



**EXAMINATION REPORT
OF
Longevity Health Plan of Florida, Inc.**

NAIC Company Code: 16567

**Palm Beach Gardens, Florida
as of
December 31, 2021**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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May 19, 2023

Michael Yaworsky
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 641.27, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2021, of the financial condition and corporate affairs of

Longevity Health Plan of Florida, Inc.

11770 U.S. Highway One, Suite #E102

Palm Beach Gardens, FL 33408

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2021, through December 31, 2021, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on February 17, 2023. The fieldwork concluded as of May 19, 2023. The Company’s last full scope exam by representatives of OIR covered the period of April 19, 2019, through December 31, 2020.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”). The examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Sections 624.319 and 641.27(1), Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no significant findings of fact as a result of this examination.

Previous Examination Findings

There were no significant findings of fact for the prior examination as of December 31, 2020.

COMPANY HISTORY

General

The Company was incorporated in Florida on October 30, 2018, and commenced business on January 1, 2020. It was licensed by OIR as a Health Maintenance Organization (“HMO”) on April 19, 2019, in accordance with Part 1 of Chapter 641, Florida Statutes.

Dividends

The Company did not declare or pay any dividends during the period under examination.

Capital Stock and Capital Contributions

As of December 31, 2021, the Company’s capitalization was as follows:

Number of authorized common capital shares	10,000
Number of authorized preferred stock	0
Number of shares issued and outstanding	10,000
Total common capital stock	\$10,000
Par value per share	\$1.00

The Company received capital contributions of \$2,000,000 from Longevity Health Holdings of Florida, Inc. during 2021.

Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

MANAGEMENT AND CONTROL

Corporate Governance

The annual shareholder meeting for the election of the Board of Directors (“the Board”) was held in accordance with the Company’s Bylaws. Directors serving as of December 31, 2021, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
René Lerer, Chair	Palm Beach Gardens, Florida	Chief Executive Officer, Longevity Health Founders, LLC / LHP MSO, LLC
Leslie S. Granow	Rivera Beach, Florida	Chief Financial Officer, Longevity Health Founders, LLC / LHP MSO, LLC
Brendan T. Rager	Ponte Vedra Beach, Florida	Chief Administrative and Legal Officer, Longevity Health Founders, LLC / LHP MSO, LLC

In accordance with the Company’s Bylaws, the Board appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
René Lerer	Palm Beach Gardens, Florida	President
Leslie S. Granow	Rivera Beach, Florida	Treasurer
Brendan T. Rager	Ponte Vedra Beach, Florida	Secretary

The Company’s Board appointed several internal committees. The following were the principal internal board committees and their members as of December 31, 2021. The first person listed for each committee is the chair.

Compliance Committee		
Name	City, State	Title, Company Name
Jennifer L. Lacey, Chair	Indian Rocks Beach, Florida	Chief Compliance Officer, Longevity Health Founders, LLC
Heidi M. Wold	Fountain Hills, Arizona	Chief Clinical Officer, Longevity Health Founders, LLC
Leslie S. Granow	Riviera Beach, Florida	Chief Financial Officer, Longevity Health Founders, LLC
David F. Asher	Pompano Beach, Florida	SVP of Markets, Longevity Health Founders, LLC
Sriram V. Bharadwaj	Jupiter, Florida	Chief Information and Operations Officer, Longevity Health Founders, LLC
Dawn L. Burdelik	Frankfort, Illinois	Director of Operations, Longevity Health Founders, LLC
James C. Fallon	Stuart, Florida	VP of Implementation and Sales, Longevity Health Founders, LLC
David M. Webster	Palm Beach Gardens, Florida	SVP National Payor/Provider Strategy, Longevity Health Founders, LLC

Operations Steering Committee		
Name	City, State	Title, Company Name
Sriram V. Bharadwaj, Chair	Jupiter, Florida	Chief Information and Operations Officer, Longevity Health Founders, LLC
Jennifer L. Lacey	Indian Rocks Beach, Florida	Chief Compliance Officer, Longevity Health Founders, LLC
Heidi M. Wold	Fountain Hills, Arizona	Chief Clinical Officer, Longevity Health Founders, LLC
Leslie S. Granow	Riviera Beach, Florida	Chief Financial Officer, Longevity Health Founders, LLC
Xueying Zhai	Boonton, New Jersey	Corporate Controller, Longevity Health Founders, LLC
Dawn L. Burdelik	Frankfort, Illinois	Director of Operations, Longevity Health Founders, LLC
Neil P. Boyle	Jacksonville, Florida	Director of Financial, RAF Planning & Analysis, Performance Reporting, Longevity Health Founders, LLC

