

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **Hidalgo**
 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		62,366	62,443	62,828	62,952	62,848	62,826	62,719	62,258	61,963	61,613	61,074	60,749	746,639
2 Average Monthly Member Months														62,220
Revenues:														
3 Medical Premiums		10,018,843	10,024,784	10,068,479	10,062,032	10,046,721	10,041,203	10,664,767	10,601,184	10,567,805	10,488,807	10,403,518	10,343,248	123,331,391
4 Delivery Supplemental Payments		664,940	641,071	566,052	586,511	606,971	491,033	528,542	566,052	521,722	572,872	675,170	637,661	7,058,597
5 Pharmacy Premiums		3,499,693	3,503,173	3,523,974	3,521,442	3,519,341	3,520,162	3,517,909	3,484,824	3,479,096	3,458,521	3,425,157	3,408,020	41,861,312
6 Investment Income		73,226	73,226	73,226	73,226	73,226	73,226	73,226	73,226	73,226	73,226	73,226	73,226	878,711
7 Health Insurance Providers Fee Reimbursement		2,932,505												2,932,505
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		17,189,207	14,242,254	14,231,731	14,243,211	14,246,259	14,125,624	14,784,444	14,725,286	14,641,849	14,593,426	14,577,071	14,462,155	176,062,516
10 Health Insurance Providers Fee & Related Costs		2,882,069												2,882,069
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		299,530	247,958	247,774	247,975	248,028	245,917	257,446	256,411	254,951	254,104	253,817	251,806	3,065,717
13 Maintenance Taxes		3,586	3,590	3,613	3,620	3,614	3,612	3,606	3,580	3,563	3,543	3,512	3,493	42,932
14 Net Revenues		14,004,022	13,990,706	13,980,345	13,991,617	13,994,617	13,876,095	14,523,391	14,465,295	14,383,335	14,335,780	14,319,742	14,206,856	170,071,799
Medical Expenses:														
15 Fee-For-Service		10,964,285	12,253,231	12,313,923	11,190,851	12,365,633	11,199,841	12,248,312	11,114,156	11,386,999	9,798,639	10,322,500	10,883,262	136,041,632
16 Capitated Services		110,979	111,116	111,801	112,019	111,835	111,797	111,606	110,785	110,262	109,639	108,680	108,102	1,328,621
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		341,905	298,514	337,983	369,361	359,315	360,896	376,650	359,476	263,144	319,718	432,237	431,308	4,250,507
21 Total Medical Expenses		11,417,169	12,662,861	12,763,707	11,672,231	12,836,783	11,672,534	12,736,568	11,584,417	11,760,405	10,227,996	10,863,417	11,422,672	141,620,760
22 Prescription Expenses (excluding PBM Admin)		3,433,874	3,804,812	3,931,525	3,745,131	4,389,549	3,875,995	3,455,044	3,194,355	2,821,479	2,378,671	2,414,226	2,875,845	40,320,505
23 Total Medical and Prescription Expenses		14,851,043	16,467,673	16,695,232	15,417,362	17,226,332	15,548,529	16,191,612	14,778,772	14,581,884	12,606,667	13,277,643	14,298,517	181,941,265
24 Administrative Expenses		825,071	775,984	759,791	764,146	755,837	684,099	786,621	776,716	815,793	837,769	735,270	721,460	9,238,556
25 Total Expenses		15,676,113	17,243,657	17,455,023	16,181,508	17,982,169	16,232,628	16,978,233	15,555,487	15,397,676	13,444,437	14,012,912	15,019,978	191,179,821
26 Net Income Before Taxes		(1,672,091)	(3,252,951)	(3,474,678)	(2,189,891)	(3,987,552)	(2,356,533)	(2,454,842)	(1,090,192)	(1,014,341)	891,343	306,830	(813,122)	(21,108,022)
27 % Medical Exp to Net Revenues		81.5%	90.5%	91.3%	83.4%	91.7%	84.1%	87.7%	80.1%	81.8%	71.3%	75.9%	80.4%	83.3%
28 % Prescription Exp to Net Revenues		24.5%	27.2%	28.1%	26.8%	31.4%	27.9%	23.8%	22.1%	19.6%	16.6%	16.9%	20.2%	23.7%
29 % Total Medical and Prescription to Net Rev. (MLR)		106.0%	117.7%	119.4%	110.2%	123.1%	112.1%	111.5%	102.2%	101.4%	87.9%	92.7%	100.6%	107.0%
30 % Admin Exp to Net Revenues		5.9%	5.5%	5.4%	5.5%	5.4%	4.9%	5.4%	5.4%	5.7%	5.8%	5.1%	5.1%	5.4%
31 % Net Income to Net Revenues		-11.9%	-23.3%	-24.9%	-15.7%	-28.5%	-17.0%	-16.9%	-7.5%	-7.1%	6.2%	2.1%	-5.7%	-12.4%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		7.9%	7.4%	7.3%	7.3%	7.2%	6.6%	7.1%	7.1%	7.5%	7.7%	6.7%	6.7%	7.2%
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.