

MMP name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018**
 Submission Date: **8/30/2019**
 Yr-End 334-Day

Program: **MMP Dual Demo - Integrated Care Program (STAR+PLUS+Medicare)**
 County: **Harris County (Houston)**
 Rptg Period End Date: **8/31/2018**

Texas Financial Alignment Demonstration

MMP self-reported data, subject to audit

template version 2.0

Part 1: **Summary Income Statement**

	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	SFY YTD
1 Member Months (per Medicaid)		5,359	5,137	5,017	4,953	5,212	5,167	5,067	5,127	4,925	4,754	4,733	5,002	60,453
2 additional / (fewer) Mbr-Mos in Medicare		0	0	0	0	0	0	0	0	0	0	0	0	0
3 Average Monthly Member Months														5,038
Revenues:														
<i>CMS Medicare Premiums:</i>														
4 Monthly Capitation Received - Medical		7,662,354	7,283,342	7,150,488	7,157,184	7,935,624	7,754,568	7,531,534	7,500,311	7,119,293	6,856,925	6,797,839	7,036,961	87,786,423
5 Monthly Capitation Withheld - Medical		158,389	150,436	147,869	144,950	245,264	239,684	232,780	232,046	220,284	212,109	210,353	217,606	2,411,770
6 Gross Total (before withhold) - Medical		7,820,743	7,433,778	7,298,357	7,302,134	8,180,888	7,994,252	7,764,314	7,732,357	7,339,577	7,069,034	7,008,192	7,254,567	90,198,193
7 Gross Total (no withholding) - Pharmacy		461,440	433,626	302,182	344,007	428,546	467,176	470,717	455,758	433,537	301,631	275,367	385,360	4,759,347
8 Sub-total: Medicare Capitation		8,282,183	7,867,404	7,600,539	7,646,141	8,609,434	8,461,428	8,235,031	8,188,115	7,773,114	7,370,665	7,283,559	7,639,927	94,957,540
<i>Medicaid Premiums:</i>														
9 Monthly Capitation Received - Medical		5,558,640	5,393,034	5,351,287	5,345,099	5,623,662	5,575,727	5,469,955	5,576,796	5,315,854	5,004,368	4,893,730	3,196,717	62,304,869
10 Monthly Capitation Received - Pharmacy		27,671	26,477	25,811	25,462	26,187	25,939	25,442	25,712	24,741	23,977	23,960	3,767	285,146
11 Monthly Capitation Withheld - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Monthly Capitation Withheld - Pharmacy		0	0	0	0	0	0	0	0	0	0	0	0	0
13 Gross Total (before withhold) - Medical		5,558,640	5,393,034	5,351,287	5,345,099	5,623,662	5,575,727	5,469,955	5,576,796	5,315,854	5,004,368	4,893,730	3,196,717	62,304,869
14 Gross Total (before withhold) - Pharmacy		27,671	26,477	25,811	25,462	26,187	25,939	25,442	25,712	24,741	23,977	23,960	3,767	285,146
15 Sub-total: Medicaid Capitation		5,586,311	5,419,511	5,377,098	5,370,561	5,649,849	5,601,666	5,495,397	5,602,508	5,340,595	5,028,345	4,917,690	3,200,484	62,590,015
16 Investment Income		26,098	26,098	26,098	26,098	26,098	26,098	26,098	26,098	26,098	26,098	26,098	26,098	313,178
17 Other Revenue		(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(251,587)	(3,019,042)
18 Total Gross Revenues		13,643,005	13,061,426	12,752,148	12,791,213	14,033,794	13,837,605	13,504,939	13,565,134	12,888,220	12,173,521	11,975,760	10,614,922	154,841,691
19 Premium Taxes (on Medicaid)		97,760	94,841	94,099	93,985	98,872	98,029	96,169	98,044	93,460	87,996	86,060	56,008	1,095,325
20 Maintenance Taxes		370	354	346	342	360	357	350	354	340	328	327	345	4,171
21 Net Revenues		13,544,875	12,966,230	12,657,703	12,696,886	13,934,562	13,739,219	13,408,420	13,466,736	12,794,420	12,085,197	11,889,374	10,558,568	153,742,190
