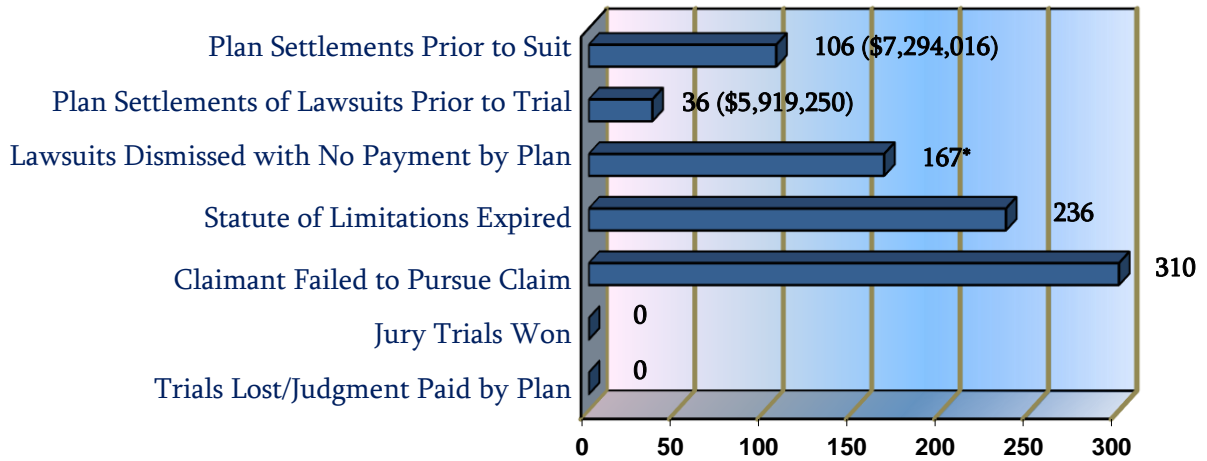
²Settlement payment amounts are based on claims closed during FY22-23.

FY 2023 IN SUMMARY

CLOSED CASES

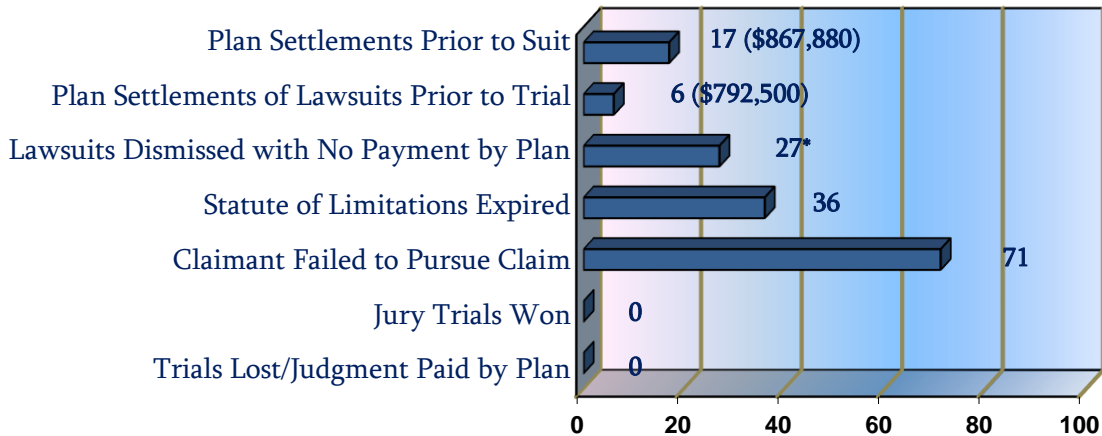
During the last five years, 855 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$13,820,712. Eighty-three percent closed with no payment by the Plan.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2018 – August 31, 2023



In Fiscal Year 2023, 83 percent of the cases closed required no payment by the Plan, a six percent decrease from last year.

