



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

## 2019 ANNUAL REPORT

# PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

SEPTEMBER 1, 2018 – AUGUST 31, 2019

6754	Faculty Covered ( <i>FTEs</i> )
1325	Fellows Covered ( <i>FTEs</i> )
2454	Residents Covered ( <i>FTEs</i> )
4238	Medical Students Covered
336	Medical Student Externships
34	New Lawsuits ( <i>excluding CMC lawsuits</i> ) <sup>1</sup>
165	New Claims ( <i>excluding CMC claims</i> ) <sup>1</sup>
270	Pending Claims and Lawsuits at August 31, 2019 ( <i>excluding CMC claims &amp; lawsuits</i> ) <sup>1</sup>
0	Number of Trials
85%	Cases Closed with No Plan Payment
\$1,594,041	Administrative Costs
\$1,470,041	Medical Malpractice Defense Costs
\$2,905,567 <sup>2</sup>	Settlement (Indemnity) Costs
\$735,679	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)
\$11,090,201	Premiums Collected
\$32,886,467	Net Position of Professional Liability Fund

<sup>1</sup> Does not include The University of Texas Medical Branch at Galveston Correctional 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 8 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. 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

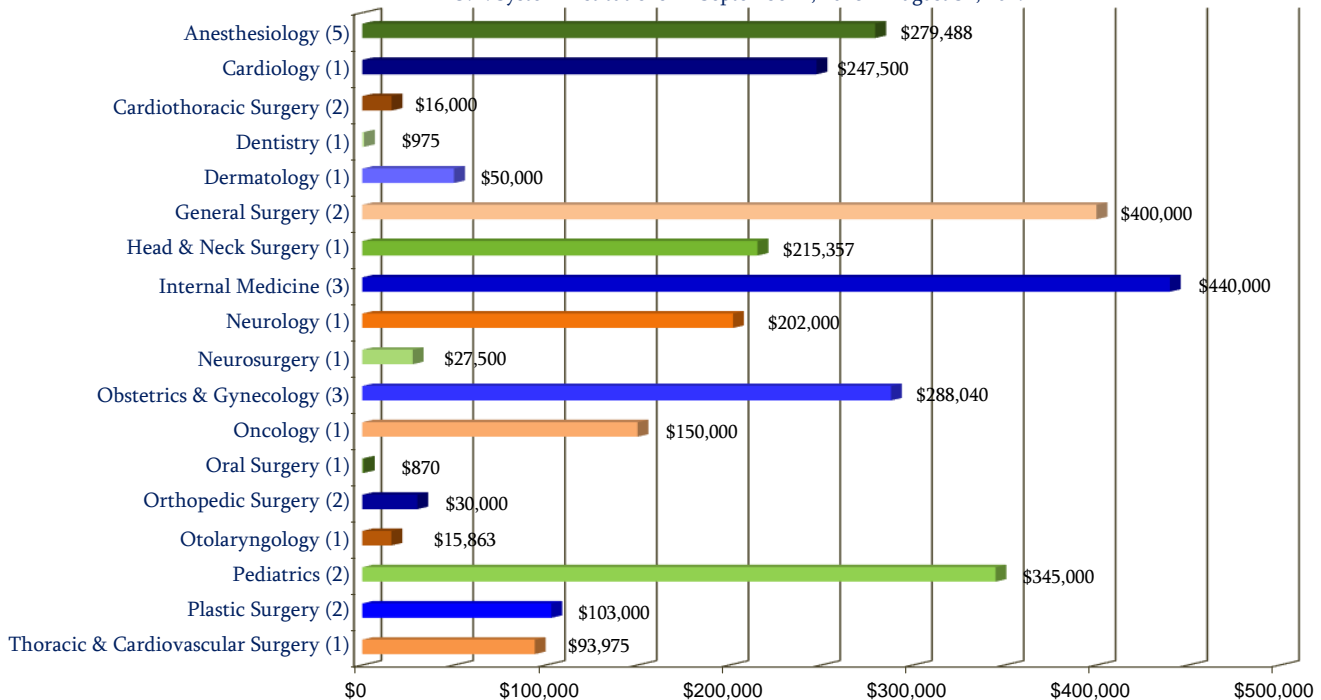
\* Mature Claims-Made Rate (\$500,000 / \$1,000,000 Limits) Effective January 1, 2019

