

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR**
 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		15,739	16,034	16,439	16,477	16,161	16,077	15,927	15,821	15,906	15,958	15,978	16,207	192,724
2 Average Monthly Member Months														16,060
Revenues:														
3 Medical Premiums		3,522,471	3,583,436	3,630,774	3,615,408	3,557,265	3,542,988	3,912,306	3,908,632	3,943,897	3,996,673	3,997,344	4,077,519	45,288,713
4 Delivery Supplemental Payments		349,642	386,982	285,145	349,642	278,356	227,437	295,328	288,539	298,723	356,431	325,880	339,458	3,781,563
5 Pharmacy Premiums		978,762	999,293	1,017,228	1,015,995	994,817	990,188	979,816	968,316	971,061	974,392	978,124	993,122	11,861,114
6 Investment Income		23,197	23,197	23,197	23,197	23,197	23,197	23,197	23,197	23,197	23,197	23,197	23,197	278,366
7 Health Insurance Providers Fee Reimbursement		868,651												868,651
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		5,742,723	4,992,908	4,956,344	5,004,242	4,853,635	4,783,810	5,210,647	5,188,684	5,236,878	5,350,693	5,324,545	5,433,296	62,078,407
10 Health Insurance Providers Fee & Related Costs		853,711												853,711
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	13,955	13,876	13,741	13,643	13,715	13,759	13,778	13,984	110,452
12 Premium Taxes		100,092	86,970	86,330	87,168	84,533	83,311	90,780	90,396	91,239	93,231	92,774	94,677	1,081,501
13 Maintenance Taxes		905	922	945	947	929	924	916	910	915	918	919	932	11,082
14 Net Revenues		4,788,015	4,905,016	4,869,069	4,916,126	4,754,218	4,685,699	5,105,210	5,083,735	5,131,009	5,242,786	5,217,075	5,323,703	60,021,660
Medical Expenses:														
15 Fee-For-Service		3,379,696	3,381,756	3,396,310	3,656,800	3,607,151	3,589,346	3,760,056	3,656,988	5,216,549	4,100,858	3,739,754	4,547,995	46,033,260
16 Capitated Services		28,028	28,554	29,274	29,341	28,779	28,629	28,362	28,173	28,324	28,418	28,453	28,861	343,196
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		114,227	104,650	117,706	129,772	122,417	122,222	132,747	126,667	94,118	117,225	157,883	162,038	1,501,671
21 Total Medical Expenses		3,521,951	3,514,960	3,543,290	3,815,913	3,758,347	3,740,197	3,921,165	3,811,828	5,338,991	4,246,501	3,926,090	4,738,894	47,878,127
22 Prescription Expenses (excluding PBM Admin)		731,020	858,146	847,371	908,491	1,016,938	947,322	863,164	801,431	847,183	753,908	791,886	873,532	10,240,391
23 Total Medical and Prescription Expenses		4,252,971	4,373,106	4,390,661	4,724,404	4,775,285	4,687,519	4,784,329	4,613,259	6,186,174	5,000,409	4,717,976	5,612,426	58,118,518
24 Administrative Expenses		275,647	272,037	264,605	268,477	257,510	231,678	277,237	273,688	291,781	307,169	268,571	271,046	3,259,445
25 Total Expenses		4,528,618	4,645,143	4,655,266	4,992,881	5,032,795	4,919,197	5,061,567	4,886,947	6,477,954	5,307,578	4,986,546	5,883,472	61,377,964
26 Net Income Before Taxes		259,397	259,873	213,803	(76,755)	(278,577)	(233,498)	43,643	196,788	(1,346,945)	(64,792)	230,529	(559,769)	(1,356,304)
27 % Medical Exp to Net Revenues		73.6%	71.7%	72.8%	77.6%	79.1%	79.8%	76.8%	75.0%	104.1%	81.0%	75.3%	89.0%	79.8%
28 % Prescription Exp to Net Revenues		15.3%	17.5%	17.4%	18.5%	21.4%	20.2%	16.9%	15.8%	16.5%	14.4%	15.2%	16.4%	17.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		88.8%	89.2%	90.2%	96.1%	100.4%	100.0%	93.7%	90.7%	120.6%	95.4%	90.4%	105.4%	96.8%
30 % Admin Exp to Net Revenues		5.8%	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		5.4%	5.3%	4.4%	-1.6%	-5.9%	-5.0%	0.9%	3.9%	-26.3%	-1.2%	4.4%	-10.5%	-2.3%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		7.2%	7.0%	6.9%	6.9%	6.8%	6.3%	6.7%	6.7%	7.0%	7.2%	6.3%	6.3%	6.8%
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.