All U.T. System Institutions Closed Claims & Lawsuits September 1, 2022 – August 31, 2023



*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

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty* | 315 | 274 | 256 | 228 |
| Fellows | 1 | 0 | 0 | 0 |
| Residents* | 6 | 10 | 6 | 16 |
| Health Care Professionals (FTE) | 427 | 418 | 346 | n/a |
| Open Claims & Lawsuits | 11 | 12 | 11 | 10 |
| New Claims | 10 | 4 | 5 | 3 |
| New Lawsuits | 1 | 0 | 1 | 1 |
| New Depositions & Trial Testimony | 5 | 8 | 1 | 3 |
| Settlements Paid ¹ | \$250,000 | \$245,000 | \$247,570 | \$100,000 |
| New TMB Matters-Faculty | 8 | 5 | 0 | 3 |
| New TMB Matters-Residents | 0 | 0 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 1 | 0 | 0 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 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 Health Science Center at Houston

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|-----------|-------------|-----------|-----------|
| Medical & Dental Faculty | 1958 | 1900 | 1883 | 1788 |
| Fellows | 321 | 302 | 286 | 263 |
| Residents | 1050 | 1034 | 1019 | 1003 |
| Health Care Professionals (FTE) | 1633 | 1460 | 1315 | n/a |
| Open Claims & Lawsuits | 32 | 66 | 76 | 59 |
| New Claims | 29 | 31 | 17 | 20 |
| New Lawsuits | 3 | 5 | 8 | 6 |
| New Depositions & Trial Testimony | 3 | 4 | 4 | 5 |
| Settlements Paid ¹ | \$564,920 | \$1,236,361 | \$440,000 | \$390,795 |
| New TMB Matters-Faculty | 42 | 54 | 41 | 41 |
| New TMB Matters-Residents | 0 | 0 | 1 | 1 |
| New Board Complaints - Enrolled Healthcare Professionals ² | 2 | 3 | 1 | 1 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

The University of Texas Health Science Center at Tyler

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|--------|--------|--------|--------|
| Medical & Dental Faculty | 263 | 222 | 208 | 138 |
| Fellows | 10 | 3 | 0 | 0 |
| Residents | 176 | 143 | 109 | 80 |
| Health Care Professionals (FTE) | 385 | 472 | 571 | n/a |
| Open Claims & Lawsuits | 5 | 6 | 6 | 3 |
| New Claims | 2 | 1 | 4 | 2 |
| New Lawsuits | 3 | 1 | 0 | 0 |
| New Depositions & Trial Testimony | 1 | 0 | 0 | 0 |
| Settlements Paid ¹ | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| New TMB Matters-Faculty | 5 | 3 | 1 | 4 |
| New TMB Matters-Residents | 1 | 0 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 1 | 0 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

The University of Texas at Tyler ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 0 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 118 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

The University of Texas Health Science Center at San Antonio

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty* | 1280 | 1179 | 1142 | 1090 |
| Fellows* | 110 | 120 | 125 | 142 |
| Residents* | 564 | 561 | 503 | 541 |
| Health Care Professionals (FTE) | 733 | 996 | 349 | n/a |
| Open Claims & Lawsuits | 17 | 14 | 32 | 24 |
| New Claims | 15 | 4 | 10 | 5 |
| New Lawsuits | 2 | 2 | 2 | 3 |
| New Depositions & Trial Testimony | 3 | 0 | 7 | 8 |
| Settlements Paid ¹ | \$180,000 | \$310,000 | \$475,000 | \$500,000 |
| New TMB Matters-Faculty | 19 | 23 | 26 | 20 |
| New TMB Matters-Residents | 2 | 4 | 2 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 3 | 4 | 0 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

*Does not include U.T. physicians within FTE adjustment due to rotations at V.A. Hospital (in 2023 a total of 1 faculty, 245 residents and 30 fellows)

