

**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 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		23,586	23,718	23,884	23,902	23,848	23,818	23,715	23,704	23,842	23,905	23,988	24,109	<b>286,019</b>
2 <b>Average Monthly Member Months</b>														<b>23,835</b>
<b>Revenues:</b>														
3 Medical Premiums		31,244,433	31,384,511	31,750,742	31,929,767	31,779,872	31,386,185	32,268,645	32,144,523	32,411,339	32,455,943	32,816,939	33,143,457	384,716,356
4 Pharmacy Premiums		5,020,092	5,055,287	5,095,306	5,099,866	5,082,714	5,107,833	5,094,565	5,107,775	5,147,449	5,171,383	5,193,647	5,213,270	61,389,187
5 Investment Income		252,036	252,036	252,036	252,036	252,036	252,036	252,036	252,036	252,036	252,036	252,036	252,036	3,024,428
6 Health Insurance Providers Fee Reimbursement		2,812,278												2,812,278
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		39,328,839	36,691,834	37,098,084	37,281,669	37,114,622	36,746,054	37,615,246	37,504,334	37,810,824	37,879,362	38,262,622	38,608,763	451,942,249
9 Health Insurance Providers Fee & Related Costs		2,763,910												2,763,910
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		683,844	637,696	644,806	648,019	645,095	638,645	653,856	651,915	657,279	658,478	665,185	671,243	7,856,062
12 Maintenance Taxes		1,356	1,364	1,373	1,374	1,371	1,370	1,364	1,363	1,371	1,375	1,379	1,386	16,446
13 <b>Net Revenues</b>		<b>35,879,729</b>	<b>36,052,774</b>	<b>36,451,905</b>	<b>36,632,276</b>	<b>36,468,155</b>	<b>36,106,039</b>	<b>36,960,026</b>	<b>36,851,056</b>	<b>37,152,174</b>	<b>37,219,509</b>	<b>37,596,057</b>	<b>37,936,134</b>	<b>441,305,835</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		24,164,998	25,178,298	25,195,534	25,355,325	25,686,855	23,406,660	26,995,266	26,316,342	28,018,745	25,844,501	27,411,302	28,088,002	311,661,828
15 Capitated Services		84,744	85,492	86,164	86,223	86,023	86,430	86,090	86,306	86,928	87,460	87,701	88,008	1,037,569
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		1,330,267	1,310,165	1,369,309	1,561,317	1,346,221	1,253,137	1,376,467	1,286,942	1,211,831	1,117,882	1,325,724	1,251,689	15,740,950
20 Quality Incentive Payment Program (QIPP)		2,006,037	2,018,365	2,054,227	2,077,762	2,068,796	2,017,805	2,012,007	1,993,409	2,013,698	2,015,389	2,053,149	2,086,965	24,417,609
21 Other Medical Expenses		599,312	625,814	574,238	507,110	597,729	533,130	267,230	354,542	640,903	820,761	566,690	646,480	6,733,939
22 Total Medical Expenses		28,185,358	29,218,134	29,279,472	29,587,737	29,785,624	27,297,162	30,737,060	30,037,541	31,972,105	29,885,993	31,444,566	32,161,144	389,591,896
23 Prescription Expenses (excluding PBM Admin)		4,530,771	4,738,603	4,665,620	4,439,433	5,027,726	4,512,523	5,094,210	5,096,647	5,573,809	5,033,146	5,229,754	5,500,361	59,442,602
24 <b>Total Medical and Prescription Expenses</b>		<b>32,716,129</b>	<b>33,956,736</b>	<b>33,945,092</b>	<b>34,027,170</b>	<b>34,813,349</b>	<b>31,809,685</b>	<b>35,831,271</b>	<b>35,134,188</b>	<b>37,545,914</b>	<b>34,919,139</b>	<b>36,674,320</b>	<b>37,661,505</b>	419,034,498
25 <b>Administrative Expenses</b>		<b>1,887,758</b>	<b>1,999,141</b>	<b>1,980,559</b>	<b>2,000,156</b>	<b>1,969,122</b>	<b>1,779,598</b>	<b>2,001,355</b>	<b>1,978,243</b>	<b>2,106,687</b>	<b>2,174,552</b>	<b>1,929,973</b>	<b>1,926,040</b>	<b>23,733,185</b>
26 <b>Total Expenses</b>		<b>34,603,887</b>	<b>35,955,877</b>	<b>35,925,651</b>	<b>36,027,326</b>	<b>36,782,471</b>	<b>33,589,283</b>	<b>37,832,626</b>	<b>37,112,431</b>	<b>39,652,601</b>	<b>37,093,691</b>	<b>38,604,293</b>	<b>39,587,545</b>	442,767,682
27 <b>Net Income Before Taxes</b>		<b>1,275,842</b>	<b>96,897</b>	<b>526,254</b>	<b>604,950</b>	<b>(314,316)</b>	<b>2,516,756</b>	<b>(872,600)</b>	<b>(261,375)</b>	<b>(2,500,427)</b>	<b>125,818</b>	<b>(1,008,236)</b>	<b>(1,651,411)</b>	<b>(1,461,847)</b>
28 % Medical Exp to Net Revenues		78.6%	81.0%	80.3%	80.8%	81.7%	75.6%	83.2%	81.5%	86.1%	80.3%	83.6%	84.8%	81.5%
29 % Prescription Exp to Net Revenues		12.6%	13.1%	12.8%	12.1%	13.8%	12.5%	13.8%	13.8%	15.0%	13.5%	13.9%	14.5%	13.5%
30 % Total Medical and Prescription to Net Rev. (MLR)		91.2%	94.2%	93.1%	92.9%	95.5%	88.1%	96.9%	95.3%	101.1%	93.8%	97.5%	99.3%	95.0%
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>3.6%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>1.7%</b>	<b>-0.9%</b>	<b>7.0%</b>	<b>-2.4%</b>	<b>-0.7%</b>	<b>-6.7%</b>	<b>0.3%</b>	<b>-2.7%</b>	<b>-4.4%</b>	<b>-0.3%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.1%	6.4%	6.3%	6.3%	6.3%	5.7%	6.3%	6.2%	6.6%	6.8%	6.0%	5.9%	6.2%
<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.