



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Joan F. Cohen
Commissioner

Robert L. Carey
Superintendent

February 17, 2026

Robert L. Carey, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S. §4215 (1), and in conformity with your instructions, a financial examination has been made of

AMH HEALTH, LLC

as of December 31, 2022. The following report is respectfully submitted.

Office Location: 76 Northern Avenue, Gardiner, Maine 04345
Mailing Address: 34 State House Station, Augusta, Maine 04333
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Phone: (207) 624-8475

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**STATE OF MAINE
BUREAU OF INSURANCE**

REPORT OF FINANCIAL EXAMINATION

**AMH HEALTH, LLC
SOUTH PORTLAND, MAINE**

AS OF DECEMBER 31, 2022

NAIC COMPANY CODE: 16553

NAIC GROUP CODE: 0671

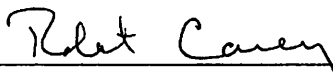
ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of AMH Health, LLC dated February 17, 2026, was delivered to that insurer on April 16, 2026; and

WHEREAS no hearing with respect to the Report of Examination has been requested by AMH Health, LLC;

NOW THEREFORE, I accept the Report of Examination and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S. §226 (3).

Dated: May 8, 2026



Robert L. Carey, Superintendent

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SCOPE OF EXAMINATION

This is the first examination of AMH Health, LLC (AMHH or the “Company”) by the State of Maine Bureau of Insurance (MBOI). This examination covers the period from April 12, 2019, to December 31, 2022.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (NAIC), in conformity with the 2023 NAIC Financial Condition Examiners Handbook (“the Handbook”) and the laws, rules, and regulations prescribed or permitted by the State of Maine. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks and evaluate systems controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively. The external auditors’ work papers were utilized for this examination to the extent deemed appropriate to enhance the effectiveness and efficiency of this examination.

This examination was coordinated with the Indiana Department of Insurance (INDOI), which concurrently examined the Indiana domestic insurance companies of Elevance Health, Inc. (“Elevance Health”), the Company’s ultimate parent. The INDOI served as the lead state on the coordinated group examination. Maine, along with 22 other states and Washington, D.C., participated in the examination. The MBOI utilized the work of the INDOI to the extent deemed appropriate.

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 Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. Comments on various financial statement items, for the purposes of this report, may be limited to examination adjustments, matters requiring clarification, departures from laws, rules and regulations, and/or significant changes in amounts. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

This examination report includes significant findings of fact, pursuant to 24-A M.R.S. §225 (1), and general information about the Company and its financial condition. There may be other items identified *during the examination* that, due to their nature, are not included herein, and are instead separately reported to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION

This examination as of December 31, 2022, represented the first examination of the Company.

CURRENT EXAMINATION

None noted.

THE COMPANY

HISTORY

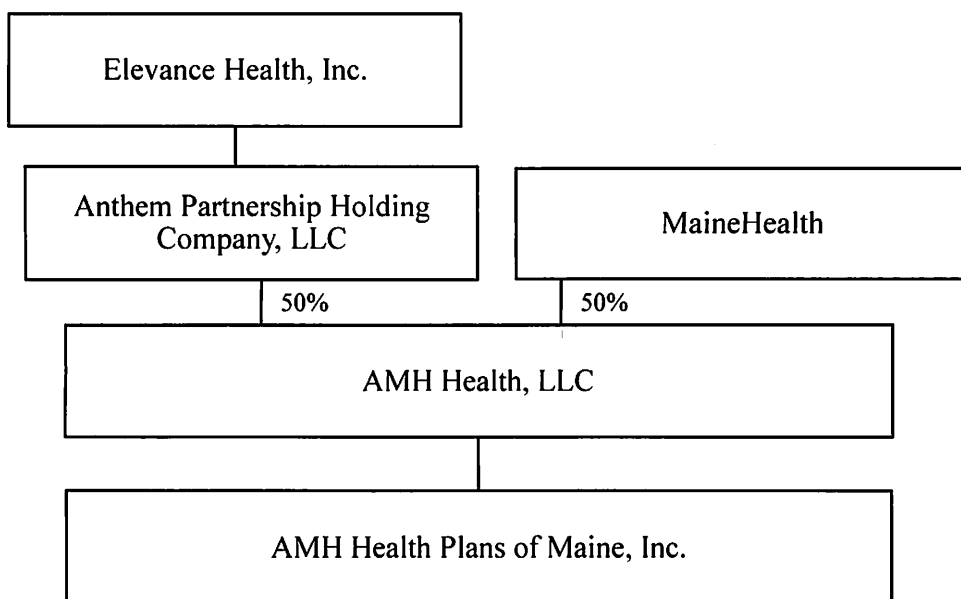
The Company was organized in the State of Maine as a limited liability company on November 2, 2018. On April 12, 2019, the Company was granted a limited certificate of authority by the State of Maine as a Health Maintenance Organization (HMO) for offering Medicare Advantage products. The Company commenced writing and issuing policies effective as of January 1, 2020.

