

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **United HealthCare / UnitedHealth Group**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 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**

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		14,116	14,139	14,190	14,214	14,203	14,174	14,142	14,093	14,210	14,252	14,278	14,394	170,405
2 <b>Average Monthly Member Months</b>														<b>14,200</b>
<b>Revenues:</b>														
3 Medical Premiums		18,757,840	18,752,974	18,811,848	18,745,889	18,699,639	18,533,092	19,430,565	19,208,397	19,404,558	19,474,277	19,482,520	19,704,008	229,005,607
4 Pharmacy Premiums		2,139,320	2,147,169	2,177,099	2,200,884	2,209,875	2,236,119	2,232,148	2,230,814	2,267,026	2,284,766	2,295,136	2,330,311	26,750,687
5 Investment Income		141,726	141,726	141,726	141,726	141,726	141,726	141,726	141,726	141,726	141,726	141,726	141,726	1,700,714
6 Health Insurance Providers Fee Reimbursement		1,583,962												1,583,962
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		22,622,848	21,041,889	21,130,673	21,088,499	21,051,240	20,910,937	21,804,439	21,580,937	21,813,310	21,900,769	21,919,382	22,176,045	259,040,970
9 Health Insurance Providers Fee & Related Costs		1,556,719												1,556,719
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		393,420	365,753	367,307	366,569	365,916	363,461	379,097	375,186	379,253	380,783	381,109	385,601	4,503,454
12 Maintenance Taxes		812	813	816	817	817	815	813	810	817	819	821	828	9,798
13 <b>Net Revenues</b>		<b>20,671,898</b>	<b>20,675,323</b>	<b>20,762,551</b>	<b>20,721,113</b>	<b>20,684,507</b>	<b>20,546,661</b>	<b>21,424,528</b>	<b>21,204,940</b>	<b>21,433,240</b>	<b>21,519,166</b>	<b>21,537,452</b>	<b>21,789,617</b>	<b>252,970,996</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		14,017,074	14,820,737	14,121,955	14,769,485	15,042,395	13,466,918	15,906,192	15,246,349	16,228,060	15,111,005	15,807,924	16,152,916	180,691,010
15 Capitated Services		40,155	40,279	40,819	41,243	41,417	41,816	41,791	41,782	42,405	42,671	42,904	43,485	500,767
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 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		765,200	751,348	779,944	883,164	763,570	713,118	797,897	740,539	699,113	646,327	759,463	718,943	9,018,627
20 Quality Incentive Payment Program (QIPP)		1,524,860	1,520,218	1,522,539	1,507,453	1,503,391	1,475,540	1,475,943	1,449,097	1,460,769	1,462,520	1,461,353	1,475,943	17,839,626
21 Other Medical Expenses		316,522	327,275	364,480	208,805	291,943	260,551	493,302	435,517	677,074	626,085	518,780	441,833	4,962,167
22 Total Medical Expenses		16,663,811	17,459,857	16,829,737	17,410,150	17,642,716	15,957,943	18,715,125	17,913,284	19,107,421	17,888,608	18,590,424	18,833,120	213,012,197
23 Prescription Expenses (excluding PBM Admin)		1,717,704	1,890,553	1,830,219	1,842,696	2,077,482	1,877,436	2,062,796	2,002,254	2,219,981	2,137,759	2,192,129	2,324,076	24,175,084
24 <b>Total Medical and Prescription Expenses</b>		<b>18,381,515</b>	<b>19,350,410</b>	<b>18,659,956</b>	<b>19,252,846</b>	<b>19,720,198</b>	<b>17,835,379</b>	<b>20,777,921</b>	<b>19,915,537</b>	<b>21,327,402</b>	<b>20,026,367</b>	<b>20,782,552</b>	<b>21,157,196</b>	<b>237,187,281</b>
25 <b>Administrative Expenses</b>		<b>1,085,882</b>	<b>1,146,460</b>	<b>1,128,105</b>	<b>1,131,395</b>	<b>1,116,877</b>	<b>1,012,709</b>	<b>1,160,126</b>	<b>1,138,331</b>	<b>1,215,361</b>	<b>1,257,264</b>	<b>1,105,617</b>	<b>1,106,276</b>	<b>13,604,403</b>
26 <b>Total Expenses</b>		<b>19,467,397</b>	<b>20,496,870</b>	<b>19,788,061</b>	<b>20,384,241</b>	<b>20,837,075</b>	<b>18,848,088</b>	<b>21,938,047</b>	<b>21,053,868</b>	<b>22,542,763</b>	<b>21,283,632</b>	<b>21,888,170</b>	<b>22,263,472</b>	<b>250,791,684</b>
27 <b>Net Income Before Taxes</b>		<b>1,204,501</b>	<b>178,453</b>	<b>974,490</b>	<b>336,872</b>	<b>(152,568)</b>	<b>1,698,573</b>	<b>(513,519)</b>	<b>151,072</b>	<b>(1,109,523)</b>	<b>235,534</b>	<b>(350,718)</b>	<b>(473,865)</b>	<b>2,179,312</b>
28 % Medical Exp to Net Revenues		80.6%	84.4%	81.1%	84.0%	85.3%	77.7%	87.4%	84.5%	89.1%	83.1%	86.3%	86.4%	84.2%
29 % Prescription Exp to Net Revenues		8.3%	9.1%	8.8%	8.9%	10.0%	9.1%	9.6%	9.4%	10.4%	9.9%	10.2%	10.7%	9.6%
30 % Total Medical and Prescription to Net Rev. (MLR)		88.9%	93.6%	89.9%	92.9%	95.3%	86.8%	97.0%	93.9%	99.5%	93.1%	96.5%	97.1%	93.8%
31 % Admin Exp to Net Revenues		5.3%	5.5%	5.4%	5.5%	5.4%	4.9%	5.4%	5.4%	5.7%	5.8%	5.1%	5.1%	5.4%
32 <b>% Net Income to Net Revenues</b>		<b>5.8%</b>	<b>0.9%</b>	<b>4.7%</b>	<b>1.6%</b>	<b>-0.7%</b>	<b>8.3%</b>	<b>-2.4%</b>	<b>0.7%</b>	<b>-5.2%</b>	<b>1.1%</b>	<b>-1.6%</b>	<b>-2.2%</b>	<b>0.9%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.9%	6.2%	6.1%	6.1%	6.0%	5.5%	6.0%	6.0%	6.3%	6.5%	5.7%	5.7%	6.0%
<b>Post-income items:</b>														
34 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.