

HHS FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Hidalgo**
 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	7,384	7,410	7,436	7,428	7,438	7,444	7,427	7,378	7,306	7,267	7,272	7,249	88,439
2 Average Monthly Member Months													7,370
Revenues:													
3 Medical Premiums	11,054,145	11,125,563	11,223,621	11,169,700	11,160,254	11,179,806	11,122,626	11,005,375	10,887,445	10,831,259	10,846,093	10,806,565	132,412,452
4 Pharmacy Premiums	2,510,772	2,523,088	2,536,643	2,525,904	2,529,963	2,531,636	2,524,570	2,505,731	2,477,683	2,465,003	2,466,732	2,458,827	30,056,552
5 Investment Income	96,927	96,927	96,927	96,927	96,927	96,927	96,927	96,927	96,927	96,927	96,927	96,927	1,163,128
6 Health Insurance Providers Fee Reimbursement	1,477,431												1,477,431
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	15,139,275	13,745,578	13,857,191	13,792,531	13,787,144	13,808,369	13,744,123	13,608,033	13,462,055	13,393,189	13,409,752	13,362,319	165,109,563
9 Health Insurance Providers Fee & Related Costs	1,452,020												1,452,020
10 Premium Taxes	263,241	238,851	240,805	239,673	239,579	239,950	238,826	236,444	233,890	232,685	232,974	232,144	2,869,063
11 Maintenance Taxes	425	426	428	427	428	428	427	424	420	418	418	417	5,085
12 Net Revenues	13,423,589	13,506,301	13,615,959	13,552,431	13,547,138	13,567,991	13,504,870	13,371,164	13,227,745	13,160,087	13,176,359	13,129,758	160,783,391
Medical Expenses:													
13 Fee-For-Service	8,987,530	10,363,634	10,599,945	9,014,643	10,232,938	9,904,921	9,929,096	9,962,763	9,851,387	9,900,822	9,233,805	10,937,559	118,919,043
14 Capitated Services	13,956	14,005	14,054	14,039	14,058	14,069	14,037	13,944	13,808	13,735	13,744	13,701	167,150
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	753,975	765,274	777,432	799,823	756,991	693,741	773,697	756,884	763,200	779,853	856,038	822,399	9,299,308
19 Other Medical Expenses	366,519	409,198	366,668	339,847	363,346	39,978	302,133	325,179	418,805	384,673	356,826	205,211	3,878,383
20 Total Medical Expenses	10,121,980	11,552,111	11,758,099	10,168,352	11,367,333	10,652,709	11,018,963	11,058,770	11,047,200	11,079,083	10,460,413	11,978,870	132,263,884
21 Prescription Expenses (excluding PBM Admin)	2,228,115	2,681,985	2,218,045	2,542,665	2,940,393	2,436,991	2,670,919	2,319,870	2,221,170	2,212,185	2,059,823	2,275,313	28,807,475
22 Total Medical and Prescription Expenses	12,350,095	14,234,096	13,976,144	12,711,018	14,307,726	13,089,700	13,689,882	13,378,639	13,268,371	13,291,268	12,520,236	14,254,183	161,071,358
23 Administrative Expenses	726,675	748,923	739,795	739,967	731,479	668,734	731,289	717,784	750,059	768,867	676,390	666,594	8,666,536
24 Total Expenses	13,076,770	14,983,019	14,715,939	13,450,985	15,039,205	13,758,434	14,421,151	14,096,423	14,018,429	14,060,135	13,196,626	14,920,777	169,737,893
25 Net Income Before Taxes	346,819	(1,476,718)	(1,099,980)	101,446	(1,492,067)	(190,443)	(916,281)	(725,259)	(790,684)	(900,048)	(20,267)	(1,791,019)	(8,954,502)
26 % Medical Exp to Net Revenues	75.4%	85.5%	86.4%	75.0%	83.9%	78.5%	81.6%	82.7%	83.5%	84.2%	79.4%	91.2%	82.3%
27 % Prescription Exp to Net Revenues	16.6%	19.9%	16.3%	18.8%	21.7%	18.0%	19.8%	17.3%	16.8%	16.8%	15.6%	17.3%	17.9%
28 % Total Medical and Prescription to Net Rev. (MLR)	92.0%	105.4%	102.6%	93.8%	105.6%	96.5%	101.4%	100.1%	100.3%	101.0%	95.0%	108.6%	100.2%
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	2.6%	-10.9%	-8.1%	0.7%	-11.0%	-1.4%	-6.8%	-5.4%	-6.0%	-6.8%	-0.2%	-13.6%	-5.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	6.7%	6.8%	6.7%	6.7%	6.6%	6.1%	6.7%	6.6%	7.0%	7.2%	6.3%	6.2%	6.6%

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.