Operations Steering Committee		
Name	City, State	Title, Company Name
Benjamin A. Lerer	Palm Beach Gardens, Florida	Chief Analytics Officer, Longevity Health Founders, LLC

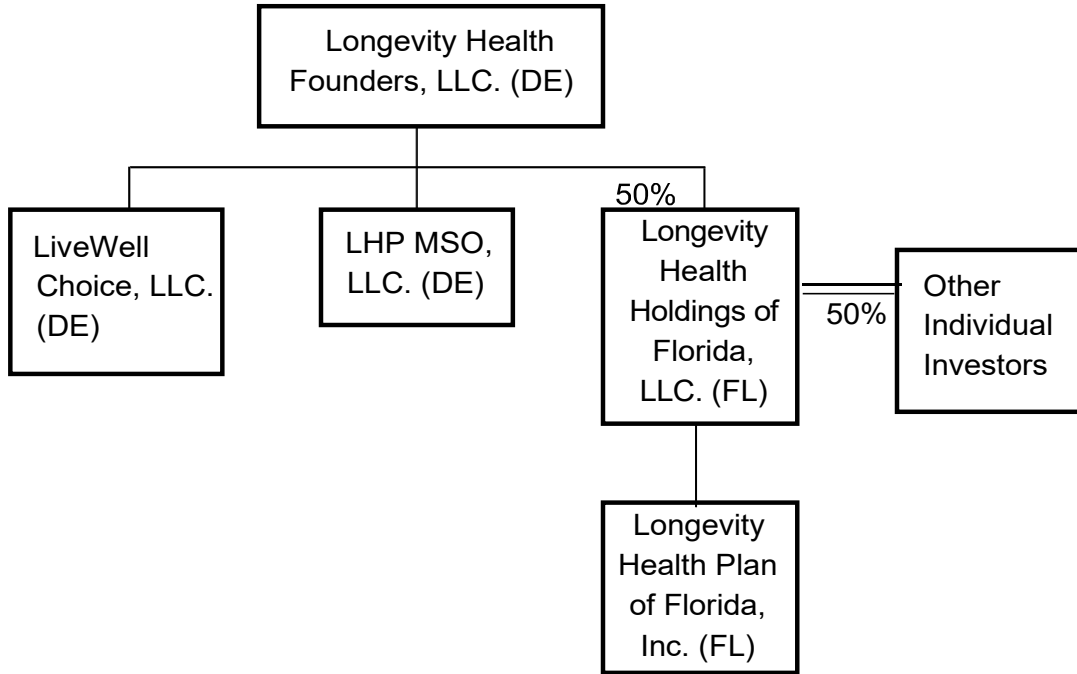
IT Steering Committee		
Name	City, State	Title, Company Name
Rene Lerer, Chair	Palm Beach Gardens, Florida	Chief Executive Officer, Longevity Health Founders, LLC
Leslie S. Granow	Riviera Beach, Florida	Chief Financial Officer, Longevity Health Founders, LLC
Heidi M. Wold	Fountain Hills, Arizona	Chief Clinical Officer, Longevity Health Founders, LLC
Brendan T. Rager	Ponte Verde Beach, Florida	Chief Legal Officer and Administrative Officer, Longevity Health Founders, LLC
Sriram V. Bharadwaj	Jupiter, Florida	Chief Information and Operations Officer, Longevity Health Founders, LLC
Jennifer L. Lacey	Indian Rocks Beach, Florida	Chief Compliance Officer, Longevity Health Founders, LLC
Heidi M. Wold	Fountain Hills, Arizona	Chief Clinical Officer, Longevity Health Founders, LLC

The Company had a Quality Improvement Committee which consisted of twenty-three members, representing Clinical, Compliance, Medical Directors, Operations, and Information Technology. Rene Lerer, the Company's Chief Executive Officer, was also one of these members.

Holding Company System

A simplified organizational chart as of December 31, 2021, reflecting the holding company system, follows. Schedule Y of the Company's 2021 annual statement provided a list of all related companies of the holding company group.

