

HHS FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **UnitedHealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **MRSA Central**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

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	YTD
HHS Managed Care contract costs													
1 Member Months	4,554	4,587	4,627	4,656	4,690	4,731	4,692	4,724	4,702	4,693	4,725	4,680	56,061
2 Average Monthly Member Months													4,672
Revenues:													
3 Medical Premiums	4,745,468	4,798,892	4,783,660	4,858,035	4,829,544	4,810,424	4,782,968	4,798,379	4,784,719	4,845,388	4,833,390	4,782,482	57,653,349
4 Pharmacy Premiums	1,207,685	1,217,778	1,223,108	1,234,064	1,236,008	1,240,494	1,230,423	1,236,517	1,231,574	1,235,758	1,240,466	1,228,407	14,762,282
5 Investment Income	43,202	43,202	43,202	43,202	43,202	43,202	43,202	43,202	43,202	43,202	43,202	43,202	518,429
6 Health Insurance Providers Fee Reimbursement	695,724												695,724
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	6,692,079	6,059,872	6,049,970	6,135,301	6,108,754	6,094,120	6,056,593	6,078,098	6,059,495	6,124,348	6,117,058	6,054,091	73,629,784
9 Health Insurance Providers Fee & Related Costs	683,758												683,758
10 Premium Taxes	116,355	105,292	105,118	106,612	106,147	105,891	105,234	105,611	105,285	106,420	106,292	105,191	1,279,449
11 Maintenance Taxes	262	264	266	268	270	272	270	272	270	270	272	269	3,224
12 Net Revenues	5,891,704	5,954,317	5,944,586	6,028,422	6,002,337	5,987,957	5,951,089	5,972,216	5,953,940	6,017,658	6,010,494	5,948,631	71,663,349
Medical Expenses:													
13 Fee-For-Service	3,546,811	4,146,084	4,053,878	3,781,483	4,833,544	4,052,429	4,082,594	5,160,139	4,129,726	3,973,929	4,141,094	4,387,136	50,288,847
14 Capitated Services	16,189	16,307	16,449	16,552	16,673	16,819	16,680	16,794	16,716	16,684	16,797	16,637	199,297
15 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost	0	0	0	0	0	0	0	0	0	0	0	0	0
17 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement	333,283	337,378	339,422	355,784	335,405	306,172	340,943	338,066	343,529	356,606	390,495	372,606	4,149,689
19 Other Medical Expenses	138,444	197,386	221,559	133,038	166,768	241,518	148,888	144,636	153,914	214,656	108,718	200,165	2,069,690
20 Total Medical Expenses	4,034,727	4,697,155	4,631,308	4,286,857	5,352,390	4,616,938	4,589,105	5,659,635	4,643,885	4,561,875	4,657,104	4,976,544	56,707,623
21 Prescription Expenses (excluding PBM Admin)	1,204,020	1,371,487	1,279,183	1,269,378	1,477,749	1,413,168	1,360,979	1,366,631	1,360,729	1,229,469	1,404,648	1,508,927	16,246,368
22 Total Medical and Prescription Expenses	5,238,746	6,068,642	5,910,492	5,556,234	6,830,139	6,030,106	5,950,085	7,026,266	6,004,614	5,791,344	6,061,752	6,485,471	72,953,892
23 Administrative Expenses	321,215	330,170	322,990	329,158	324,101	295,136	322,247	320,602	337,614	351,582	308,545	302,015	3,865,376
24 Total Expenses	5,559,962	6,398,812	6,233,482	5,885,392	7,154,240	6,325,242	6,272,332	7,346,868	6,342,228	6,142,927	6,370,297	6,787,486	76,819,267
25 Net Income Before Taxes	331,742	(444,495)	(288,896)	143,030	(1,151,903)	(337,285)	(321,243)	(1,374,652)	(388,288)	(125,269)	(359,803)	(838,854)	(6,155,918)
26 % Medical Exp to Net Revenues	68.5%	78.9%	77.9%	71.1%	89.2%	77.1%	77.1%	94.8%	78.0%	75.8%	77.5%	83.7%	79.1%
27 % Prescription Exp to Net Revenues	20.4%	23.0%	21.5%	21.1%	24.6%	23.6%	22.9%	22.9%	22.9%	20.4%	23.4%	25.4%	22.7%
28 % Total Medical and Prescription to Net Rev. (MLR)	88.9%	101.9%	99.4%	92.2%	113.8%	100.7%	100.0%	117.6%	100.9%	96.2%	100.9%	109.0%	101.8%
29 % Admin Exp to Net Revenues	5.5%	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	5.6%	-7.5%	-4.9%	2.4%	-19.2%	-5.6%	-5.4%	-23.0%	-6.5%	-2.1%	-6.0%	-14.1%	-7.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	6.9%	7.0%	6.8%	6.9%	6.8%	6.2%	6.8%	6.8%	7.1%	7.4%	6.5%	6.4%	6.8%

Post-income items:

32 Performance Assessment													0
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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.