

## 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: **United Health Care / UnitedHealth Group**  
 State Fiscal Year: **2016** Program: **STAR+PLUS**  
 Submission Date: **6/30/2016** Service Area: **MRSA Central**  
 Submission Type: **Quarterly** Rptg Period End Date: **5/31/2016**

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:												YTD
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
1 Member Months	14,153	14,107	14,121	14,200	14,192	14,181	14,059	14,037	14,031	0	0	0	127,081
2 Average Monthly Member Months													14,120
<b>Revenues:</b>													
3 Medical Premiums	19,177,131	19,038,454	18,972,100	19,130,436	18,971,553	18,677,441	18,337,302	17,909,325	17,458,051	0	0	0	167,671,793
4 Pharmacy Premiums	1,635,715	1,644,617	1,665,237	1,711,849	1,726,869	1,736,828	1,731,782	1,747,762	1,753,046	0	0	0	15,353,705
5 Investment Income	6,124	5,873	5,742	5,774	5,757	5,864	5,695	5,559	5,444	0	0	0	51,834
6 Health Insurance Providers Fee Reimbursement	1,371,413												1,371,413
7 Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	22,190,383	20,688,944	20,643,079	20,848,069	20,704,179	20,420,133	20,074,779	19,662,646	19,216,541	0	0	0	184,448,745
9 Health Insurance Providers Fee & Related Costs	1,408,726												1,408,726
10 Health Insurance Providers Fee (NAIP)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes	389,225	361,954	361,153	364,740	362,222	357,250	351,209	343,999	336,194	0	0	0	3,226,946
12 Maintenance Taxes	920	917	918	923	922	922	914	912	912	0	0	0	8,260
13 Net Revenues	20,392,512	20,326,073	20,281,008	20,482,396	20,341,034	20,061,962	19,722,656	19,317,735	18,879,435	0	0	0	179,804,810
<b>Medical Expenses:</b>													
14 Fee-For-Service	13,855,532	14,150,237	13,724,641	14,532,485	14,116,569	12,747,620	13,801,043	12,320,467	4,766,133	0	0	0	114,023,727
15 Capitated Services	19,993	20,082	20,316	20,863	21,051	21,233	21,224	21,444	21,542	0	0	0	187,748
16 Net Reinsurance cost	0	0	0	0	0	0	0	0	0	0	0	0	0
17 BNR Accrual - Medical	154,131	427,333	268,089	398,821	623,859	830,306	1,018,134	1,848,704	8,802,755	0	0	0	14,473,132
18 Minimum Payment Amount Program (MPAP)	2,781,225	2,774,937	2,765,702	3,232,990	3,181,063	3,169,339	3,111,497	3,233,750	3,225,980	0	0	0	27,478,553
19 Other Medical Expenses	880,461	719,685	927,066	960,419	1,015,674	970,932	1,008,538	971,655	1,193,092	0	0	0	8,647,522
20 Total Medical Expenses	17,691,342	18,092,274	17,705,874	19,145,578	18,958,216	17,739,430	18,960,436	18,406,020	18,109,512	0	0	0	164,808,682
21 Prescription Expenses (excluding PBM Admin)	1,365,868	1,444,791	1,372,491	1,489,890	1,467,213	1,495,335	1,815,342	1,557,665	1,395,980	0	0	0	13,204,565
22 Total Medical and Prescription Expenses	19,057,200	19,537,065	19,078,365	20,635,468	20,425,429	19,234,765	20,575,778	19,963,685	19,505,492	0	0	0	178,013,247
23 Administrative Expenses	1,178,630	1,192,488	1,118,726	1,431,093	1,198,077	1,143,430	1,205,372	1,178,185	1,282,152	0	0	0	10,928,153
24 Total Expenses	20,235,830	20,729,552	20,197,091	22,066,561	21,623,506	20,378,196	21,781,150	21,141,870	20,787,643	0	0	0	188,941,399
25 Net Income Before Taxes	156,682	(403,479)	83,917	(1,584,165)	(1,282,472)	(316,234)	(2,058,494)	(1,824,135)	(1,908,208)	0	0	0	(9,136,589)
<b>Percentages:</b>													
26 % Medical Exp to Net Revenues	86.8%	89.0%	87.3%	93.5%	93.2%	88.4%	96.1%	95.3%	95.9%	0.0%	0.0%	0.0%	91.7%
27 % Prescription Exp to Net Revenues	6.7%	7.1%	6.8%	7.3%	7.2%	7.5%	8.2%	8.1%	7.4%	0.0%	0.0%	0.0%	7.3%
28 % Total Medical and Prescription to Net Rev. (MLR)	93.5%	96.1%	94.1%	100.7%	100.4%	95.9%	104.3%	103.3%	103.3%	0.0%	0.0%	0.0%	99.0%
29 % Admin Exp to Net Revenues	5.8%	5.9%	5.5%	7.0%	5.9%	5.7%	6.1%	6.1%	6.8%	0.0%	0.0%	0.0%	6.1%
30 % Net Income to Net Revenues	0.8%	-2.0%	0.4%	-7.7%	-6.3%	-1.6%	-10.4%	-9.4%	-10.1%	0.0%	0.0%	0.0%	-5.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	6.3%	6.4%	6.0%	7.6%	6.4%	6.2%	6.7%	6.7%	7.5%	0.0%	0.0%	0.0%	6.6%
<b>Post-income Items:</b>													
32 Performance Assessment													0
<b>Not Included in Total Expenses Above:</b>													
<b>Medicare Cost-sharing &amp; Wrap-around Rx</b>													
33 Medicaid Portion of Rx Expense	79,546	11,526	75,016	83,499	84,130	79,720	80,960	78,914	79,477	0	0	0	652,790
34 Reimbursement Received	76,602	10,704	73,761	81,379	82,115	4,956	0	0	0	0	0	0	329,516
35 Net Unreimbursed Expense	2,944	822	1,255	2,121	2,016	74,764	80,960	78,914	79,477	0	0	0	323,274
36 Number of Prescriptions (Rx) corresponding to Expense	598	583	578	628	570	564	602	467	456				5,046

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 BNR estimates.