On January 2, 2020, the Company formed a wholly owned subsidiary, AMH Health Plans of Maine, Inc. (AMHHP-ME), to offer Medicare Advantage Preferred Provider Organization (PPO) products. AMHHP-ME is domiciled in the State of Maine. On April 22, 2020, AMHHP-ME was granted a certificate of authority by the State of Maine to conduct the business of health insurance. AMHHP-ME commenced writing and issuing policies effective January 1, 2021.

MANAGEMENT AND CONTROL

The Company is owned 50% by Anthem Partnership Holding Company, LLC (APHC), which is a direct wholly-owned subsidiary of Elevance Health, formerly known as Anthem, Inc., and 50% by MaineHealth, a not-for-profit corporation with hospitals, providers, and healthcare organizations primarily located in Maine.

An abbreviated organizational chart as of December 31, 2022, is presented below:



CORPORATE RECORDS

The Company's certificate of formation, operating agreement, and minutes of the board of managers meetings held during the period under examination were reviewed.

CORPORATE GOVERNANCE

The Company is governed and overseen by its board of managers and management team.

As of December 31, 2022, the board of managers of the Company consisted of the following members:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Albert Graton Swallow III*	Chairperson	MaineHealth
Aleksey Furman*	Manager	Elevance Health
Francis George McGinty	Manager	MaineHealth
Scott Douglas Mills, M.D.*	Manager	MaineHealth
Raul Guillermo Smith*	Manager	Elevance Health
Kimberly Switlick-Prose*	Manager	Elevance Health
David Earl Warren*	Manager	Verrill Dana, LLP

As of December 31, 2022, the officers of the Company consisted of the following individuals:

<u>Name</u>	<u>Title</u>
Albert Graton Swallow III*	President and Chairperson
Vincent Edward Scher	Treasurer
Kathleen Susan Kiefer	Secretary
Eric Kenneth Noble	Assistant Treasurer

* See below for a summary of changes to the Company's board and officers subsequent to December 31, 2022:

In 2023, Joshua Simon Ardise, M.D. (Elevance Health) and Mark Joseph Schneider (Elevance Health) were elected to the board as managers; Aleksey Furman, Raul Guillermo Smith, and Kimberly Switlick-Prose were removed as Managers.

In 2024, Charles Richard Bayman (MaineHealth), Marshall Robert Chamberlin, M.D. (MaineHealth), James Robert Kenter (Elevance Health), Jennifer Moore (MaineHealth), and Denise Marie Smith (Elevance Health) were elected as Managers; Joshua Simon Ardise, M.D., Scott Douglas Mills, M.D., Albert Graton Swallow III, and David Earl Warren were removed as Managers. Denise Marie Smith replaced Albert Graton Swallow III as President and Chairperson.

In 2025, Michael Leonard Allegretti (Elevance Health) was elected as Manager; James Robert Kenter was removed as Manager.

TRANSACTIONS WITH AFFILIATES

The Company is a party to Administrative Services Agreements with each of its direct parents, APHC and MaineHealth. Under the agreements, APHC and MaineHealth provide various administrative, management and support services to AMHH. Costs include expenses such as salaries, employee benefits, information technology, pharmacy benefits administration, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development which support the Company's operations. The agreements include

provisions for reporting and oversight responsibilities relating to utilization management for behavioral health services.