**Longevity Health Plan of Florida, Inc.
Simplified Organizational Chart
December 31, 2021**



AFFILIATED AGREEMENTS

The following agreements were in effect between the Company and its affiliates:

Parental Guarantee

A parental guarantee was executed on March 14, 2019, by the Company’s ultimate parent, Longevity Health Founders, LLC (“LHF”). Per the terms of the guarantee, LHF will provide capital to the Company in order for the Company to maintain compliance with the minimum surplus requirements of Section 641.225, Florida Statutes.

Management Services Agreement

The Company entered into a Management Services Agreement with LHP MSO, LLC, a Delaware limited liability company, effective January 1, 2020, to provide certain management services. The agreement continues in force for a term of thirty (30) years, and will automatically renew for

successive one (1) year periods, unless otherwise terminated within the guidelines of the agreement. Fees incurred under this agreement for certain claims adjustment and administrative services during 2021, amounted to \$2,067,841.

The Management Services Agreement between LHP MSO, LLC, and the Company was inclusive of the services from LiveWell Choice, LLC, an affiliate offering clinical staff to administer the Company's model of care. The structure entails a direct contractual arrangement between the Company to LHP MSO, LLC, and an associated indirect relationship between the health plan and LiveWell Choice, LLC via LHP MSO, LLC. Expenses incurred for medical services during 2021, amounted to \$3,432,743.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Palm Beach Garden, Florida.

The Company and non-affiliates had the following material agreements:

Custodial Agreement

The Company does not have a custodial agreement. The Company only had cash balances through its banking relationships.

Third-Party Administrator Agreement

The Company had a Third-Party Administrator ("TPA") Agreement with AllyAlign. The TPA was responsible for enrollment processing, call center support, appeals and grievances, claims administration, and other delegated functions. This agreement was terminated as of December 31, 2021. Fees incurred under this agreement during 2021, amounted to \$638,940.

Medicare Part D Pharmacy Benefit Management Services Agreement

The Company had a Medicare Part D Pharmacy Benefit Management Services ("PBM") Agreement with Navitus Health Solutions, LLC ("Navitus") effective January 1, 2020. The PBM provides eligible persons enrolled in the Medicare Part D Prescription Drug Program with medical benefits including benefits for prescription drugs, certain devices and supplies dispensed by

pharmacists, and services in connection with the healthcare operations and payment of claims on behalf of the Company. This agreement was terminated as of December 31, 2021.

Independent Auditor Agreement

An independent CPA, LBMC, PC audited the Company's statutory basis financial statements for the year 2021, in accordance with Section 641.26(5), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Section 641.26(5), Florida Statutes.

Corporate Records Review

The recorded minutes of the Shareholder, Board, and the Committees for Compliance, Operations Steering, IT Steering, and Quality Improvement were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to provide managed care services only in the State of Florida. The Company operated as an HMO Medicare Advantage Plan for institutionalized members under the institutionalized special needs plan. On December 31, 2021, the Company's approved service area consisted of the following counties: Alachua, Brevard, Broward, Citrus, Duval, Hillsborough, Lake, Lee, Manatee, Marion, Miami-Dade, Orange, Palm Beach, Pasco, Pinellas, Polk, Sarasota, Seminole, and Volusia.

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The Company did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

The Company ceded risk through an excess of loss reinsurance agreement with Odyssey Reinsurance Company, whereby the Company was reimbursed for 90% of eligible expenses in excess of \$250,000 per member per agreement year. No claims exceeded the 2021 deductible amount.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Capital and Surplus, and statutory Statement of Revenue and Expenses, which includes an analysis of changes in the Capital and Surplus Account for the year ended December 31, 2021. The financial statements are based on the statutory financial statements filed by the Company with the OIR, and present the financial condition of the Company for the period ending December 31, 2021. Due to rounding, column amounts may not add to the totals reflected in this Report. There were no examination adjustments to the amounts reported by the Company.

