9 5 7 4 9 2 0 0 8 2 0 1 0 0 1 0 0

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2008

OF THE CONDITION AND AFFAIRS OF THE

Preferred Health Partnership of Tennessee, Inc.

NAIC Group Code 0119 (Current Period), 1253 (Prior Period) NAIC Company Code 95749 Employer's ID Number 62-1546662

Organized under the Laws of Tennessee, State of Domicile or Port of Entry Tennessee

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Dental Service Corporation [ ]
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [X] No [ ]

Incorporated/Organized 01/01/1994 Commenced Business 01/01/1994

Statutory Home Office 1420 Centerpoint Blvd. (Street and Number), Knoxville, TN 37932 (City or Town, State and Zip Code)

Main Administrative Office 1420 Centerpoint Blvd. (Street and Number)
Knoxville, TN 37932 (City or Town, State and Zip Code) 865-670-7282 (Area Code) (Telephone Number)

Mail Address P.O. Box 740036 (Street and Number or P.O. Box), Louisville, KY 40201-7436 (City or Town, State and Zip Code)

Primary Location of Books and Records 500 West Main Street (Street and Number)
Louisville, KY 40202 (City or Town, State and Zip Code) 502-580-1000 (Area Code) (Telephone Number)

Internet Website Address www.humana.com

Statutory Statement Contact Cathy Staebler (Name) 502-580-2712 (Area Code) (Telephone Number) (Extension)
cstaebler@humana.com (E-mail Address) 502-580-2099 (FAX Number)

OFFICERS

Name	Title	Name	Title
Michael Benedict McCallister #	President & CEO	Joan Olliges Lenahan #	Vice President & Secretary
James Harry Bloem #	Sr. VP, CFO & Treasurer	Frank Murray Amrine #	Appointed Actuary

OTHER OFFICERS

George Andreas Andrews M.D. #	VP - CMO/Tennessee	George Grant Bauernfeind #	Vice President
John Gregory Catron #	Vice President	Douglas Edward Haaland #	Mkt. Pres. - Sr. Prod./Tennessee
Thomas Joseph Liston #	Sr. Vice President - Sr. Prod.	Clarence Evans Looney #	Market President - Tennessee
Kathleen Stephenson Pellegrino #	Vice President & Asst. Secretary	George Renaudin #	VP & Div. Leader - Southern Div.
Larry Dale Savage #	Reg. CEO - IN/KS/KY/MO/OH/TN	William Joseph Tait #	Vice President
Gary Dean Thompson #	Vice President	Ralph Martin Wilson #	Vice President

DIRECTORS OR TRUSTEES

James Harry Bloem #	Michael Benedict McCallister #	James Elmer Murray #	

State of Kentucky
County of Jefferson ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Benedict McCallister President & CEO	Joan Olliges Lenahan Vice President & Secretary	George Grant Bauernfeind Vice President

Subscribed and sworn to before me this 19th day of March, 2009

Myra Carpenter
Notary Public
August 9, 2009

a. Is this an original filing? Yes [ ] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 03/19/2008
3. Number of pages attached

