

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: **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		49,524	50,161	50,581	50,806	50,548	50,665	50,724	50,657	51,317	51,668	51,917	52,047	610,615
2 Average Monthly Member Months														50,885
Revenues:														
3 Medical Premiums		58,181,801	59,010,166	59,495,402	59,701,796	59,056,480	58,802,123	62,213,294	61,970,834	62,897,566	63,345,786	63,832,948	63,895,010	732,403,206
4 Pharmacy Premiums		15,151,902	15,280,904	15,381,084	15,411,007	15,394,215	15,440,539	15,471,765	15,548,294	15,650,236	15,677,678	15,759,202	15,770,754	185,937,580
5 Investment Income		398,112	398,112	398,112	398,112	398,112	398,112	398,112	398,112	398,112	398,112	398,112	398,112	4,777,344
6 Health Insurance Providers Fee Reimbursement		8,325,627												8,325,627
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		82,057,442	74,689,182	75,274,598	75,510,915	74,848,807	74,640,774	78,083,171	77,917,240	78,945,914	79,421,576	79,990,262	80,063,876	931,443,757
9 Health Insurance Providers Fee & Related Costs		8,182,435												8,182,435
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	22,003	22,062	22,112	22,214	22,383	22,431	22,534	22,556	178,296
11 Premium Taxes		1,429,038	1,300,094	1,310,339	1,314,474	1,302,887	1,299,247	1,359,489	1,356,585	1,374,587	1,382,911	1,392,863	1,394,151	16,216,662
12 Maintenance Taxes		2,848	2,884	2,908	2,921	2,907	2,913	2,917	2,913	2,951	2,971	2,985	2,993	35,110
13 Net Revenues		72,443,121	73,386,204	73,961,351	74,193,520	73,521,011	73,316,552	76,698,653	76,535,528	77,545,993	78,013,263	78,571,881	78,644,176	906,831,254
Medical Expenses:														
14 Fee-For-Service		46,290,923	48,232,423	45,092,362	46,423,152	47,191,484	42,985,206	49,093,473	47,822,542	50,730,737	48,393,405	51,154,161	52,035,080	575,444,948
15 Capitated Services		232,035	234,147	235,797	236,344	236,137	236,816	237,400	238,447	240,031	240,380	241,446	241,625	2,850,605
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		2,775,529	2,666,945	2,778,424	3,162,317	2,714,914	2,545,447	2,857,324	2,673,690	2,530,204	2,343,860	2,771,503	2,595,657	32,415,814
20 Quality Incentive Payment Program (QIPP)		1,607,856	1,657,589	1,680,339	1,689,862	1,627,432	1,582,989	1,564,767	1,524,020	1,591,755	1,628,268	1,652,080	1,653,139	19,460,096
21 Other Medical Expenses		3,346,504	3,458,941	3,151,988	3,447,672	3,321,571	3,063,295	4,140,430	3,850,524	4,444,800	4,767,100	4,392,946	7,108,524	48,492,295
22 Total Medical Expenses		54,252,847	56,250,045	52,938,910	54,959,347	55,091,538	50,413,753	57,893,394	56,109,223	59,537,527	57,373,013	60,212,136	63,632,025	678,663,758
23 Prescription Expenses (excluding PBM Admin)		12,954,909	13,625,728	12,887,034	12,696,683	14,368,846	13,345,186	14,189,247	13,796,892	14,177,111	13,576,178	14,327,323	14,215,094	164,160,232
24 Total Medical and Prescription Expenses		67,207,756	69,875,773	65,825,944	67,656,030	69,460,384	63,758,939	72,082,641	69,906,115	73,714,637	70,949,191	74,539,459	77,847,119	842,823,990
25 Administrative Expenses		3,938,703	4,069,413	4,018,692	4,051,150	3,971,114	3,614,825	4,154,490	4,109,905	4,398,590	4,559,379	4,034,722	3,994,074	48,915,057
26 Total Expenses		71,146,459	73,945,186	69,844,636	71,707,180	73,431,499	67,373,764	76,237,132	74,016,020	78,113,227	75,508,570	78,574,181	81,841,192	891,739,046
27 Net Income Before Taxes		1,296,662	(558,982)	4,116,715	2,486,340	89,512	5,942,788	461,521	2,519,508	(567,234)	2,504,693	(2,300)	(3,197,016)	15,092,208
28 % Medical Exp to Net Revenues		74.9%	76.6%	71.6%	74.1%	74.9%	68.8%	75.5%	73.3%	76.8%	73.5%	76.6%	80.9%	74.8%
29 % Prescription Exp to Net Revenues		17.9%	18.6%	17.4%	17.1%	19.5%	18.2%	18.5%	18.0%	18.3%	17.4%	18.2%	18.1%	18.1%
30 % Total Medical and Prescription to Net Rev. (MLR)		92.8%	95.2%	89.0%	91.2%	94.5%	87.0%	94.0%	91.3%	95.1%	90.9%	94.9%	99.0%	92.9%
31 % 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%
32 % Net Income to Net Revenues		1.8%	-0.8%	5.6%	3.4%	0.1%	8.1%	0.6%	3.3%	-0.7%	3.2%	0.0%	-4.1%	1.7%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.9%	7.0%	6.9%	6.9%	6.8%	6.2%	6.8%	6.7%	7.1%	7.3%	6.4%	6.4%	6.8%
Post-income items:														
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.

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