

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **United HealthCare / UnitedHealth Group**  
 State Fiscal Year: **2018** Program: **CHIP**  
 Submission Date: **8/30/2019** Service Area: **Corpus / Nueces**  
 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		0	0	0	0	0	287	282	239	234	202	177	167	<b>1,588</b>
2 <b>Average Monthly Member Months</b>														<b>227</b>
<b>Revenues:</b>														
3 Medical Premiums		0	0	0	0	0	36,224	37,945	34,798	36,636	32,788	29,639	29,636	237,666
4 Delivery Supplemental Payments		0	0	0	0	0	0	0	0	3,100	0	3,100	0	6,200
5 Pharmacy Premiums		0	0	0	0	0	7,899	8,071	7,338	7,708	6,898	6,153	6,268	50,335
6 Investment Income		0	0	0	0	0	224	224	224	224	224	224	224	1,569
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		0	0	0	0	0	44,347	46,240	42,360	47,668	39,910	39,116	36,128	295,770
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		0	0	0	0	0	772	805	737	830	695	681	628	5,149
12 Maintenance Taxes		0	0	0	0	0	17	16	14	13	12	10	10	91
13 <b>Net Revenues</b>		0	0	0	0	0	43,558	45,419	41,609	46,824	39,204	38,425	35,490	<b>290,529</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		0	0	0	0	0	16,930	11,914	9,794	12,706	14,520	12,110	14,087	92,060
15 Capitated Services		0	0	0	0	0	419	412	349	342	295	258	244	2,318
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		0	0	0	0	0	971	1,097	894	982	317	1,204	821	6,286
20 Total Medical Expenses		0	0	0	0	0	18,320	13,423	11,037	14,030	15,132	13,572	15,151	100,665
21 Prescription Expenses (excluding PBM Admin)		0	0	0	0	0	13,599	5,739	4,870	4,704	2,922	2,233	3,438	37,505
22 <b>Total Medical and Prescription Expenses</b>		0	0	0	0	0	31,919	19,162	15,907	18,734	18,054	15,805	18,589	138,170
23 <b>Administrative Expenses</b>		0	0	0	0	0	2,148	2,460	2,234	2,656	2,291	1,973	1,802	15,565
24 <b>Total Expenses</b>		0	0	0	0	0	34,066	21,623	18,142	21,390	20,345	17,778	20,391	153,735
25 <b>Net Income Before Taxes</b>		0	0	0	0	0	9,492	23,796	23,467	25,434	18,859	20,647	15,099	<b>136,794</b>
26 % Medical Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	42.1%	29.6%	26.5%	30.0%	38.6%	35.3%	42.7%	34.6%
27 % Prescription Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	31.2%	12.6%	11.7%	10.0%	7.5%	5.8%	9.7%	12.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		0.0%	0.0%	0.0%	0.0%	0.0%	73.3%	42.2%	38.2%	40.0%	46.1%	41.1%	52.4%	47.6%
29 % Admin Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	5.4%	5.4%	5.7%	5.8%	5.1%	5.1%	5.4%
30 <b>% Net Income to Net Revenues</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>21.8%</b>	<b>52.4%</b>	<b>56.4%</b>	<b>54.3%</b>	<b>48.1%</b>	<b>53.7%</b>	<b>42.5%</b>	<b>47.1%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	6.6%	6.5%	6.8%	7.1%	6.1%	6.2%	6.5%
<b>Post-income items:</b>														
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.