

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **UnitedHealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **MRSA Northeast**
 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		6,643	6,668	6,727	6,734	6,801	6,833	6,780	6,833	6,836	6,770	6,768	6,757	81,160
2 Average Monthly Member Months														6,763
Revenues:														
3 Medical Premiums		8,717,074	8,709,878	8,848,437	8,838,718	8,878,771	8,909,009	8,829,240	8,946,813	9,005,159	8,936,678	8,933,758	8,905,756	106,459,291
4 Pharmacy Premiums		2,598,027	2,590,751	2,621,300	2,618,245	2,628,666	2,635,098	2,609,431	2,635,087	2,648,259	2,629,381	2,624,834	2,624,341	31,463,420
5 Investment Income		82,284	82,284	82,284	82,284	82,284	82,284	82,284	82,284	82,284	82,284	82,284	82,284	967,414
6 Health Insurance Providers Fee Reimbursement		1,299,541												1,299,541
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		12,696,927	11,382,913	11,552,021	11,539,247	11,589,721	11,626,391	11,520,955	11,664,184	11,735,702	11,648,343	11,640,876	11,612,381	140,209,666
9 Health Insurance Providers Fee & Related Costs		1,277,190												1,277,190
10 Premium Taxes		220,756	197,761	200,720	200,497	201,380	202,022	200,177	202,683	203,935	202,406	202,275	201,777	2,436,389
11 Maintenance Taxes		382	383	387	387	391	393	390	393	393	389	389	389	4,666
12 Net Revenues		11,198,598	11,184,769	11,350,914	11,338,363	11,387,950	11,423,976	11,320,388	11,461,108	11,531,374	11,445,548	11,438,211	11,410,216	136,491,415
Medical Expenses:														
13 Fee-For-Service		9,228,981	7,580,363	7,696,633	7,939,056	9,464,507	8,661,668	9,626,539	7,908,615	8,016,897	8,614,718	8,648,654	8,341,380	101,728,011
14 Capitated Services		23,616	23,705	23,914	23,939	24,178	24,291	24,103	24,291	24,302	24,067	24,060	24,021	288,487
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		632,339	633,734	648,105	669,156	636,341	584,117	648,549	648,766	665,329	678,255	743,119	714,697	7,902,506
19 Other Medical Expenses		268,241	314,235	298,769	254,662	289,738	342,516	371,639	361,559	241,569	24,463	295,474	209,373	3,272,238
20 Total Medical Expenses		10,153,177	8,552,037	8,667,421	8,886,813	10,414,764	9,612,592	10,670,830	8,943,231	8,948,097	9,341,503	9,711,307	9,289,471	113,191,242
21 Prescription Expenses (excluding PBM Admin)		2,040,151	2,147,540	2,137,915	2,225,147	2,509,930	2,344,585	2,490,813	2,352,836	2,323,015	2,494,854	2,656,954	2,444,177	28,167,918
22 Total Medical and Prescription Expenses		12,193,328	10,699,578	10,805,336	11,111,960	12,924,694	11,957,177	13,161,642	11,296,067	11,271,112	11,836,357	12,368,260	11,733,648	141,359,160
23 Administrative Expenses		609,444	620,194	616,729	619,079	614,894	563,062	612,983	615,251	653,872	668,700	587,168	579,296	7,360,673
24 Total Expenses		12,802,772	11,319,771	11,422,065	11,731,039	13,539,588	12,520,239	13,774,626	11,911,319	11,924,984	12,505,057	12,955,428	12,312,944	148,719,832
25 Net Income Before Taxes		(1,604,174)	(135,002)	(71,151)	(392,676)	(2,151,638)	(1,096,263)	(2,454,238)	(450,211)	(393,610)	(1,059,509)	(1,517,217)	(902,728)	(12,228,417)
26 % Medical Exp to Net Revenues		90.7%	76.5%	76.4%	78.4%	91.5%	84.1%	94.3%	78.0%	77.6%	81.6%	84.9%	81.4%	82.9%
27 % Prescription Exp to Net Revenues		18.2%	19.2%	18.8%	19.6%	22.0%	20.5%	22.0%	20.5%	20.1%	21.8%	23.2%	21.4%	20.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		108.9%	95.7%	95.2%	98.0%	113.5%	104.7%	116.3%	98.6%	97.7%	103.4%	108.1%	102.8%	103.6%
29 % Admin Exp to Net Revenues		5.4%	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		-14.3%	-1.2%	-0.6%	-3.5%	-18.9%	-9.6%	-21.7%	-3.9%	-3.4%	-9.3%	-13.3%	-7.9%	-9.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.1%	7.2%	7.1%	7.1%	7.0%	6.4%	7.0%	7.0%	7.4%	7.6%	6.7%	6.6%	7.0%

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.