NAIC Report 2A Medical Expenses	PHPT Account Number	PHPT Account Name	Jan 08 - Jun 08	Jul 08 - Dec 08	
Line 10	50400	Mental Health	0.00	0.00	0.00
Line 10	50406	Other MH (Partial & IOP)	0.00	0.00	0.00
Line 10	53063	Psychiatry ~ FFS Office	12,125.91	19,041.37	31,167.28
Line 10	53163	Psychiatry ~ FFS Hosp	2,396.23	1,147.76	3,543.99
Line 10	53363	Psychiatry ~ Other	0.00	2.75	2.75
Line 11	56016	Capitation ~ Dental	0.00	0.00	0.00
Line 11	56035	Dental	1,481.72	3,083.67	4,565.39
Line 12	53139	Opthamology ~ FFS Hosp	0.00	0.00	0.00
Line 12	53339	Opthamology ~ Other	395,380.16	443,857.68	839,237.84
Line 12	56018	Capitation ~ Vision	0.00	0.00	0.00
Line 12	56100	Vision	0.00	0.00	0.00
Line 13	54000	Prescription Drugs	0.00	0.00	0.00
Line 13	54001	Pharmacy	3.41	-0.53	2.88
Line 13		Pharmacy Rebate			0.00
Line 14	56050	Home Health	391,087.08	513,576.73	904,663.81
Line 14	56055	Home Infusion	0.00	0.00	0.00
Line 15	53009	Chiropractic ~ FFS Office	0.00	0.00	0.00
Line 16	53370	Radiation Oncology ~ Other	170,979.44	171,789.83	342,769.27
Line 16	53371	Radiology ~ Other	0.00	0.00	0.00
Line 17	53341	Pathology - Other	0.00	0.00	0.00
Line 17	55000	Lab & Xray	11,476,835.83	11,136,493.76	22,613,329.59
Line 18	56040	Durable Med Equip	3,033,347.65	3,280,098.24	6,313,445.89
Line 19	56000	Ambulance	2,603,000.58	2,780,966.73	5,383,967.31
Line 19	56017	Capitation ~ Transportation	107,959.80	70,404.62	178,364.42
Line 23 d	56080	MCO DELEGATED SVCS	0.00	0.00	0.00
Line 23 f	56104	5% Increase Spending Plan	0.00	0.00	0.00
Line 23 g	53011	Counselors/Therapists ~ FFS Office	0.00	0.00	0.00
Line 23 h	56051	Housing	0.00	0.00	0.00
Line 23 h	56053	Reimbursed Member Expenses	0.00	0.00	0.00
Line 23 I	53040	Otolaryngology ~ FFS Office	160,503.81	169,198.48	329,702.29
Line 23 I	53340	Otolaryngology ~ Other	606,548.70	546,809.95	1,153,358.65
Line 23 j	53305	Anesthesiology ~ Other	1,389,492.61	1,290,884.51	2,680,377.12
Line 23 k	53320	Gastroenterology ~ Other	21,346.74	22,013.52	43,360.26
Line 23 L	53362	Preventive Med ~ Other	1,581,932.13	1,912,470.85	3,494,402.98
Line 23 m	53388	Urology ~ Other	0.00	0.00	0.00
Line 23 n	53399	Other Specialist	0.00	0.00	0.00
Line 23 r	56105	Miscellaneous	0.00	0.00	0.00
Line 23c	53084	Surg Ortho - FFS	0.00	0.00	0.00
Line 23e	53003	Allergy & Immunology ~ FFS Office	325,934.34	346,377.55	672,311.89
Line 23e	53303	Allergy & Immunology ~ Other	3,657,846.87	3,548,518.85	7,206,365.72
Line 23g	53037	Occupational Hlth ~ FFS Office	0.00	0.00	0.00
Line 23o	53148	Ped Emerg Med ~ FFS Hosp	0.00	0.00	0.00
Line 23s	59600	IBNR + 59601	0.00	23,099,043.00	23,099,043.00
Line 23s		IBNR W/O	0.00	0.00	0.00
Line 23t	55900	Risk Share	0.00	0.00	0.00
Line 27	56085	Subrogation	-354,466.25	-300,371.49	-654,837.74
Line 27a	56085	Recoveries	-404,821.67	-163,837.79	-568,659.46
Line 5	52704	Other PCP ~ Capitation	0.00	0.00	0.00
Line 5	56019	Capitation ~ Specialist	0.00	0.00	0.00
Line 5	56019	Capitation ~ Specialist	0.00	0.00	0.00
Line 6	52000	Family Prac ~ FFS Office	0.00	0.00	0.00
Line 6	52001	Genl Prac ~ FFS Office	0.00	0.00	0.00
Line 6	52002	Internal Med - FFS Office	0.00	0.00	0.00
Line 6	52003	Pediatricians ~ FFS Office	0.00	0.00	0.00
Line 6	52004	Other PCP ~ FFS Office	0.00	0.00	0.00
Line 6	52301	Genl Prac ~ Other	7,216,794.05	6,922,649.77	14,139,443.82
