

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: United HealthCare / UnitedHealth Group	Program: CHIP
State Fiscal Year: 2018	Service Area: Harris / Houston
Submission Date: 8/30/2019	Rptg Period End Date: 8/31/2018
Submission Type: Yr-End 334-Day	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	YTD
1 Member Months		9,251	9,685	9,792	9,973	9,938	9,991	9,966	9,714	9,344	8,919	8,810	8,705	114,088
2 Average Monthly Member Months														9,507
Revenues:														
3 Medical Premiums		1,445,450	1,479,085	1,463,875	1,486,585	1,542,363	1,583,098	1,616,456	1,618,887	1,599,795	1,566,787	1,559,046	1,529,235	18,490,662
4 Delivery Supplemental Payments		3,100	3,100	6,200	0	0	3,100	0	3,100	0	0	0	0	18,600
5 Pharmacy Premiums		331,157	342,162	342,858	349,247	354,521	359,585	362,022	357,809	348,413	337,703	333,898	328,850	4,148,225
6 Investment Income		10,276	10,276	10,276	10,276	10,276	10,276	10,276	10,276	10,276	10,276	10,276	10,276	123,311
7 Health Insurance Providers Fee Reimbursement		367,545												367,545
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		2,157,528	1,834,623	1,823,209	1,846,108	1,907,160	1,956,059	1,988,754	1,990,072	1,958,484	1,914,766	1,903,220	1,868,361	23,148,343
10 Health Insurance Providers Fee & Related Costs		361,224												361,224
11 Premium Taxes		37,577	31,926	31,726	32,127	33,195	34,051	34,623	34,646	34,094	33,329	33,127	32,516	402,938
12 Maintenance Taxes		532	557	563	573	571	574	573	559	537	513	507	501	6,560
13 Net Revenues		1,758,196	1,802,140	1,790,920	1,813,407	1,873,393	1,921,433	1,953,558	1,954,867	1,923,853	1,880,925	1,869,587	1,835,344	22,377,622
Medical Expenses:														
14 Fee-For-Service		1,006,427	1,409,217	1,090,458	1,192,554	1,196,804	1,163,250	1,277,700	1,167,717	1,150,653	1,084,428	1,200,630	1,543,391	14,483,231
15 Capitated Services		13,506	14,140	14,296	14,561	14,509	14,587	14,550	14,182	13,642	13,022	12,863	12,709	166,568
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		0	0	0	0	0	0	0	0	0	0	0	0	0
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		36,039	29,568	31,404	31,361	42,466	42,848	47,188	41,998	40,360	15,228	58,560	42,438	459,458
20 Total Medical Expenses		1,055,973	1,452,925	1,136,158	1,238,476	1,253,780	1,220,684	1,339,439	1,223,898	1,204,655	1,112,678	1,272,053	1,598,538	15,109,257
21 Prescription Expenses (excluding PBM Admin)		243,774	288,755	290,698	282,432	303,850	299,931	316,150	280,694	271,937	208,263	249,795	234,486	3,270,766
22 Total Medical and Prescription Expenses		1,299,747	1,741,680	1,426,856	1,520,908	1,557,630	1,520,615	1,655,589	1,504,592	1,476,592	1,320,941	1,521,848	1,833,024	18,380,023
23 Administrative Expenses		103,560	99,959	97,336	99,043	101,185	94,731	105,814	104,970	109,120	109,922	95,999	93,205	1,214,843
24 Total Expenses		1,403,307	1,841,639	1,524,191	1,619,952	1,658,815	1,615,346	1,761,403	1,609,562	1,585,712	1,430,862	1,617,847	1,926,230	19,594,866
25 Net Income Before Taxes		354,889	(39,499)	266,729	193,455	214,578	306,087	192,155	345,305	338,141	450,063	251,740	(90,886)	2,782,756
26 % Medical Exp to Net Revenues		60.1%	80.6%	63.4%	68.3%	66.9%	63.5%	68.6%	62.6%	62.6%	59.2%	68.0%	87.1%	67.5%
27 % Prescription Exp to Net Revenues		13.9%	16.0%	16.2%	15.6%	16.2%	15.6%	16.2%	14.4%	14.1%	11.1%	13.4%	12.8%	14.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		73.9%	96.6%	79.7%	83.9%	83.1%	79.1%	84.7%	77.0%	76.8%	70.2%	81.4%	99.9%	82.1%
29 % Admin Exp to Net Revenues		5.9%	5.5%	5.4%	5.5%	5.4%	4.9%	5.4%	5.4%	5.7%	5.8%	5.1%	5.1%	5.4%
30 % Net Income to Net Revenues		20.2%	-2.2%	14.9%	10.7%	11.5%	15.9%	9.8%	17.7%	17.6%	23.9%	13.5%	-5.0%	12.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.3%	6.8%	6.7%	6.8%	6.7%	6.1%	6.6%	6.6%	6.9%	7.1%	6.3%	6.2%	6.7%
Post-income items:														
32 Performance Assessment														0

Note: Except where stated otherwise, reporting is on an incurred basis (that is, reported in the period corresponding to dates of service, rather than to date paid). All prior quarters' data must be updated to reflect the most recent revised IBNR estimates.

TERMS USED IN FINANCIAL STATISTICAL REPORTS (FSRs)

Total Member Months - Number of members enrolled in each month. YTD is the sum of the individual month's membership.

Revenues:

- **Premiums** – Capitation payments paid to MCOs (Managed Care Organization) by HHSC.
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP MCOs.
- **Pharmacy Premiums** - Pharmacy capitation payments paid to MCOs by HHSC
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Revenue** – Any and all income generated from other sources.
- **Premium Taxes** – Premium taxes incurred by MCOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by MCOs for premiums applicable to the reported period.

Medical Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Capitated Services** – Includes PCPs and Hospitals capitation payments which are amounts paid to providers that do not pay claims to other providers from the capitation payments and also the capitation paid to subcontractors in which the capitation is the funding source for paying claims for healthcare services performed in each Texas service area.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the MCO net of reinsurance recoveries.
- **IBNR Accrual** – Incurred But Not Reported (IBNR) accrual medical expenses are an estimate of the expected healthcare expenses incurred, but not paid, based on claims lag schedules and completion factors, as well as any counts of services rendered but not billed, e.g., pre-authorized hospital days.

Administrative Expenses – includes those expenses that are directly or indirectly in support of the Texas Medicaid/CHIP operations of the MCO. Administrative expenses include Salaries, Wages and other benefits, Payroll taxes, Utilities and Maintenance, Auditing and other consulting expenses etc.

Performance Assessment – Amount of at-risk premium recouped by HHSC for failure to meet the performance expectation for which the MCO is at risk.

Quality Challenge Award – Amount awarded to the MCO for superior clinical quality, service delivery, access to care or member satisfaction.

Liquidated Damages - Amount assessed by HHSC as penalty for non-compliance with contract requirements.