\*\* Mature Claims-Made Rate (\$500,000 / \$1,500,000 Limits) Effective November 1, 2018 (New Business) & February 1, 2019 (Renewal Business)

\*\*\* Occurrence (\$500,000 / \$1,500,000 Limits) Effective September 1, 2018

### INDEMNITY PAYMENTS BY SPECIALTY

All U.T. System Institutions – September 1, 2018 – August 31, 2019

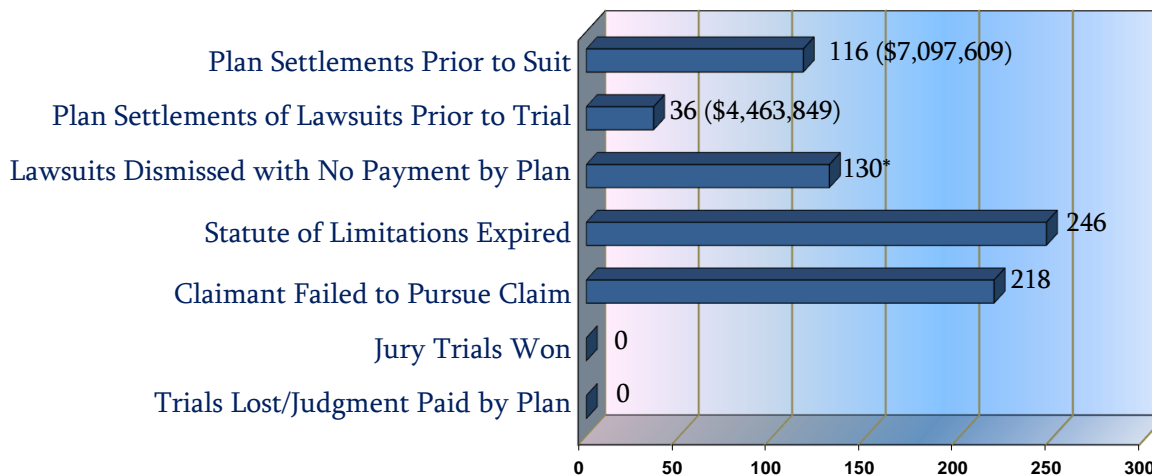


FY 2019 IN SUMMARY

## CLOSED CASES

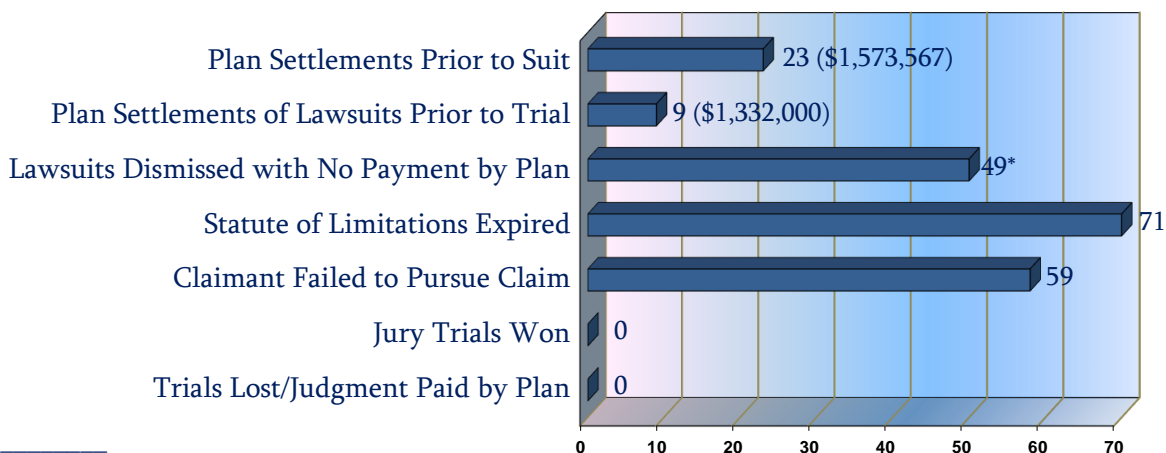
During the last five years, 746 claims and lawsuits filed against U.T. System physicians and institutions were closed, with total Plan liability payments of \$11,561,458. Eighty percent were closed with no payment by the Plan.