Longevity Health Plan of Florida, Inc.
Assets
December 31, 2021

	Per Company
Cash, cash equivalents and short-term investments	4,992,048
Subtotal cash and invested assets	4,992,048
Investment income due and accrued	595
Premiums and considerations	
Uncollected premiums and agents' balances	86,448
Accrued retrospective premiums	783,623
Amounts receivable relating to uninsured plans	1,277,698
Health care and other amounts receivable	885,750
Total	8,026,162

Longevity Health Plan of Florida, Inc.
Liabilities, Capital and Surplus
December 31, 2021

	Per Company
Claims unpaid	5,100,118
Accrued medical incentive pool and bonus amounts	72,905
Unpaid claims adjustment expenses	45,903
Premiums received in advance	94,298
General expenses due or accrued	5,337
Amounts due to parent, subsidiaries and affiliates	446,448
Liability for amounts held under uninsured plans	6,503
Total liabilities	5,771,512
Common capital stock	10,000
Gross paid-in and contributed surplus	7,745,393
Unassigned funds (surplus)	(5,500,743)
Total capital and surplus	2,254,650
Total liabilities, capital and surplus	8,026,162

Longevity Health Plan of Florida, Inc.
Statement of Revenue and Expenses
December 31, 2021

	Per Company
Net premium income	13,192,207
Total revenues	13,192,207
Hospital and Medical:	
Hospital/medical benefits	10,330,977
Other professional services	433,825
Emergency room and out-of-area	121,514
Prescription drugs	657,045
Aggregate write-ins for other hospital and medical	128,025
Incentive pool, withhold adjustments and bonus amounts	92,105
Total hospital and medical	11,763,491
Claims adjustment expenses	755,991
General administrative expenses	2,088,587
Total underwriting deductions	14,608,069
Net underwriting gain or (loss)	(1,415,862)
Net investment gains (losses)	3,082
Net income or (loss) after capital gains tax and before all other federal income taxes	(1,412,780)
Less: Federal and foreign income taxes incurred	0
Net Income	(1,412,780)

Statement of Revenue and Expenses (continued)

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	1,766,372
Net Income	(1,412,780)
Change in nonadmitted assets	(98,942)
Surplus adjustments:	
Paid in	2,000,000
Net change in capital and surplus	488,278
Capital and surplus, end of reporting year	2,254,650

**Longevity Health Plan of Florida, Inc.
Reconciliation of Capital and Surplus
December 31, 2021**

No adjustments were made to surplus as regards policyholders as a result of this examination.

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2020, per Examination			1,766,372
	Increase	Decrease	
Net income (loss)		1,412,780	(1,412,780)
Change in nonadmitted assets		98,942	(98,942)
Change in paid in surplus	2,000,000		2,000,000
Net increase (or decrease)			488,278
Capital and Surplus at December 31, 2021, per Examination			2,254,650

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Kelly Backes, FSA, MAAA, Principal, of Milliman, Inc., appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2021, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The OIR consulting actuary, Kirk Braunius, ASA, MAAA, Senior Consulting Actuary, of Merlinos and Associates, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$2,254,650 exceeded the minimum of \$1,500,000 required by Section 641.225, Florida Statutes.

SUBSEQUENT EVENTS

During 2022, the Company received capital contributions totaling \$4,500,000 from Longevity Health Holdings of Florida, LLC.

Effective January 1, 2022, HealthAxis Healthops, LLC began providing claims and administrative services to the Company, replacing AllyAlign.

Effective January 1, 2022, Express Scripts, Inc. began providing pharmacy benefit management and administration services to the Company, replacing Navitus Health Solutions, LLC.

On February 18, 2022, a Form A filing was submitted to the OIR for the indirect acquisition of a minority share of the Company by two (2) investors, Halle LHP Holdings, LLC and TCII Long, LP. The application was approved pursuant to Consent Order No. 297484-22-CO dated August 1, 2022.


On December 12, 2022, the Company expanded its Institutionalized Special Needs Medicare Advantage Plan to following additional Florida counties: Charlotte, Leon, Martin, St. John's, and St. Lucie. The expansion request was approved by the OIR.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Longevity Health Plan of Florida, Inc. as of December 31, 2021, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Carr, Riggs and Ingram, LLC participated in the examination: Joseph May, CFE, CPA, CISA, Examiner-in-Charge; Francois Houde, CFE, CPA, CISA, AES, IT Specialist and Participating Examiner, Dale Miller, CFE, CPA, Participating Examiner, Sophia Tran, CPA, Participating Examiner. Members of OIR who participated in the examination include Shantia Simmons, APIR, Examination Oversight Supervisor, and Jamaal Maddox, APIR, Participating Examiner. Additionally, Kirk Braunius, ASA, MAAA, Senior Consulting Actuary of Merlinos and Associates, Inc., is recognized for participation in the examination.

Respectfully submitted,


Joseph May, CFE, CPA, CISA
Examiner-in-Charge
Carr, Riggs and Ingram, LLC


Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date: 6/7/23