

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: **Travis / Austin**
 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		13,442	13,519	13,615	13,660	13,640	13,648	13,656	13,698	13,768	13,809	13,897	14,017	164,369
2 Average Monthly Member Months														13,697
Revenues:														
3 Medical Premiums		17,208,162	17,400,099	17,465,130	17,524,396	17,389,482	17,199,931	17,331,438	17,385,739	17,538,177	17,480,791	17,674,925	17,898,723	209,496,993
4 Pharmacy Premiums		3,729,345	3,736,654	3,749,541	3,768,313	3,759,956	3,762,739	3,789,149	3,810,147	3,824,182	3,824,118	3,829,771	3,871,639	45,475,554
5 Investment Income		110,169	110,169	110,169	110,169	110,169	110,169	110,169	110,169	110,169	110,169	110,169	110,169	1,322,031
6 Health Insurance Providers Fee Reimbursement		191,660												191,660
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		21,239,336	21,246,922	21,324,840	21,402,878	21,259,607	21,092,839	21,230,756	21,306,055	21,472,528	21,415,078	21,614,865	21,880,531	256,486,238
9 Health Insurance Providers Fee & Related Costs		188,364												188,364
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		369,760	369,893	371,257	372,622	370,115	367,197	369,610	370,928	373,841	372,836	376,332	380,981	4,465,374
12 Maintenance Taxes		773	777	783	785	784	785	785	788	792	794	799	806	9,451
13 Net Revenues		20,680,439	20,876,251	20,952,800	21,029,470	20,888,708	20,724,858	20,860,361	20,934,339	21,097,895	21,041,448	21,237,734	21,498,744	251,823,046
Medical Expenses:														
14 Fee-For-Service		13,182,637	13,311,317	12,702,499	13,170,150	13,388,291	12,034,897	13,559,890	13,220,984	13,988,673	13,304,612	13,886,531	13,989,637	159,740,118
15 Capitated Services		61,172	61,361	61,663	62,040	61,908	62,247	62,379	62,738	62,936	62,983	63,143	63,803	748,373
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		718,404	758,669	787,111	896,330	771,128	719,321	776,904	731,106	688,191	631,994	748,912	709,363	8,937,433
20 Quality Incentive Payment Program (QIPP)		1,358,893	1,385,322	1,393,398	1,397,803	1,380,917	1,348,615	1,434,668	1,440,929	1,456,583	1,447,191	1,475,368	1,499,631	17,019,138
21 Other Medical Expenses		656,660	533,139	653,869	566,897	542,101	540,519	673,168	623,569	824,466	572,201	529,737	675,278	7,391,604
22 Total Medical Expenses		15,977,766	16,049,808	15,598,540	16,093,220	16,144,345	14,705,599	16,507,009	16,079,326	17,020,849	16,018,981	16,703,691	16,937,712	193,836,846
23 Prescription Expenses (excluding PBM Admin)		3,295,895	3,473,672	3,243,649	3,048,255	3,544,706	3,241,865	3,600,915	3,303,666	3,761,817	3,406,151	3,366,210	3,809,404	41,096,204
24 Total Medical and Prescription Expenses		19,273,661	19,523,480	18,842,189	19,141,475	19,689,051	17,947,465	20,107,924	19,382,992	20,782,666	19,425,131	20,069,901	20,747,116	234,933,050
25 Administrative Expenses		1,019,474	1,157,631	1,138,471	1,148,261	1,127,932	1,021,518	1,129,603	1,123,832	1,196,374	1,229,382	1,090,257	1,091,534	13,474,270
26 Total Expenses		20,293,135	20,681,111	19,980,660	20,289,737	20,816,983	18,968,983	21,237,527	20,506,824	21,979,040	20,654,513	21,160,158	21,838,650	248,407,321
27 Net Income Before Taxes		387,304	195,140	972,140	739,733	71,725	1,755,875	(377,166)	427,515	(861,145)	386,935	77,576	(339,906)	3,415,725
28 % Medical Exp to Net Revenues		77.3%	76.9%	74.4%	76.5%	77.3%	71.0%	79.1%	76.8%	80.7%	76.1%	78.7%	78.8%	77.0%
29 % Prescription Exp to Net Revenues		15.9%	16.6%	15.5%	14.5%	17.0%	15.6%	17.3%	15.8%	17.8%	16.2%	15.9%	17.7%	16.3%
30 % Total Medical and Prescription to Net Rev. (MLR)		93.2%	93.5%	89.9%	91.0%	94.3%	86.6%	96.4%	92.6%	98.5%	92.3%	94.5%	96.5%	93.3%
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		1.9%	0.9%	4.6%	3.5%	0.3%	8.5%	-1.8%	2.0%	-4.2%	1.8%	0.4%	-1.6%	1.4%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.0%	6.8%	6.6%	6.7%	6.6%	6.0%	6.6%	6.6%	6.9%	7.1%	6.3%	6.2%	6.5%
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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