### All U.T. System Institutions Closed Claims & Lawsuits September 1, 2014 – August 31, 2019



In Fiscal Year 2019, 85 percent of the cases closed required no payment by the Plan, a one percent increase from last year.

### All U.T. System Institutions Closed Claims & Lawsuits September 1, 2018 – August 31, 2019



\*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**

	2019	2018	2017	2016
Faculty	105	93	88	81
Fellows	0	0	0	0
Residents	76	81	75	73
Open Claims & Lawsuits	2	2	5	6
New Claims	2	0	2	6
New Lawsuits	0	1	0	0
Settlements Paid	\$0.00	\$20,000	\$4,965	\$200,000
New TMB Matters-Faculty	1	3	1	1
New TMB Matters-Residents	0	0	0	0
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

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

	2019	2018	2017	2016
Faculty	1719	1643	1605	1501
Fellows	255	227	247	222
Residents*	438	433	441	455
Open Claims & Lawsuits	49	79	76	70
New Claims	22	48	37	40
New Lawsuits	14	6	5	4
Settlements Paid	\$913,500	\$433,500	\$807,004	\$576,434
New TMB Matters-Faculty	37	38	37	34
New TMB Matters-Residents	0	0	0	1
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

\*Does not include U.T. residents on rotation at Memorial Hermann Hospital (thru July 2019 a total of 573 after which the 438 above increased to 1011)

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

	2019	2018	2017	2016
Faculty*	1029	990	968	941
Fellows*	137	121	126	117
Residents*	494	505	528	517
Open Claims & Lawsuits	21	25	25	23
New Claims	14	15	16	17
New Lawsuits	4	2	3	5
Settlements Paid	\$312,857	\$283,758	\$717,500	\$0.00
New TMB Matters-Faculty	10	13	17	24
New TMB Matters-Residents	1	2	0	8
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

\*Does not include U.T. physicians on rotation at V.A. Hospital (in 2019 a total of 1 faculty, 175 residents and 54 fellows)

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

	2019	2018	2017	2016
Faculty	1100	1049	1026	1020
Fellows	390	388	379	368
Residents	2	3	0	3
Open Claims & Lawsuits	36	30	32	31
New Claims	23	20	20	16
New Lawsuits	2	2	0	0
Settlements Paid	\$200,000	\$100,000	\$954,277	\$5,000
New TMB Matters-Faculty	12	16	14	9
New TMB Matters-Residents	0	0	0	0
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

**The University of Texas Southwestern Medical Center**

	2019	2018	2017	2016
Faculty*	1867	1775	1713	1636
Fellows	430	421	413	410
Residents*	717	685	685	707
Open Claims & Lawsuits	80	65	76	59
New Claims	67	52	50	50
New Lawsuits	7	1	2	4
Settlements Paid	\$993,906	\$804,727	\$268,530	\$896,674
New TMB Matters-Faculty	23	25	35	43
New TMB Matters-Residents	0	5	0	1
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

\*Does not include U.T. physicians on rotation at Parkland Hospital (in 2019 a total of 0 faculty and 366 residents)

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

	2019	2018	2017	2016
Faculty	666	631	616	596
Fellows	106	103	89	64
Residents	505	500	517	527
Open Claims & Lawsuits	74	74	53	37
New Claims	29	33	21	21
New Lawsuits	5	18	5	2
Settlements Paid	\$485,305	\$453,651	\$210,000	\$519,805
New TMB Matters-Faculty	11	8	20	9
New TMB Matters-Residents	7	1	1	0
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	11	0	0	0

\*UTMB data does not include CMC physician services not covered under the UT System Plan with exception of last item in chart above.