Line 6	52303	Pediatricians ~ Other	0.00	0.00	0.00
Line 6	52304	Other PCP ~ Other	0.00	0.00	0.00
Line 6	52400	Do Not Use ~ IBNR ~ PCP	0.00	0.00	0.00
Line 6	53023	Gynechology ~ FFS Office	0.00	0.00	0.00
Line 6	53035	Obstetrics & Gynecology ~ FFS Office	0.00	0.00	0.00
Line 6	53119	Endocrinology ~ FFS Hosp	0.00	0.00	0.00
Line 6	53323	Gynecology ~ Other	0.00	0.00	0.00
Line 6	53329	Nephrology ~ Other	696,885.75	771,741.76	1,468,627.51
Line 6	53330	Neurology ~ Other	562,228.22	591,382.27	1,153,610.49
Line 6	53334	Obstetrics ~ Other	0.00	0.00	0.00
Line 6	53335	obgyn other	0.00	0.00	0.00
Line 6	53335	Obstetrics & Gynecology ~ Other	65,614.48	58,281.84	123,896.32
Line 6	56015	Capitation ~ Misc	0.00	0.00	0.00
Line 7	50000	I/P Hosp ~ Surgical	35,350.80	16,931.11	52,281.91
Line 7	50001	I/P Hosp ~ Medical	19,643,921.30	15,759,497.21	35,403,418.51
Line 7	50002	I/P Hosp ~ ICU/CCU	3,693,274.88	2,567,552.14	6,260,827.02
Line 7	50003	I/P Hosp ~ OB	0.00	0.00	0.00
Line 7	50004	I/P Hosp ~ Pediatrics	7,552,839.20	7,410,681.29	14,963,520.49
Line 7	50005	I/P Hosp ~ Other	7,002,134.52	8,722,369.91	15,724,504.43
Line 7	50100	Skilled Nursing Facility	0.00	0.00	0.00
Line 7	50404	Rehab	0.00	0.00	0.00
Line 7	52101	Genl Prac ~ FFS Hosp	214,083.18	177,903.68	391,986.86
Line 7	52102	Internal Med ~ FFS Hosp	0.00	0.00	0.00
Line 7	52104	Other PCP ~ FFS Hosp	0.00	0.00	0.00
Line 7	52205	Bonus Pool ~ Unallocated	0.00	0.00	0.00
Line 7	53078	surg gen - ffs hosp	0.00	0.00	0.00
Line 7	53105	Anesthesiology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53108	Cardiovascular Disease ~ FFS Hosp	874,240.86	1,131,726.64	2,005,967.50
Line 7	53114	Dermatology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53128	Med Oncology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53129	Nephrology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53134	Obstetrics ~ FFS Hosp	0.00	0.00	0.00
Line 7	53135	Obstetrics & Gynecology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53138	Occupational Therapy ~ FFS ~ Hosp	30,245.13	43,489.22	73,734.35
Line 7	53140	Otolaryngology ~ FFS Hosp	14,123.93	18,829.62	32,953.55
Line 7	53160	Physical Therapy ~ FFS Hosp	99,186.19	122,169.78	221,355.97
Line 7	53178	Surg General ~ FFS Hosp	0.00	0.00	0.00
Line 7	53181	Surg Neurological ~ FFS Hosp	0.00	0.00	0.00
Line 7	53188	Urology ~ FFS Hosp	0.00	0.00	0.00
Line 7	53308	Cardiovascular Disease ~ Other	366,414.57	386,050.97	752,465.54
Line 7	53314	Dermatology ~ Other	17.08	754.04	771.12
Line 7	53314	Dermatology - Other	0.00	0.00	0.00
Line 7	53317	Diagnostic Radiology ~ Other	0.00	0.00	0.00
Line 7	53338	Occupational Therapy ~ Other	0.00	0.00	0.00
Line 7	53342	Pathology, Hemotology ~ Other	0.00	0.00	0.00
Line 7	53360	Physical Therapy ~ Other	850,460.44	852,608.64	1,703,069.08
Line 7	53369	Pulmonary Disease ~ Other	144,328.29	146,385.78	290,714.07
Line 7	53378	Surg General ~ Other	8,360,447.95	10,066,770.54	18,427,218.49
Line 7	53383	Surg Oral & Maxillofacial Other	0.00	0.00	0.00
Line 7	53383	Surg Oral & Maxillofacial ~ Other	1,516,529.31	3,076.25	1,519,605.56
Line 7	53384	Surg Orthopedic ~ Other	0.00	0.00	0.00
Line 7	56055	Durable Med Equip	0.00	110,069.55	110,069.55
Line 7	56065	Medical Supplies	732,963.41	533,571.67	1,266,535.08

