

2024

COMMUNITY REPORT



ABOUT PHP

PHP is an employee health benefits and administrative services company.

We create healthier communities by effectively connecting people to healthcare services, so they can live their best lives.

Headquarters: Fort Wayne, Indiana

Business: Opened 1983

Staff: 150 Employees

Membership: 55,000 members

Client Size: 2 - 5,000 employees

WE GIVE Back

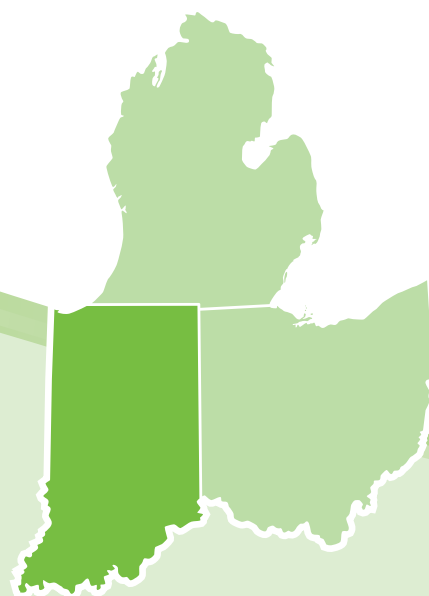
Since 2006, the PHP Foundation has granted more than \$10 million to serve the uninsured and underinsured individuals in our region.

GROWTH For the Future



In December 2024, PHP was acquired by Priority Health. This acquisition was the culmination of years of strategic planning to position PHP for sustainability and competitiveness in the markets that we serve. We will now be working together with Priority Health to develop opportunities for both companies to continue to grow and leverage each other's strengths.

With over 30 years in business, Priority Health is the second largest health plan in Michigan, offering an extensive portfolio of health benefits options for employer groups and individuals, including Medicare and Medicaid plans. Serving more than 1.3 million members each year and offering a broad network of primary care physicians in Michigan, Priority Health continues to be recognized as a leader for quality, customer service, transparency, and product innovation.



2024

Financial Overview

In 2024, PHP experienced a high surge in medical and pharmacy costs, which is consistent with the industry. PHP's operating performance showed a large operating loss for 2024. As a result of the continued financial pressure that the industry is experiencing, PHP determined that it was important to find a larger financial partner to help combat the continued increase in healthcare costs. Much of the year's initiatives were focused on this goal and effective December 1, 2024, PHP was fully acquired and became a subsidiary of Priority Health. This initiative did come with significant one-time costs experienced in 2024 on top of the already high healthcare costs, but we strongly believe this partnership presents the best opportunity for PHP moving forward.

A FEW KEY FINANCIAL HIGHLIGHTS:

Premium Income: decreased by 1.1% primarily due to the decrease in membership in the ACA block of business. PHP was able to transfer many ACA groups to PHP's Level Solutions product which was a better product fit for these groups. The overall decrease in premium revenue was offset by a 37.6% increase in Other Revenue which is where the Level Solutions Premium is included.

Cost of Health Services: increased 11.7% because of a significant increase in health care costs experienced by PHP's members. This increase was attributable to more claims as well as an increase in the cost per claim.

Risk-Based Capital Requirements: As of December 31, 2024, PHP's capital was approximately 4.75 times the minimum capital requirement defined by the National Association of Insurance Commissioners to operate a health plan. PHP's strong capital position allows our team to continue to focus on innovative product development and business expansion.

Looking Forward: Moving into 2025, we look forward to integrating our team and products with Priority Health. PHP is expecting to realize savings due to this relationship while also working to enhance plan designs to continue serving our members.