## The University of Texas at Austin

	2019	2018	2017	2016
Faculty*	187	122	94	75
Fellows	0	0	2	2
Residents*	25	11	15	20
Open Claims & Lawsuits	6	2	3	3
New Claims	6	1	0	2
New Lawsuits	1	0	0	0
Settlements Paid	\$0.00	\$110,000	\$0.00	\$0.00
New TMB Matters-Faculty	2	2	0	1
New TMB Matters-Residents	0	0	0	0
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	1	0	0	0

\*Includes Student Health Center physicians / Does not include U.T. physicians on rotation at Seton/DMC (3 faculty and 5 residents)

## The University of Texas at Rio Grande Valley\*

	2019	2018	2017	2016
Faculty	71	61	40	0
Fellows	7	0	0	0
Residents	197	168	137	0
Open Claims & Lawsuits	2	0	0	0
New Claims	2	0	1	0
New Lawsuits	1	0	0	0
Settlements Paid	\$0.00	\$0.00	\$0.00	\$0.00
New TMB Matters-Faculty	2	0	1	0
New TMB Matters-Residents	1	0	0	0
New Complaints-CMC & Med. Professionals Not enrolled in Plan <sup>1</sup>	0	0	0	0

\*New medical school; no activity before 2017

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

<sup>1</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, not currently enrolled in the Plan. This data is reflected in the last item of the tables for "INSTITUTIONS IN SUMMARY", pages 3-7.

## Professional Medical Liability Plan

	8/31/2019	8/31/2018
<b>Statement of Net Position As of</b>		
<b>Assets</b>		
Operating Cash	\$ (5,284,185.94)	\$ (1,095,678.67)
Investments	57,700,840.43	54,504,491.66
<b>Total Assets</b>	<u>\$ 52,416,654.49</u>	<u>\$ 53,408,812.99</u>
<b>Liabilities</b>		
Accounts Payable	\$ 44,091.92	\$ 218,277.82
IBNR	19,486,096.00	20,496,140.00
<b>Total Liabilities</b>	<u>\$ 19,530,187.92</u>	<u>\$ 20,714,417.82</u>
<b>Net Position</b>	<u>\$ 32,886,466.57</u>	<u>\$ 32,694,395.17</u>

	8/31/2019	8/31/2018
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>		
	<b>For the Month Ended</b>	
<b>Revenue</b>		
Premium Income	\$ 11,090,201.16	\$ 10,416,978.72
Interest Income	1,598,168.99	1,688,617.03
<b>Total Revenue</b>	<u>\$ 12,688,370.15</u>	<u>\$ 12,105,595.75</u>
Less Premium Refund	(6,000,000.00)	(6,000,000.00)
<b>Net Revenue</b>	<u>\$ 6,688,370.15</u>	<u>\$ 6,105,595.75</u>
<b>Expenses</b>		
Legal Expenses	\$ 1,470,040.86	\$ 1,199,516.47
Claim Liability Expenses	2,377,815.98	2,493,135.08
Medical Board Expenses	735,679.43	738,820.18
Administrative Expenses	1,594,041.00	1,554,905.00
Other Expenses	58,749.81	70,937.20
<b>Total Expenses</b>	<u>\$ 6,236,327.08</u>	<u>\$ 6,057,313.93</u>
Change in IBNR	(1,010,044.00)	119,576.00
<b>Net Expenses</b>	<u>\$ 5,226,283.08</u>	<u>\$ 6,176,889.93</u>
<b>Excess Revenue Over Expenses</b>	<u>\$ 1,462,087.07</u>	<u>\$ (71,294.18)</u>
<b>Other Changes in Net Assets</b>		
Investments Market Value Increase (Decrease)	\$ 1,229,984.33	\$ 28,927.00
Other Transfers/Adjustments	-	-
Transfer to special funds	(2,500,000.00)	-
<b>Total Other Changes</b>	<u>\$ (1,270,015.67)</u>	<u>\$ 28,927.00</u>
<b>Change in Net Position</b>	<u>\$ 192,071.40</u>	<u>\$ (42,367.18)</u>
<b>Beginning Net Position</b>	<u>32,694,395.17</u>	<u>32,736,762.35</u>
<b>Ending Net Position</b>	<u>\$ 32,886,466.57</u>	<u>\$ 32,694,395.17</u>

INCOME STATEMENT