Expenses:														
<i>Medicare Expenses:</i>														
22 Fee-For-Service		6,170,608	6,176,828	5,724,206	6,102,562	7,059,245	6,082,844	6,343,399	6,472,195	6,103,512	5,542,096	5,416,857	6,181,805	73,376,157
23 Capitated Services		49,950	47,881	46,762	46,166	48,580	48,161	47,228	47,788	45,905	44,311	44,115	46,623	563,470
24 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
25 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
26 Other Medicare Medical Expenses		304,185	246,593	213,245	249,088	335,041	259,093	282,398	246,432	213,706	235,939	212,249	303,408	3,101,377
27 Total Medicare Medical Expenses		6,524,743	6,471,302	5,984,213	6,397,816	7,442,866	6,390,098	6,673,025	6,766,415	6,363,123	5,822,346	5,673,221	6,531,836	77,041,004
28 Medicare Gross Rx Exp (excl PBM Admin)		757,492	715,254	604,543	687,121	757,525	812,988	807,860	732,404	687,982	598,229	577,625	616,847	8,355,870
29 Medicare Rx Rebates		502,659	490,138	400,763	399,042	414,699	399,374	435,164	406,238	411,735	366,881	369,286	394,588	4,990,567
30 Sub-total: Medicare Medical & Rx Expenses		6,779,576	6,696,418	6,187,993	6,685,896	7,785,691	6,803,713	7,045,721	7,092,581	6,639,370	6,053,694	5,881,560	6,754,095	80,406,307
<i>Medicaid Expenses:</i>														
31 Fee-For-Service		3,722,873	3,776,102	3,640,196	3,796,192	4,014,165	3,582,960	4,003,455	4,016,159	4,017,469	3,671,633	3,702,061	3,800,609	45,743,874
32 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
33 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
34 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
35 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
36 Quality Incentive Payment Program (QIPP):		368,765	362,416	363,474	364,003	404,742	404,213	395,822	406,405	383,122	351,901	334,967	350,842	4,490,670
37 Other Medicaid Medical Expenses		665,353	672,971	718,065	761,747	630,081	560,623	634,910	577,834	543,658	509,208	698,398	741,100	7,713,948
38 Total Medicaid Medical Expenses		4,756,991	4,811,489	4,721,735	4,921,942	5,048,988	4,547,796	5,034,187	5,000,398	4,944,249	4,532,742	4,735,426	4,892,551	57,948,492
39 Medicaid Prescription Exp (excl PBM Admin)		30,102	26,141	26,057	24,481	37,491	28,981	9,957	11,992	16,057	8,659	13,175	12,723	245,815
40 Sub-total: Medicaid Medical & Rx Expenses		4,787,093	4,837,630	4,747,792	4,946,422	5,086,478	4,576,777	5,044,144	5,012,391	4,960,306	4,541,400	4,748,600	4,905,274	58,194,307
41 Total Medical & Prescription Expenses		11,566,669	11,534,048	10,935,785	11,632,318	12,872,169	11,380,490	12,089,865	12,104,971	11,599,675	10,595,094	10,630,161	11,659,369	138,600,614
42 Administrative Expenses		730,503	717,326	658,316	771,144	670,037	537,225	646,728	710,512	710,461	617,166	565,223	718,050	8,062,689
43 Total Expenses		12,297,172	12,251,373	11,594,101	12,403,462	13,542,206	11,917,714	12,736,594	12,825,483	12,310,136	11,212,259	11,195,384	12,377,419	146,663,303
44 Total Net Income Before Taxes		1,247,703	714,857	1,063,602	293,424	392,356	1,821,505	671,826	641,253	484,284	872,938	693,990	(1,818,851)	7,078,887
45 Net Income EXCL Medicare RX		1,078,380	544,811	1,000,455	276,209	345,258	1,801,957	609,856	546,303	360,364	833,283	658,824	(1,950,207)	6,105,492

