

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: **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		5,862	5,934	5,979	6,032	6,050	6,063	6,070	6,089	6,155	6,178	6,202	6,242	72,856
2 Average Monthly Member Months														6,071
Revenues:														
3 Medical Premiums		7,323,580	7,451,550	7,527,022	7,518,302	7,506,618	7,487,759	8,038,439	8,018,493	8,094,159	8,100,807	8,136,089	8,124,920	93,327,738
4 Pharmacy Premiums		1,878,385	1,896,903	1,913,256	1,923,300	1,938,260	1,948,940	1,959,089	1,968,003	1,993,507	2,004,714	2,008,689	2,019,111	23,452,157
5 Investment Income		49,462	49,462	49,462	49,462	49,462	49,462	49,462	49,462	49,462	49,462	49,462	49,462	593,544
6 Health Insurance Providers Fee Reimbursement		46,202												46,202
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		9,297,629	9,397,915	9,489,740	9,491,064	9,494,340	9,486,161	10,046,990	10,035,958	10,137,128	10,154,983	10,194,240	10,193,493	117,419,641
9 Health Insurance Providers Fee & Related Costs		45,407												45,407
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	2,901	2,916	2,932	2,953	2,987	3,003	3,003	3,023	23,719
11 Premium Taxes		161,843	163,598	165,205	165,228	165,285	165,142	174,957	174,764	176,534	176,847	177,534	177,521	2,044,457
12 Maintenance Taxes		337	341	344	347	348	349	349	350	354	355	357	359	4,189
13 Net Revenues		9,090,042	9,233,976	9,324,191	9,325,489	9,325,805	9,317,754	9,868,753	9,857,891	9,957,253	9,974,778	10,013,346	10,012,590	115,301,869
Medical Expenses:														
14 Fee-For-Service		5,337,807	5,820,438	5,541,924	5,883,123	5,505,783	5,472,815	5,919,856	5,995,496	6,898,207	5,886,727	6,128,511	6,487,944	70,878,631
15 Capitated Services		32,269	32,609	32,845	33,033	33,307	33,477	33,627	33,825	34,193	34,382	34,429	34,618	402,614
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		314,485	335,574	350,271	397,476	344,378	323,503	367,653	344,379	324,893	299,690	353,210	330,471	4,085,984
20 Quality Incentive Payment Program (QIPP)		411,707	422,910	425,711	421,230	417,869	412,828	407,741	404,362	403,799	402,109	402,109	398,730	4,929,979
21 Other Medical Expenses		250,139	268,470	223,343	202,301	283,744	232,902	403,326	345,131	368,843	543,370	492,339	699,734	4,313,642
22 Total Medical Expenses		6,346,407	6,880,001	6,574,094	6,937,163	6,585,081	6,475,525	7,132,203	7,123,193	8,029,935	7,165,152	7,410,598	7,951,497	84,610,850
23 Prescription Expenses (excluding PBM Admin)		1,577,551	1,660,535	1,584,648	1,581,622	1,708,039	1,617,105	1,737,866	1,660,609	1,843,338	1,770,243	1,909,421	2,092,577	20,743,554
24 Total Medical and Prescription Expenses		7,923,958	8,540,535	8,158,742	8,518,785	8,293,120	8,092,630	8,870,069	8,783,802	9,873,273	8,935,395	9,320,019	10,044,074	105,354,403
25 Administrative Expenses		446,280	512,042	506,630	509,194	503,724	459,411	534,560	529,367	564,805	582,970	514,199	508,514	6,171,896
26 Total Expenses		8,370,238	9,052,577	8,665,372	9,027,979	8,796,844	8,552,042	9,404,629	9,313,169	10,438,078	9,518,365	9,834,218	10,552,588	111,526,099
27 Net Income Before Taxes		719,804	181,399	658,819	297,510	528,961	765,712	464,124	544,722	(480,825)	456,413	179,128	(539,998)	3,775,770
28 % Medical Exp to Net Revenues		69.8%	74.5%	70.5%	74.4%	70.6%	69.5%	72.3%	72.3%	80.6%	71.8%	74.0%	79.4%	73.4%
29 % Prescription Exp to Net Revenues		17.4%	18.0%	17.0%	17.0%	18.3%	17.4%	17.6%	16.8%	18.5%	17.7%	19.1%	20.9%	18.0%
30 % Total Medical and Prescription to Net Rev. (MLR)		87.2%	92.5%	87.5%	91.3%	88.9%	86.9%	89.9%	89.1%	99.2%	89.6%	93.1%	100.3%	91.4%
31 % Admin Exp to Net Revenues		4.9%	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		7.9%	2.0%	7.1%	3.2%	5.7%	8.2%	4.7%	5.5%	-4.8%	4.6%	1.8%	-5.4%	3.3%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.2%	7.0%	6.8%	6.9%	6.8%	6.2%	6.8%	6.7%	7.1%	7.3%	6.4%	6.4%	6.7%
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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