Line 7	56070	Ortho & Prosthetics	443,668.10	402,981.02	846,649.12
Line 7	56105	Misc Med Expense	116,578.17	442,903.67	559,481.84
Line 7	56999	Do Not Use IBNR ~ Other Medical	0.00	0.00	0.00
Line 8	51000	Outpt Surg ~ Hosp	0.00	0.00	0.00
Line 8	51001	Outpt Clinics	0.00	0.00	0.00
Line 8	51003	Outpt Surg ~ Other	26,967.47	34,614.78	61,582.25
Line 9	53318	Emerg Med ~ Other	6,823.57	5,352.60	12,176.17
Line 9	56045	Emerg Room	6,341,718.30	5,580,057.70	11,921,776.00
N/A	50300	Do Not Use ~ IBNR ~ Hosp	0.00	0.00	0.00
N/A	50403	Detox	0.00	0.00	0.00
N/A	53000	Ab Imaging ~ FFS Office	0.00	0.00	0.00
N/A	53299	Bonus Pool ~ Specialist	0.00	0.00	0.00
N/A	53400	Do Not Use ~ IBNR ~ Specialist	0.00	0.00	0.00
N/A	55500	Stoploss Expense	0.00	0.00	0.00
N/A	56025	Case Mgmt Svcs	0.00	0.00	0.00
N/A	56030	Claims Contra - Allianz	0.00	0.00	0.00
N/A	56031	Corporate Division Medical Alloc	0.00	0.00	0.00
N/A	56077	Prior Period Reversals	0.00	0.00	0.00
		TOTAL MEDICAL EXPENSES	**91,786,754.24**	**111,771,973.49**	**203,558,727.73**
		Pre 01-01-08 expenses not reflected on Income Stmt			-18,585,735.00
					0
		TOTAL LOB EXPENSES			**184,972,992.73**
		Total Expenses on MLR			**184,972,992.77**
		Variance			0

MEDICAL TARGET REPORT 12/2008

	For the year 1/08 - 12/31/08
UB 92 Payments by the Claims Processing System	86,974,080
HCFA1500 Payments by the Claims Processing System	75,852,622
Dental Payments by the Claims Processing System	0
Capitation Payments	0
Pharmacy Payments	0
Subcontractor Payments for Medical Services	178,344
Reinsurance Payment	0
Other Payments/Adjustments to Medical Costs	210,989
Less:	
BHO Capitation Revenue	0
Pharmacy Rebates	0
Recoveries not Reflected in Payments by the Claims System	287,487
Total Payments for the month	162,928,550
Remaining IBNR for the month	22,044,443
Payments and Remaining IBNR for the month	184,972,993

Medical Loss Ratio