

## 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.

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: <b>United HealthCare / UnitedHealth Group</b>	Program: <b>CHIP</b>
State Fiscal Year: <b>2016</b>	Service Area: <b>Jefferson</b>
Submission Date: <b>6/30/2016</b>	Rptg Period End Date: <b>5/31/2016</b>
Submission Type: <b>Quarterly</b>	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		2,272	2,306	2,294	2,269	2,272	2,282	2,314	2,264	2,292	0	0	0	20,565
2 <b>Average Monthly Member Months</b>														2,285
<b>Revenues:</b>														
3 Medical Premiums		251,389	254,441	245,790	244,253	248,733	253,282	259,478	249,605	250,372	0	0	0	2,257,343
4 Delivery Supplemental Payments		0	0	0	3,100	0	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		78,295	79,537	79,431	78,531	78,352	78,703	79,533	77,503	78,789	0	0	0	708,674
6 Investment Income		610	893	1,337	777	806	2,011	808	1,033	1,509	0	0	0	9,783
7 Health Insurance Providers Fee Reimbursement		91,023												91,023
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		421,316	334,871	326,558	326,661	327,891	333,996	339,819	328,141	330,670	0	0	0	3,069,923
10 Health Insurance Providers Fee & Related Costs		93,499												93,499
11 Premium Taxes		7,362	5,845	5,691	5,703	5,724	5,810	5,933	5,724	5,760	0	0	0	53,552
12 Maintenance Taxes		148	150	149	147	148	148	150	147	149	0	0	0	1,337
13 <b>Net Revenues</b>		320,307	328,876	320,718	320,811	322,019	328,038	333,736	322,269	324,761	0	0	0	2,921,535
<b>Medical Expenses:</b>														
14 Fee-For-Service		132,959	197,717	168,013	147,198	147,455	180,696	171,272	137,849	41,708	0	0	0	1,324,866
15 Capitated Services		3,317	3,367	3,349	3,313	3,317	3,332	3,378	3,305	3,346	0	0	0	30,025
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		0	0	0	0	0	0	0	0	0	0	0	0	0
18 IBNR Accrual - Medical		292	443	531	692	1,332	3,129	3,561	24,740	122,756	0	0	0	157,476
19 Total Medical Expenses		136,568	201,527	171,893	151,203	152,104	187,157	178,211	165,894	167,810	0	0	0	1,512,367
20 Prescription Expenses (excluding PBM Admin)		64,381	65,716	50,146	65,189	60,088	73,987	116,642	66,923	89,898	0	0	0	652,970
21 <b>Total Medical and Prescription Expenses</b>		200,949	267,243	222,039	216,392	212,192	261,144	294,853	232,817	257,708	0	0	0	2,165,337
22 <b>Administrative Expenses</b>		22,378	19,302	17,697	22,423	18,974	18,702	20,404	19,662	22,063	0	0	0	181,605
23 <b>Total Expenses</b>		223,327	286,545	239,737	238,815	231,165	279,846	315,257	252,479	279,771	0	0	0	2,346,942
24 <b>Net Income Before Taxes</b>		96,980	42,331	80,981	81,996	90,854	48,192	18,479	69,790	44,990	0	0	0	574,593
25 % Medical Exp to Net Revenues		42.6%	61.3%	53.6%	47.1%	47.2%	57.1%	53.4%	51.5%	51.7%	0.0%	0.0%	0.0%	51.8%
26 % Prescription Exp to Net Revenues		20.1%	20.0%	15.6%	20.3%	18.7%	22.6%	35.0%	20.8%	27.7%	0.0%	0.0%	0.0%	22.4%
27 % Total Medical and Prescription to Net Rev. (MLR)		62.7%	81.3%	69.2%	67.5%	65.9%	79.6%	88.3%	72.2%	79.4%	0.0%	0.0%	0.0%	74.1%
28 % Admin Exp to Net Revenues		7.0%	5.9%	5.5%	7.0%	5.9%	5.7%	6.1%	6.1%	6.8%	0.0%	0.0%	0.0%	6.2%
29 <b>% Net Income to Net Revenues</b>		30.3%	12.9%	25.2%	25.6%	28.2%	14.7%	5.5%	21.7%	13.9%	0.0%	0.0%	0.0%	19.7%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.2%	7.7%	7.3%	9.3%	7.8%	7.5%	8.0%	8.0%	9.0%	0.0%	0.0%	0.0%	8.2%
<b>Post-income items:</b>														
31 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.