The University of Texas M.D. Anderson Cancer Center

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|----------|-----------|-----------|-----------|
| Medical & Dental Faculty | 1343 | 1313 | 1276 | 1266 |
| Fellows | 419 | 293 | 285 | 299 |
| Residents | 8 | 1 | 0 | 0 |
| Health Care Professionals (FTE) | 7094 | 6416 | 6256 | n/a |
| Open Claims & Lawsuits | 20 | 30 | 52 | 32 |
| New Claims | 18 | 8 | 8 | 8 |
| New Lawsuits | 2 | 1 | 1 | 1 |
| New Depositions & Trial Testimony | 11 | 11 | 25 | 14 |
| Settlements Paid ¹ | \$85,000 | \$429,750 | \$315,000 | \$245,181 |
| New TMB Matters-Faculty | 10 | 12 | 9 | 10 |
| New TMB Matters-Residents | 0 | 2 | 0 | 0 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 0 | 2 | 1 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

The University of Texas Southwestern Medical Center

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Medical & Dental Faculty* | 2333 | 2228 | 2130 | 2010 |
| Fellows | 468 | 460 | 419 | 429 |
| Residents* | 798 | 703 | 761 | 680 |
| Health Care Professionals (FTE) | 6312 | 5660 | 5089 | n/a |
| Open Claims & Lawsuits | 44 | 70 | 87 | 70 |
| New Claims | 42 | 27 | 20 | 17 |
| New Lawsuits | 2 | 4 | 5 | 5 |
| New Depositions & Trial Testimony | 23 | 22 | 8 | 18 |
| Settlements Paid ¹ | \$470,460 | \$748,146 | \$300,000 | \$520,527 |
| New TMB Matters-Faculty | 36 | 27 | 16 | 23 |
| New TMB Matters-Residents | 0 | 0 | 0 | 3 |
| New Complaints – Enrolled Healthcare Professionals ² | 5 | 2 | 1 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

*Does not include U.T. physicians within FTE adjustment due to rotations at Parkland Hospital (in 2023 a total of 0 faculty and 412 residents)

The University of Texas Medical Branch at Galveston*

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------------|--------|-----------|-----------|-------------|
| Medical & Dental Faculty | 759 | 735 | 697 | 687 |
| Fellows | 199 | 141 | 135 | 146 |
| Residents | 524 | 549 | 541 | 516 |
| Health Care Professionals (FTE) | 4243 | 4634 | 4203 | n/a |
| Open Claims & Lawsuits* | 30 | 36 | 36 | 46 |
| New Claims* | 27 | 15 | 9 | 8 |
| New Lawsuits* | 3 | 6 | 9 | 7 |
| New Depositions & Trial Testimony | 12 | 4 | 6 | 1 |
| Settlements Paid ¹ | \$0.00 | \$440,000 | \$520,323 | \$1,183,666 |
| New TMB Matters-Faculty | 17 | 16 | 12 | 17 |
| New TMB Matters-Residents | 1 | 2 | 1 | 4 |
| New Board Complaints – Enrolled Healthcare Professionals ² | 3 | 1 | 1 | 0 |
| New Board Complaints - CMC & Med. Professionals Not enrolled in Plan ⁴ | 8 | 14 | 9 | 10 |

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

The University of Texas Rio Grande Valley

| | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------------------------------------------------|----------|--------|--------|--------|
| Medical & Dental Faculty | 83 | 99 | 99 | 95 |
| Fellows | 1 | 14 | 19 | 12 |
| Residents | 160 | 244 | 227 | 218 |
| Health Care Professionals (FTE) | 157 | 80 | 88 | n/a |
| Open Claims & Lawsuits | 5 | 5 | 4 | 3 |
| New Claims | 4 | 0 | 0 | 0 |
| New Lawsuits | 1 | 1 | 0 | 0 |
| New Depositions & Trial Testimony | 5 | 0 | 2 | 1 |
| Settlements Paid ¹ | \$15,000 | \$0.00 | \$0.00 | \$0.00 |
| New TMB Matters-Faculty | 1 | 3 | 2 | 3 |
| New TMB Matters-Residents | 0 | 0 | 0 | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 | 0 | 0 | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 | 0 | 0 | 0 |

The University of Texas at Arlington ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 6 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 7 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

