

**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: **Jefferson**  
 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		2,348	2,348	2,318	2,322	2,336	2,344	2,334	2,351	2,358	2,349	2,350	2,344	28,102
2 <b>Average Monthly Member Months</b>														<b>2,342</b>
<b>Revenues:</b>														
3 Medical Premiums		1,892,358	1,894,443	1,857,672	1,891,887	1,893,006	1,931,661	1,931,250	1,936,783	1,924,905	1,927,482	1,936,128	1,932,563	22,950,138
4 Pharmacy Premiums		700,795	700,846	690,112	692,180	696,722	701,696	700,041	703,494	705,593	703,618	704,934	704,404	8,404,435
5 Investment Income		18,706	18,706	18,706	18,706	18,706	18,706	18,706	18,706	18,706	18,706	18,706	18,706	224,468
6 Health Insurance Providers Fee Reimbursement		318,904							18,706					318,904
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		2,930,763	2,613,995	2,566,490	2,602,773	2,608,434	2,652,063	2,649,997	2,658,983	2,649,204	2,649,806	2,659,768	2,655,673	31,897,945
9 Health Insurance Providers Fee & Related Costs		313,419												313,419
10 Premium Taxes		50,961	45,418	44,586	45,221	45,320	46,084	46,048	46,205	46,034	46,044	46,219	46,147	554,286
11 Maintenance Taxes		135	135	133	134	134	135	134	135	136	135	135	135	1,616
12 <b>Net Revenues</b>		<b>2,566,248</b>	<b>2,568,442</b>	<b>2,521,770</b>	<b>2,557,418</b>	<b>2,562,979</b>	<b>2,605,844</b>	<b>2,603,815</b>	<b>2,612,643</b>	<b>2,603,035</b>	<b>2,603,627</b>	<b>2,613,414</b>	<b>2,609,391</b>	<b>31,028,628</b>
<b>Medical Expenses:</b>														
13 Fee-For-Service		1,937,366	1,796,404	1,458,203	1,672,198	1,700,447	1,723,839	2,248,268	1,692,032	1,969,479	2,012,609	1,768,681	1,709,336	21,688,862
14 Capitated Services		4,438	4,438	4,381	4,389	4,415	4,430	4,411	4,443	4,457	4,440	4,442	4,430	53,114
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		145,959	145,532	143,968	150,934	143,218	133,241	149,176	147,894	150,191	154,292	169,792	163,446	1,797,662
19 Other Medical Expenses		87,477	136,141	131,258	124,066	274	150,660	184,661	239,433	207,166	13,001	150,214	190,880	1,615,231
20 Total Medical Expenses		2,175,240	2,082,515	1,737,830	1,951,587	1,848,354	2,012,170	2,586,516	2,083,802	2,331,293	2,184,342	2,093,129	2,068,092	25,154,669
21 Prescription Expenses (excluding PBM Admin)		535,065	550,109	690,227	696,017	657,790	615,668	689,089	615,374	659,687	514,654	533,323	607,231	7,364,234
22 <b>Total Medical and Prescription Expenses</b>		<b>2,710,306</b>	<b>2,632,624</b>	<b>2,428,057</b>	<b>2,647,604</b>	<b>2,506,144</b>	<b>2,627,838</b>	<b>3,275,605</b>	<b>2,699,176</b>	<b>2,990,980</b>	<b>2,698,996</b>	<b>2,626,452</b>	<b>2,675,323</b>	<b>32,519,103</b>
23 <b>Administrative Expenses</b>		<b>140,675</b>	<b>142,423</b>	<b>137,017</b>	<b>139,638</b>	<b>138,391</b>	<b>128,438</b>	<b>140,996</b>	<b>140,254</b>	<b>147,604</b>	<b>152,118</b>	<b>134,159</b>	<b>132,481</b>	<b>1,674,194</b>
24 <b>Total Expenses</b>		<b>2,850,981</b>	<b>2,775,047</b>	<b>2,565,074</b>	<b>2,787,242</b>	<b>2,644,535</b>	<b>2,756,276</b>	<b>3,416,600</b>	<b>2,839,429</b>	<b>3,138,584</b>	<b>2,851,114</b>	<b>2,760,611</b>	<b>2,807,804</b>	<b>34,193,297</b>
25 <b>Net Income Before Taxes</b>		<b>(284,733)</b>	<b>(206,605)</b>	<b>(45,304)</b>	<b>(229,824)</b>	<b>(81,556)</b>	<b>(150,432)</b>	<b>(812,785)</b>	<b>(226,786)</b>	<b>(535,549)</b>	<b>(247,487)</b>	<b>(147,197)</b>	<b>(198,413)</b>	<b>(3,164,669)</b>
26 % Medical Exp to Net Revenues		84.8%	81.1%	68.9%	76.3%	72.1%	77.2%	99.3%	79.8%	89.6%	83.9%	80.1%	79.3%	81.1%
27 % Prescription Exp to Net Revenues		20.9%	21.4%	27.4%	27.2%	25.7%	23.6%	26.5%	23.6%	25.3%	19.8%	20.4%	23.3%	23.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		105.6%	102.5%	96.3%	103.5%	97.8%	100.8%	125.8%	103.3%	114.9%	103.7%	100.5%	102.5%	104.8%
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 <b>% Net Income to Net Revenues</b>		<b>-11.1%</b>	<b>-8.0%</b>	<b>-1.7%</b>	<b>-9.0%</b>	<b>-3.2%</b>	<b>-5.8%</b>	<b>-31.2%</b>	<b>-8.7%</b>	<b>-20.6%</b>	<b>-9.5%</b>	<b>-5.6%</b>	<b>-7.6%</b>	<b>-10.2%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.5%	7.6%	7.5%	7.5%	7.4%	6.7%	7.4%	7.3%	7.8%	8.0%	7.0%	7.0%	7.4%

**Post-income items:**

32 Performance Assessment 0

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.