

HHSC FINANCIAL STATISTICAL REPORT (FSR)

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

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		2,265	2,414	2,415	2,465	2,413	2,390	2,393	2,213	2,129	2,009	2,019	1,983	27,108
2 Average Monthly Member Months														2,259
Revenues:														
3 Medical Premiums		272,824	288,809	284,786	288,438	287,128	282,842	285,248	265,308	262,725	253,901	261,636	261,452	3,295,097
4 Delivery Supplemental Payments		0	3,100	0	0	0	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		107,446	114,209	114,097	116,753	114,435	114,059	113,998	105,244	102,035	97,029	97,793	96,881	1,293,979
6 Investment Income		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	24,996
7 Health Insurance Providers Fee Reimbursement		70,856												70,856
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		453,209	408,201	400,966	407,274	403,646	398,984	401,329	372,635	366,843	353,013	361,512	360,416	4,688,028
10 Health Insurance Providers Fee & Related Costs		69,637												69,637
11 Premium Taxes		7,895	7,107	6,980	7,091	7,027	6,946	6,987	6,485	6,383	6,141	6,290	6,271	81,603
12 Maintenance Taxes		130	139	139	142	139	137	138	127	122	116	116	114	1,559
13 Net Revenues		375,547	400,955	393,847	400,041	396,480	391,901	394,205	366,023	360,337	346,756	355,106	354,031	4,535,229
Medical Expenses:														
14 Fee-For-Service		181,871	243,222	257,813	178,156	287,050	260,764	293,855	234,413	255,395	201,603	234,995	248,588	2,877,725
15 Capitated Services		3,307	3,524	3,526	3,599	3,523	3,489	3,494	3,231	3,108	2,933	2,948	2,895	39,578
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		7,570	6,579	6,906	6,919	8,988	8,740	9,523	7,864	7,560	2,808	11,123	8,186	92,765
20 Total Medical Expenses		192,748	253,325	268,245	188,674	299,561	272,993	306,871	245,508	266,063	207,344	249,066	259,670	3,010,068
21 Prescription Expenses (excluding PBM Admin)		93,952	143,362	116,375	152,428	106,280	81,735	131,640	72,241	62,989	108,067	56,490	156,142	1,281,701
22 Total Medical and Prescription Expenses		286,700	396,687	384,620	341,102	405,841	354,728	438,511	317,749	329,052	315,411	305,556	415,812	4,291,769
23 Administrative Expenses		21,754	22,241	21,406	21,850	21,415	19,323	21,353	19,655	20,439	20,266	18,235	17,980	245,917
24 Total Expenses		308,453	418,927	406,026	362,952	427,256	374,051	459,864	337,404	349,492	335,677	323,791	433,792	4,537,685
25 Net Income Before Taxes		67,094	(17,972)	(12,179)	37,089	(30,776)	17,850	(65,659)	28,619	10,845	11,079	31,315	(79,761)	(2,456)
26 % Medical Exp to Net Revenues		51.3%	63.2%	68.1%	47.2%	75.6%	69.7%	77.8%	67.1%	73.8%	59.8%	70.1%	73.3%	66.4%
27 % Prescription Exp to Net Revenues		25.0%	35.8%	29.5%	38.1%	26.8%	20.9%	33.4%	19.7%	17.5%	31.2%	15.9%	44.1%	28.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		76.3%	98.9%	97.7%	85.3%	102.4%	90.5%	111.2%	86.8%	91.3%	91.0%	86.0%	117.5%	94.6%
29 % Admin Exp to Net Revenues		5.8%	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		17.9%	-4.5%	-3.1%	9.3%	-7.8%	4.6%	-16.7%	7.8%	3.0%	3.2%	8.8%	-22.5%	-0.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.1%	7.8%	7.7%	7.7%	7.6%	7.0%	7.6%	7.5%	7.9%	8.1%	7.1%	7.0%	7.6%
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.