The University of Texas at Dallas ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 3 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 79 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

The University of Texas at El Paso ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 2 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 186 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

The University of Texas Permian Basin ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 0 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 61 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

The University of Texas at San Antonio ³

| | 2023 |
|-----------------------------------------------------------------------------|--------|
| Medical & Dental Faculty | 2 |
| Fellows | 0 |
| Residents | 0 |
| Health Care Professionals (FTE) | 12 |
| Open Claims & Lawsuits | 0 |
| New Claims | 0 |
| New Lawsuits | 0 |
| New Depositions & Trial Testimony | 0 |
| Settlements Paid ¹ | \$0.00 |
| New TMB Matters-Faculty | 0 |
| New TMB Matters-Residents | 0 |
| New Complaints – Enrolled Healthcare Professionals ² | 0 |
| New Board Complaints - Med. Professionals Not enrolled in Plan ⁴ | 0 |

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 2023 Began publishing institutional summary for The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas Permian Basin, The University of Texas at San Antonio and The University of Texas at Tyler.

⁴ 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 5-11.*

Professional Medical Liability Plan

Statement of Net Position

| | As of | 8/31/2023 | 8/31/2022 |
|----------------------|-------|----------------------|----------------------|
| Assets | | | |
| Operating Cash ----- | \$ | (4,110,966.50) | \$ (4,976,680.60) |
| Investments ----- | | 68,667,979.82 | 65,827,865.37 |
| Total Assets | | <u>64,557,013.32</u> | <u>60,851,184.77</u> |
| Liabilities | | | |
| Accounts Payable | \$ | 19,749.50 | \$ 52,997.50 |
| IBNR ----- | | 21,727,242.00 | 20,450,642.00 |
| Total Liabilities | | <u>21,746,991.50</u> | <u>20,503,639.50</u> |
| Net Position | | <u>42,810,021.82</u> | <u>40,347,545.27</u> |

Statement of Revenues, Expenses, and Changes in Net Position

| | For the Month Ended | 8/31/2023 | 8/31/2022 |
|----------------------------------------------------|---------------------|-------------------------|-------------------------|
| Revenue | | | |
| Premium Income ----- | \$ | 13,661,588.39 | \$ 13,088,780.71 |
| Interest Income ----- | | 1,247,573.90 | 1,666,694.74 |
| Total Revenue | | <u>14,909,162.29</u> | <u>14,755,475.45</u> |
| Less Premium Refund ----- | | (6,000,000.00) | (6,000,000.00) |
| Net Revenue | | 8,909,162.29 | 8,755,475.45 |
| Expenses | | | |
| Legal Expenses ----- | \$ | 1,168,431.01 | \$ 1,048,943.20 |
| Claim Liability Expenses ----- | | 2,452,434.92 | 3,240,126.68 |
| Medical Board Expenses ----- | | 898,888.89 | 870,492.80 |
| Administrative Expenses ----- | | 2,123,540.28 | 1,707,028.92 |
| Other Expenses ----- | | 71,804.60 | 74,953.52 |
| Total Expenses | | <u>6,715,099.70</u> | <u>6,941,545.12</u> |
| Change in IBNR ----- | | 1,276,600.00 | (522,855.00) |
| Net Expenses | | 7,991,699.70 | 6,418,690.12 |
| Excess Revenue Over Expenses ----- | \$ | 917,462.59 | \$ 2,336,785.33 |
| Other Changes in Net Assets | | | |
| Investments Market Value Increase (Decrease) ----- | | 1,545,013.96 | (7,300,002.75) |
| Transfer to special funds ----- | | - | - |
| Total Other Changes | | 1,545,013.96 | (7,300,002.75) |
| Change in Net Position ----- | \$ | 2,462,476.55 | \$ (4,963,217.42) |
| Beginning Net Position | | <u>40,347,545.27</u> | <u>45,310,762.69</u> |
| Ending Net Position | | <u>\$ 42,810,021.82</u> | <u>\$ 40,347,545.27</u> |

INCOME STATEMENT