

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: **Corpus / NUECES**
 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		10,346	10,378	10,369	10,301	10,269	10,261	10,229	10,156	10,172	10,172	10,196	10,194	123,043
2 Average Monthly Member Months														10,254
Revenues:														
3 Medical Premiums		14,765,854	14,785,991	14,707,068	14,615,107	14,482,498	14,360,036	15,002,628	14,788,092	14,852,684	14,830,983	14,899,179	14,925,979	177,016,099
4 Pharmacy Premiums		2,250,714	2,259,889	2,259,719	2,244,840	2,243,982	2,265,799	2,266,202	2,255,918	2,260,165	2,254,849	2,269,234	2,268,443	27,099,754
5 Investment Income		86,663	86,663	86,663	86,663	86,663	86,663	86,663	86,663	86,663	86,663	86,663	86,663	1,039,965
6 Health Insurance Providers Fee Reimbursement		57,997												57,997
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		17,161,228	17,132,543	17,053,450	16,946,610	16,813,143	16,712,498	17,355,493	17,130,673	17,199,512	17,172,495	17,255,076	17,281,085	205,213,805
9 Health Insurance Providers Fee & Related Costs		57,000												57,000
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	13,782	13,882	13,910	13,865	13,886	13,856	13,918	13,908	111,007
11 Premium Taxes		298,805	298,303	296,919	295,049	292,713	290,952	302,205	298,270	299,475	299,002	300,447	300,902	3,573,042
12 Maintenance Taxes		595	597	596	592	590	590	588	584	585	585	586	586	7,075
13 Net Revenues		16,804,828	16,833,643	16,755,935	16,650,969	16,506,057	16,407,073	17,038,790	16,817,954	16,885,566	16,859,053	16,940,125	16,965,688	201,465,569
Medical Expenses:														
14 Fee-For-Service		10,417,643	11,303,311	11,259,691	11,098,198	11,171,221	10,254,366	11,683,452	11,178,072	11,601,086	11,026,839	11,818,554	12,284,948	135,097,381
15 Capitated Services		39,116	39,304	39,304	39,040	39,059	39,399	39,417	39,229	39,295	39,210	39,465	39,502	471,340
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		580,465	611,756	629,452	709,706	609,846	569,940	635,095	587,830	551,242	506,788	597,854	560,250	7,150,224
20 Quality Incentive Payment Program (QIPP)		670,712	670,133	662,024	658,549	647,544	628,430	629,445	611,960	617,788	616,623	620,120	624,782	7,658,110
21 Other Medical Expenses		677,018	645,443	646,324	647,841	646,650	633,973	924,454	979,870	1,163,441	1,185,463	908,781	809,735	9,868,993
22 Total Medical Expenses		12,384,954	13,269,947	13,236,795	13,153,334	13,114,320	12,126,108	13,911,863	13,396,961	13,972,852	13,374,923	13,984,774	14,319,217	160,246,048
23 Prescription Expenses (excluding PBM Admin)		2,064,174	2,125,985	1,952,473	1,955,647	2,237,455	1,932,268	2,128,090	2,102,742	2,246,952	2,090,247	2,211,869	2,329,389	25,377,289
24 Total Medical and Prescription Expenses		14,449,128	15,395,932	15,189,267	15,108,981	15,351,774	14,058,376	16,039,953	15,499,703	16,219,804	15,465,170	16,196,643	16,648,605	185,623,337
25 Administrative Expenses		823,728	933,460	910,434	909,183	892,024	809,380	923,416	903,593	958,297	985,827	870,349	862,086	10,781,775
26 Total Expenses		15,272,856	16,329,392	16,099,701	16,018,164	16,243,798	14,867,756	16,963,369	16,403,296	17,178,100	16,450,997	17,066,992	17,510,691	196,405,112
27 Net Income Before Taxes		1,531,972	504,251	656,234	632,805	262,259	1,539,317	75,421	414,658	(292,534)	408,056	(126,867)	(545,003)	5,060,569
28 % Medical Exp to Net Revenues		73.7%	78.8%	79.0%	79.0%	79.5%	73.9%	81.6%	79.7%	82.8%	79.3%	82.6%	84.4%	79.5%
29 % Prescription Exp to Net Revenues		12.3%	12.6%	11.7%	11.7%	13.6%	11.8%	12.5%	12.5%	13.3%	12.4%	13.1%	13.7%	12.6%
30 % Total Medical and Prescription to Net Rev. (MLR)		86.0%	91.5%	90.7%	90.7%	93.0%	85.7%	94.1%	92.2%	96.1%	91.7%	95.6%	98.1%	92.1%
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		9.1%	3.0%	3.9%	3.8%	1.6%	9.4%	0.4%	2.5%	-1.7%	2.4%	-0.7%	-3.2%	2.5%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.7%	6.4%	6.3%	6.3%	6.3%	5.7%	6.3%	6.2%	6.6%	6.8%	5.9%	5.9%	6.2%
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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