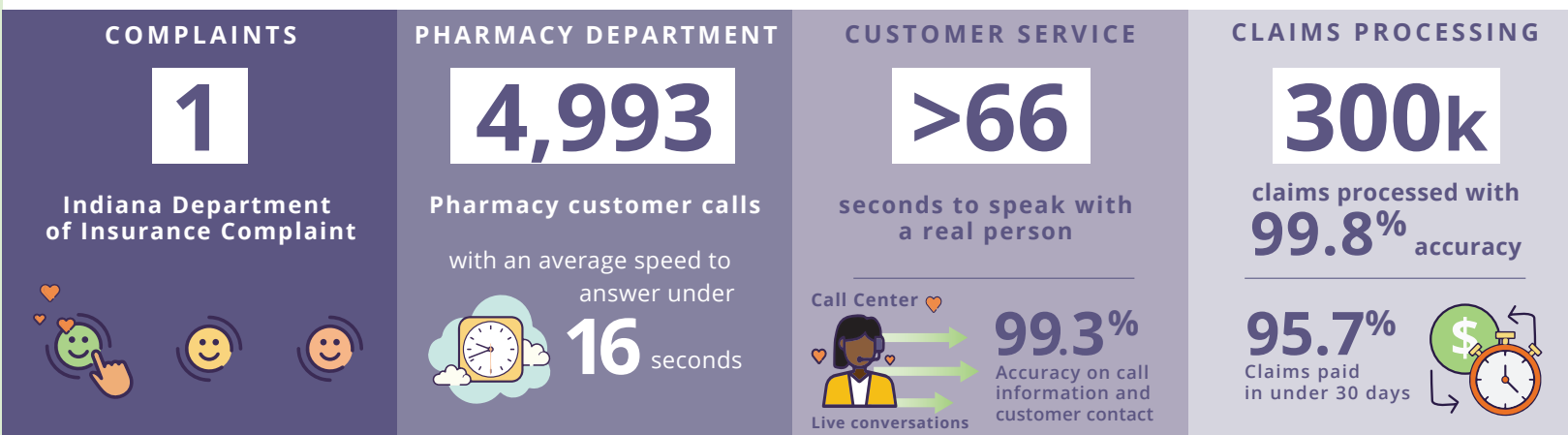
BALANCE SHEET

REVENUES	2024	2023
Premium Income.....	\$168,664,852	\$170,537,085
Other Revenue	\$20,073,655	\$14,589,094
Revenue Totals	\$188,738,508	\$185,126,179
EXPENSES		
Cost of Health Services	\$170,109,499	\$152,280,055
General Administrative Expenses.....	\$40,481,358	\$36,759,055
Charitable Contributions	\$91,839	\$74,209
ACA Taxes and Fees.....	\$93,089	\$73,484
Expense Totals	\$210,775,786	\$189,186,803
Investment Income	\$6,931,282	\$3,150,546
Other Income	\$2,598	\$67,256
NET INCOME (LOSS).....	\$(15,103,399)	\$(842,822)
Assets	2024	2023
Cash and Investments.....	\$70,962,831	\$82,045,612
Net Real Estate, Furniture and Equipment	\$4,874,444	\$6,249,314
Other Assets	\$10,277,069	\$13,121,999
TOTAL ASSETS	\$86,114,345	\$101,416,925
Liabilities & Plan Equity		
Claims Payable and Related Liabilities	\$30,475,922	\$23,491,871
Physician Fees Withheld.....	\$731,252	\$891,795
Other Liabilities	\$12,019,280	\$19,041,968
TOTAL LIABILITIES.....	\$43,226,453	\$43,425,634
Plan Equity	\$42,887,891	\$57,991,290
TOTAL LIABILITIES AND PLAN EQUITY	\$86,114,345	\$101,416,925

BY THE NUMBERS

Service Excellence at PHP

It's easy to say you have great customer service, but not everyone can back that statement up with data and numbers. Check out a few of the 2024 stats that set the PHP team apart from our competitors.



WHAT WE'RE KNOWN FOR



A Broad Range of Products and Reliable Services

- Fully-Insured: HMO plans, POS plans, HSA compatible plans
- Self-Funded health plans
- FSA and HRA
- Ancillary Products: dental, vision, health savings accounts, life and disability, COBRA, and HIPAA



Cost and Quality Management

- Preventive services
- Chronic condition support
- Cash flow strategies
- Stop-loss insurance



Broad Network of Doctors and Facilities

- Top-tier doctors and facilities
- Extended networks for regional employees
- National and international network options



Account and Customer Support

- Online self-service account management
- Designated account managers
- Local, accessible support team
- On-staff physician and pharmacists



Wellness Initiatives

- Employee incentive programs
- Employee health challenges
- Mental health resources
- Educational programs



Technological Advantages

- Customized account management portal
- Online enrollment and renewal tool
- Data tracking and risk management options
- Data analysis and reporting
- Access to information and resources

PHP FOUNDATION

Dedicated to Charitable & Community Support

In 2024, the PHP Foundation awarded \$500,000 to 23 agencies that provide support to the health and wellness needs of low-income, high-risk individuals in Northern Indiana. Our commitment to support the communities in which we live, work, and play continues to be the focus and goal of our corporate efforts.

2024 PHP Foundation recipients:

- A Rosie Place for Children
- Brightpoint
- Cancer Services of Northeast Indiana
- Community Transportation Network
- Courageous Healing
- GiveHear
- Headwaters Counseling
- Healthier Moms and Babies
- Hope Alive
- Life Treatment Centers
- LOGAN Community Resources
- Maple City Health Care Center
- Matthew 25 Health and Care
- McMillen Health
- Mental Health America of NE Indiana
- Neighborhood Health
- Positive Resource Connection
- RiverBend Cancer Services
- St. Martin's Healthcare Services
- Super Shot
- Turnstone Center
- Unfailing Love Clinic
- YWCA of Northeast Indiana

2024 PHP Community Giving Overview



PHP Community Involvement Committee

PHP employees support many charitable organizations through a self-directed team of PHP staff who organize monthly events collecting food, donations, money, and offering service.

Organizations Supported in 2024 include:

- United Way of Allen County
- Community Harvest Food Bank
- Healthier Moms & Babies
- Arts United
- Invisible Vets
- Rescue Mission

PHP Scholarship Program

PHP supports health education and community service. Over the years, PHP has awarded Indiana high school seniors scholarship monies totaling more than \$200,000 to pursue a health-related post-secondary degree or certificate at a college, university, or technical school.





EMPLOYEE BENEFITS

1700 Magnavox Way, Suite 201 | Fort Wayne, IN 46804 | 260.432.6690 | 800.982.6257

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