The Company is a party to an Administrative Services Agreement with AMHHP-ME. Under the agreement, the Company will provide or arrange to provide certain administrative and other services for AMHHP-ME.

The Company is party to a Master Services Agreement with Carelon Behavioral Health Strategies, LLC (f/k/a Beacon Health Strategies, LLC), Carelon Behavioral Health, Inc. (f/k/a Beacon Health Options, Inc.), and Carelon Health of New Jersey, Inc. (f/k/a ValueOptions of New Jersey, Inc.), which provide behavioral health services to AMHH and other subsidiaries of Elevance Health.

The Company received capital contributions of \$20,500,000 in 2022, \$10,500,000 in 2021, \$11,500,000 in 2020, and \$6,501,000 in 2019, a total of \$49,001,000, from APHC. The Company received capital contributions of \$20,500,000 in 2022, \$10,500,000 in 2021, and \$1,000 in 2019, a total of \$31,001,000, from MaineHealth.

The Company made capital contributions of \$3,500,000 in 2022, \$2,600,000 in 2021, and \$2,400,000 in 2020, a total of \$8,500,000, to its subsidiary, AMHHP-ME.

TERRITORY AND PLAN OF OPERATION

The Company offers Medicare Advantage HMO products in Maine through its contract with the Center for Medicare and Medicaid Services (CMS). The Company is a licensee of the Blue Cross and Blue Shield Association (BCBS) and markets its products under the BCBS trade name. As a BCBS licensee, the Company participates in the BlueCard Program whereby members who need health care services while traveling or living in another plan's service area may access their benefits through the local plan's medical providers.

REINSURANCE

The Company maintains no reinsurance agreements as of December 31, 2022.

FINANCIAL STATEMENTS

The Statement of Admitted Assets, Liabilities and Surplus, the Statement of Revenue and Expenses, and the Statement of Capital and Surplus are as presented by management and audited by the Company's external auditors. These financial statements have not been audited by the MBOI and thus the MBOI does not express an opinion on the financial statements as a whole.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
AS OF DECEMBER 31, 2022**

<u>Assets</u>	
Bonds	\$ 51,187,000
Common stocks	3,749,378
Cash	22,030,332
Securities lending reinvested collateral assets	2,451,416
Investment income due and accrued	177,220
Uncollected premiums and agents' balances	41,603
Accrued retrospective premiums and contracts subject to redetermination	8,358,444
Amounts receivable relating to uninsured plans	4,628,368
Current federal and foreign income tax recoverable and interest thereon	465,757
Health care and other amounts receivable	3,141,948
Aggregate write-ins for other than invested assets	428,035
Total assets	<u>\$ 96,659,501</u>
 <u>Liabilities</u>	
Claims unpaid	\$ 34,571,933
Accrued medical incentive pool and bonus amounts	931,193
Unpaid claims adjustment expenses	705,226
Aggregate health policy reserves	8,689,264
Premiums received in advance	4,538
General expenses due or accrued	13,102
Amounts withheld or retained for the account of others	19,523
Remittances and items not allocated	44,158
Amounts due to parent, subsidiaries and affiliates	5,969,710
Payable for securities	92,495
Payable for securities lending	2,451,416
Liability for amounts held under uninsured plans	4,153,727
Aggregate write-ins for other liabilities	128,978
Total liabilities	<u>\$ 57,775,263</u>
 <u>Capital and Surplus</u>	
Gross paid in & contributed surplus	80,002,000
Unassigned funds	(41,117,762)
Total Capital and Surplus	<u>38,884,238</u>
Total Liabilities, Capital and Surplus	<u>\$ 96,659,501</u>

STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2022

Member months	202,097
Net premium income	\$ 224,429,321
Change in unearned premium reserves and reserve for rate credits	<u>19,812</u>
Total revenues	<u>224,449,133</u>
Hospital/medical benefits	171,998,614
Other professional services	18,013,848
Emergency room and out-of-area	13,507,954
Prescription drugs	8,015,990
Incentive pool, withhold adjustments, and bonus amounts	<u>3,413,711</u>
Total hospital and medical	214,950,117
Claims adjustment expenses	9,134,366
General administrative expenses	22,340,915
Increase in reserves for life and accident and health contracts	<u>7,465,532</u>
Total underwriting deductions	<u>253,890,930</u>
Net underwriting loss	<u>(29,441,797)</u>
Net investment income earned	776,997
Net realized capital gains (losses) net of capital gains tax	<u>(174,878)</u>
Net investment gains	<u>602,119</u>
Net loss from agents' or premium balances charged off	(17,582)
Aggregate write-ins for other income or expenses	<u>37,752</u>
Net loss after capital gains tax and before federal income taxes	<u>(28,819,508)</u>
Federal income taxes incurred	<u>(187,562)</u>
Net loss	<u>\$ (28,631,946)</u>

**STATEMENT OF CAPITAL AND SURPLUS
YEAR ENDED DECEMBER 31, 2022**

Capital and surplus, December 31, 2021	\$ 30,741,705
Net loss	(28,631,946)
Change in net unrealized capital gains (losses), less capital gains tax	(3,686,978)
Change in net deferred income tax	(232,786)
Change in nonadmitted assets	(305,757)
Surplus adjustments – Paid in	<u>41,000,000</u>
Net change in capital and surplus	<u>8,142,533</u>
Capital and surplus, December 31, 2022	<u>\$ 38,884,238</u>

COMMENTS ON THE FINANCIAL STATEMENTS

NOTE 1 – RESERVES

Lewis & Ellis, LLC (“L&E actuary”) was engaged by the MBOI to provide actuarial assistance with the financial examination of the Company as of December 31, 2022. The L&E actuary performed a review the Appointed Actuary’s 2022 Actuarial Opinion and Memorandum for reasonableness of assumptions and methodologies at a high level and for compliance with NAIC Annual Statement Instructions.

Additionally, Davies Group (“Davies actuary”) was engaged by the INDOI to provide actuarial assistance for the financial examination of insurance subsidiaries within the Elevance Health Group, including the Company, as of December 31, 2022. The Davies actuary’s review included: participation in interviews and discussions with key personnel to gain an understanding of the processes to develop and report reserves and liabilities and appropriately price products; review of controls to mitigate certain reserving and pricing risks; review of the Appointed Actuary’s 2022 Actuarial Opinion and Memorandum; and review of the external auditor’s conclusions regarding the carried reserves. The reserves as reported by the Company were determined to be reasonable based on the review performed by the Davies actuary.

NOTE 2 – CAPITAL AND SURPLUS

The following table describes the capital and surplus changes for the four-year period beginning December 31, 2018:

Capital and surplus, December 31, 2018	\$ 0
Net income (loss)	(35,581,642)
Change in net unrealized capital gains (losses), net of capital gains tax	(4,750,622)
Change in nonadmitted assets	(785,498)
Surplus adjustments – Paid in	80,002,000
Net change in capital and surplus	38,884,238
Capital and surplus, December 31, 2022	<u>\$ 38,884,238</u>

SUBSEQUENT EVENTS

On December 29, 2023, APHC made a capital contribution to AMHH in the amount of \$24,000,000. In return, 24,000 common units of ownership were issued to APHC. As a result, APHC now holds a 64% ownership interest in AMHH, thereby reducing MaineHealth’s ownership interest to 36%.

SUMMARY OF RECOMMENDATIONS

There are no report level recommendations.

STATE OF MAINE
COUNTY OF KENNEBEC, SS

Vanessa J. Sullivan, being duly sworn according to law deposes and says that, in accordance with authority vested in her by Robert L. Carey, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, she has made an examination of the condition and affairs of the

AMH HEALTH, LLC

located in South Portland, Maine as of December 31, 2022, and that the foregoing report of examination subscribed to by her is true to the best of her knowledge and belief. Noble Consulting Services, Inc. performed the examination. The following examiners from the Bureau of Insurance assisted:

Arias Wan, CPA, CFE


Vanessa J. Sullivan, CFE

Subscribed and sworn to before me
This 8th day of May, 2026


Notary Public
My Commission Expires: _____
ME Bar # 10147