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Part 1: **Summary Income Statement**

Key Ratios:	Incurred Months:	Managed Care contract revenues & costs												SFY YTD
		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	
46 % total Medical Exp to Net Revenues	83.3%	87.0%	84.6%	89.2%	89.6%	79.6%	87.3%	87.4%	88.4%	85.7%	87.5%	108.2%	87.8%	
47 % total Prescription Exp to Net Revenues	2.1%	1.9%	1.8%	2.5%	2.7%	3.2%	2.9%	2.5%	2.3%	2.0%	1.9%	2.2%	2.3%	
48 % Total Medical & Rx to Net Rev. (MLR)	85.4%	89.0%	86.4%	91.6%	92.4%	82.8%	90.2%	89.9%	90.7%	87.7%	89.4%	110.4%	90.2%	
49 % Admin Exp to Net Revenues	5.4%	5.5%	5.2%	6.1%	4.8%	3.9%	4.8%	5.4%	5.6%	5.1%	4.8%	6.8%	5.2%	
50 % Total Net Income to Net Revenues	9.2%	5.5%	8.4%	2.3%	2.8%	13.3%	5.0%	4.8%	3.8%	7.2%	5.8%	-17.2%	4.6%	
51 % Adj. Admin to Adj. Net Revenues (excludes Taxes & Prescription pass-through)	5.3%	5.4%	5.0%	5.9%	4.7%	3.8%	4.7%	5.3%	5.5%	5.0%	4.6%	6.7%	5.1%	
52 % Net Income EXCL Medicare Rx	8.2%	4.3%	8.1%	2.2%	2.6%	13.6%	4.7%	4.2%	2.9%	7.1%	5.7%	-19.2%	4.1%	
Memo: QWP withholdings and recoupments														
53 Total Medicare Capitation Withheld	158,389	150,436	147,869	144,950	245,264	239,684	232,780	232,046	220,284	212,109	210,353	217,606	2,411,770	
54 Total Medicaid Capitation Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
55 Medicare Payments against Withholding												0	0	
56 Medicaid Payments against Withholding												0	0	
57 Net Amount Not Received by MMP	158,389	150,436	147,869	144,950	245,264	239,684	232,780	232,046	220,284	212,109	210,353	217,606	2,411,770	
Additional memo items:														
58 total Net Revenues (from Line 21)	13,544,875	12,966,230	12,657,703	12,696,886	13,934,562	13,739,219	13,408,420	13,466,736	12,794,420	12,085,197	11,889,374	10,558,568	153,742,190	
59 Medicare portion (incls interest income)	8,150,298	7,735,519	7,468,654	7,514,256	8,477,549	8,329,543	8,103,146	8,056,230	7,641,229	7,238,780	7,151,674	7,508,042	93,374,916	
60 Medicaid portion (excls Prem tax; incls interest inc)	5,394,577	5,230,712	5,189,049	5,182,631	5,457,014	5,409,677	5,305,275	5,410,507	5,153,191	4,846,418	4,737,701	3,050,527	60,367,279	
61 add-check	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(4)	
62 total Net Income (from Line 43)	1,247,703	714,857	1,063,602	293,424	392,356	1,821,505	671,826	641,253	484,284	872,938	693,990	(1,818,851)	7,078,887	
63 Medicare portion	938,431	613,843	890,405	372,286	293,524	1,205,196	673,454	538,150	582,621	820,224	934,387	331,048	8,193,568	
64 Medicaid portion	309,273	101,014	173,197	(78,861)	98,833	616,310	(1,627)	103,103	(98,336)	52,713	(240,397)	(2,149,898)	(1,114,677)	
65 add-check	(1)	(0)	(1)	(0)	(0)	0	(1)	(0)	(1)	0	(1)	(0)	(4)	

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). With each new FSR submission, all prior quarters' data must be updated to reflect, in the column pertaining to the appropriate past month, the most recent revised IBNR estimates, the most recent Medicare capitation premium adjustments, and the most recent Medicare and Medicaid payment file data.

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.