

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR**
 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		56,746	57,990	59,829	60,560	59,716	59,235	58,472	58,086	58,325	58,179	58,499	59,164	704,801
2 Average Monthly Member Months														58,733
Revenues:														
3 Medical Premiums		14,873,803	15,131,750	15,511,473	15,687,671	15,521,153	15,492,396	17,039,819	16,941,775	17,056,614	17,058,856	17,168,960	17,399,889	194,884,159
4 Delivery Supplemental Payments		1,323,219	1,238,758	1,266,912	1,351,373	1,305,623	1,126,144	1,045,202	999,453	1,041,683	1,224,682	1,097,990	1,263,393	14,284,432
5 Pharmacy Premiums		3,229,385	3,292,412	3,386,117	3,396,503	3,337,996	3,302,448	3,249,920	3,218,193	3,229,884	3,209,925	3,239,930	3,272,700	39,365,413
6 Investment Income		95,251	95,251	95,251	95,251	95,251	95,251	95,251	95,251	95,251	95,251	95,251	95,251	1,143,015
7 Health Insurance Providers Fee Reimbursement		3,350,308												3,350,308
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		22,871,966	19,758,171	20,259,753	20,530,798	20,260,023	20,016,239	21,430,192	21,254,672	21,423,432	21,588,714	21,602,131	22,031,233	253,027,327
10 Health Insurance Providers Fee & Related Costs		3,292,686												3,292,686
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	54,147	53,697	52,964	52,608	52,848	52,698	52,960	53,594	425,516
12 Premium Taxes		398,593	344,101	352,879	357,622	352,884	348,617	373,361	370,290	373,243	376,136	376,370	383,880	4,407,975
13 Maintenance Taxes		3,263	3,334	3,440	3,482	3,434	3,406	3,362	3,340	3,354	3,345	3,364	3,402	40,526
14 Net Revenues		19,177,425	19,410,735	19,903,434	20,169,694	19,849,559	19,610,519	21,000,504	20,828,435	20,993,987	21,156,535	21,169,437	21,590,357	244,860,620
Medical Expenses:														
15 Fee-For-Service		14,766,102	16,289,985	15,303,550	14,015,598	16,676,820	15,024,813	18,679,238	15,397,097	17,642,502	16,708,184	15,216,932	17,099,717	192,820,537
16 Capitated Services		101,082	103,296	106,571	107,869	106,364	105,507	104,147	103,459	103,885	103,624	104,195	105,380	1,255,379
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		454,939	414,127	481,140	532,413	510,992	511,395	545,958	518,872	385,023	472,973	640,543	657,043	6,125,419
21 Total Medical Expenses		15,322,123	16,807,408	15,891,261	14,655,880	17,294,176	15,641,715	19,329,343	16,019,428	18,131,410	17,284,781	15,961,670	17,862,140	200,201,335
22 Prescription Expenses (excluding PBM Admin)		2,748,354	2,911,916	3,133,103	3,195,721	3,276,587	2,986,273	3,395,699	2,733,964	3,172,931	2,762,918	2,710,245	2,958,527	35,986,238
23 Total Medical and Prescription Expenses		18,070,477	19,719,324	19,024,364	17,851,601	20,570,763	18,627,988	22,725,042	18,753,392	21,304,341	20,047,699	18,671,915	20,820,667	236,187,573
24 Administrative Expenses		1,097,839	1,076,517	1,081,609	1,101,474	1,074,899	969,379	1,140,214	1,121,121	1,193,639	1,239,350	1,089,615	1,099,052	13,284,708
25 Total Expenses		19,168,316	20,795,840	20,105,973	18,953,075	21,645,662	19,597,367	23,865,256	19,874,513	22,497,980	21,287,049	19,761,530	21,919,719	249,472,280
26 Net Income Before Taxes		9,109	(1,385,105)	(202,539)	1,216,619	(1,796,103)	13,152	(2,864,752)	953,922	(1,503,993)	(130,514)	1,407,907	(329,362)	(4,611,660)
27 % Medical Exp to Net Revenues		79.9%	86.6%	79.8%	72.7%	87.1%	79.8%	92.0%	76.9%	86.4%	81.7%	75.4%	82.7%	81.8%
28 % Prescription Exp to Net Revenues		14.3%	15.0%	15.7%	15.8%	16.5%	15.2%	16.2%	13.1%	15.1%	13.1%	12.8%	13.7%	14.7%
29 % Total Medical and Prescription to Net Rev. (MLR)		94.2%	101.6%	95.6%	88.5%	103.6%	95.0%	108.2%	90.0%	101.5%	94.8%	88.2%	96.4%	96.5%
30 % Admin Exp to Net Revenues		5.7%	5.5%	5.4%	5.5%	5.4%	4.9%	5.4%	5.4%	5.7%	5.9%	5.1%	5.1%	5.4%
31 % Net Income to Net Revenues		0.0%	-7.1%	-1.0%	6.0%	-9.0%	0.1%	-13.6%	4.6%	-7.2%	-0.6%	6.7%	-1.5%	-1.9%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.9%	6.7%	6.5%	6.6%	6.5%	5.9%	6.4%	6.4%	6.7%	6.9%	6.1%	6.0%	6.5%
Post-income items:														
33 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.