

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Harris / 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		9,461	9,521	9,496	9,520	9,561	9,615	9,550	9,556	9,537	9,490	9,474	9,473	114,254
2 Average Monthly Member Months														9,521
Revenues:														
3 Medical Premiums		10,057,828	10,082,011	10,153,990	10,219,134	10,245,745	10,322,552	10,364,978	10,420,595	10,492,753	10,457,727	10,488,763	10,521,550	123,827,626
4 Pharmacy Premiums		2,332,697	2,345,615	2,343,973	2,351,987	2,361,042	2,372,891	2,364,492	2,366,690	2,367,704	2,355,606	2,353,037	2,355,232	28,270,966
5 Investment Income		90,739	90,739	90,739	90,739	90,739	90,739	90,739	90,739	90,739	90,739	90,739	90,739	1,088,865
6 Health Insurance Providers Fee Reimbursement		2,459,983												2,459,983
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		14,941,247	12,518,365	12,588,702	12,661,860	12,697,526	12,786,182	12,820,209	12,878,024	12,951,196	12,904,072	12,932,539	12,967,521	155,647,440
9 Health Insurance Providers Fee & Related Costs		2,417,674												2,417,674
10 Premium Taxes		259,884	217,483	218,714	219,995	220,619	222,170	222,766	223,777	225,058	224,233	224,732	225,344	2,704,775
11 Maintenance Taxes		544	547	546	547	550	553	549	549	548	546	545	545	6,570
12 Net Revenues		12,263,145	12,300,334	12,369,442	12,441,318	12,476,357	12,563,459	12,596,894	12,653,697	12,725,590	12,679,293	12,707,263	12,741,633	150,518,424
Medical Expenses:														
13 Fee-For-Service		9,714,190	9,920,598	10,081,285	10,035,423	11,057,749	11,763,237	11,280,167	11,545,607	12,733,741	11,408,505	12,231,743	13,451,429	135,223,674
14 Capitated Services		17,881	17,995	17,947	17,993	18,070	18,172	18,050	18,061	18,025	17,936	17,906	17,904	215,940
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		744,112	696,950	706,266	734,256	697,165	642,386	721,687	716,280	734,238	751,373	825,574	798,101	8,768,389
19 Other Medical Expenses		477,883	449,090	301,322	297,506	321,312	288,122	353,656	251,949	264,171	189,564	273,751	244,381	3,712,707
20 Total Medical Expenses		10,954,066	11,084,633	11,106,820	11,085,178	12,094,296	12,711,917	12,373,560	12,531,897	13,750,175	12,367,378	13,348,974	14,511,815	147,920,710
21 Prescription Expenses (excluding PBM Admin)		2,397,794	2,433,850	2,295,632	2,341,004	2,540,672	2,424,833	2,565,393	2,311,518	2,579,361	2,453,016	2,567,507	2,604,468	29,515,047
22 Total Medical and Prescription Expenses		13,351,860	13,518,482	13,402,452	13,426,182	14,634,969	15,136,749	14,938,953	14,843,415	16,329,536	14,820,394	15,916,482	17,116,283	177,435,757
23 Administrative Expenses		717,170	682,059	672,074	679,307	673,669	619,230	682,112	679,278	721,595	740,788	652,319	646,899	8,166,500
24 Total Expenses		14,069,030	14,200,541	14,074,526	14,105,489	15,308,638	15,755,979	15,621,065	15,522,693	17,051,131	15,561,182	16,568,801	17,763,182	185,602,257
25 Net Income Before Taxes		(1,805,885)	(1,900,207)	(1,705,084)	(1,664,171)	(2,832,281)	(3,192,520)	(3,024,171)	(2,868,996)	(4,325,541)	(2,881,889)	(3,861,538)	(5,021,549)	(35,083,833)
26 % Medical Exp to Net Revenues		89.3%	90.1%	89.8%	89.1%	96.9%	101.2%	98.2%	99.0%	108.1%	97.5%	105.0%	113.9%	98.3%
27 % Prescription Exp to Net Revenues		19.6%	19.8%	18.6%	18.8%	20.4%	19.3%	20.4%	18.3%	20.3%	19.3%	20.2%	20.4%	19.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		108.9%	109.9%	108.4%	107.9%	117.3%	120.5%	118.6%	117.3%	128.3%	116.9%	125.3%	134.3%	117.9%
29 % Admin Exp to Net Revenues		5.8%	5.5%	5.4%	5.5%	5.4%	4.9%	5.4%	5.7%	5.7%	5.8%	5.1%	5.1%	5.4%
30 % Net Income to Net Revenues		-14.7%	-15.4%	-13.8%	-13.4%	-22.7%	-25.4%	-24.0%	-22.7%	-34.0%	-22.7%	-30.4%	-39.4%	-23.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.2%	6.9%	6.7%	6.7%	6.7%	6.1%	6.7%	6.6%	7.0%	7.2%	6.3%	6.2%	6.7%

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.