

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **United HealthCare / UnitedHealth Group**
 State Fiscal Year: **2018** Program: **STAR**
 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		0	0	0	0	0	4,454	4,183	4,007	3,842	3,670	3,591	3,504	27,251
2 Average Monthly Member Months														3,893
Revenues:														
3 Medical Premiums		0	0	0	0	0	912,927	943,372	910,175	892,306	877,651	855,686	848,878	6,240,995
4 Delivery Supplemental Payments		0	0	0	0	0	48,057	16,019	22,427	16,019	41,650	48,057	57,669	249,898
5 Pharmacy Premiums		0	0	0	0	0	236,148	225,341	221,508	219,978	217,435	213,900	209,922	1,544,232
6 Investment Income		0	0	0	0	0	5,246	5,246	5,246	5,246	5,246	5,246	5,246	36,720
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		0	0	0	0	0	1,202,378	1,189,978	1,159,356	1,133,549	1,141,982	1,122,889	1,121,715	8,071,845
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	2,729	2,567	2,459	2,355	2,249	2,201	2,152	16,712
12 Premium Taxes		0	0	0	0	0	20,950	20,733	20,197	19,745	19,893	19,559	19,538	140,615
13 Maintenance Taxes		0	0	0	0	0	256	241	230	221	211	206	201	1,567
14 Net Revenues		0	0	0	0	0	1,178,443	1,166,438	1,136,469	1,111,228	1,119,629	1,100,922	1,099,823	7,912,953
Medical Expenses:														
15 Fee-For-Service		0	0	0	0	0	652,125	582,080	612,900	601,101	565,103	447,897	603,141	4,064,347
16 Capitated Services		0	0	0	0	0	7,929	7,447	7,134	6,842	6,537	6,396	6,241	48,526
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		0	0	0	0	0	30,720	30,316	28,302	20,372	25,019	33,296	33,453	201,478
21 Total Medical Expenses		0	0	0	0	0	690,774	619,843	648,336	628,315	596,659	487,589	642,835	4,314,351
22 Prescription Expenses (excluding PBM Admin)		0	0	0	0	0	224,606	178,657	165,300	129,594	124,868	121,707	144,449	1,089,180
23 Total Medical and Prescription Expenses		0	0	0	0	0	915,380	798,500	813,636	757,909	721,527	609,296	787,284	5,403,531
24 Administrative Expenses		0	0	0	0	0	58,231	63,314	61,153	63,157	65,558	56,639	55,958	424,009
25 Total Expenses		0	0	0	0	0	973,610	861,813	874,789	821,067	787,085	665,934	843,242	5,827,540
26 Net Income Before Taxes		0	0	0	0	0	204,833	304,625	261,680	290,161	332,544	434,988	256,581	2,085,413
27 % Medical Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	58.6%	53.1%	57.0%	56.5%	53.3%	44.3%	58.4%	54.5%
28 % Prescription Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	19.1%	15.3%	14.5%	11.7%	11.2%	11.1%	13.1%	13.8%
29 % Total Medical and Prescription to Net Rev. (MLR)		0.0%	0.0%	0.0%	0.0%	0.0%	77.7%	68.5%	71.6%	68.2%	64.4%	55.3%	71.6%	68.3%
30 % Admin Exp to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	5.4%	5.4%	5.7%	5.9%	5.1%	5.1%	5.4%
31 % Net Income to Net Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	17.4%	26.1%	23.0%	26.1%	29.7%	39.5%	23.3%	26.4%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		0.0%	0.0%	0.0%	0.0%	0.0%	6.2%	6.7%	6.7%	7.1%	7.3%	6.4%	6.3%	6.7%
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.