

## 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 HealthCare / UnitedHealth Group		
State Fiscal Year:	2016	Program:	STAR
Submission Date:	6/30/2016	Service Area:	Hidalgo
Submission Type:	Quarterly	Rptg Period End Date:	5/31/2016

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		62,388	62,338	62,335	62,269	61,915	61,582	61,224	60,518	58,941	0	0	0	553,510
2 <b>Average Monthly Member Months</b>														61,501
<b>Revenues:</b>														
3 Medical Premiums		9,884,107	9,860,437	9,814,647	9,812,890	9,773,350	9,731,405	9,686,008	9,545,782	9,232,534	0	0	0	87,341,160
4 Delivery Supplemental Payments		702,450	695,630	596,742	699,040	678,580	620,611	535,363	518,312	460,343	0	0	0	5,507,071
5 Pharmacy Premiums		3,321,938	3,319,094	3,318,052	3,317,070	3,296,701	3,278,178	3,260,273	3,226,248	3,141,717	0	0	0	29,479,271
6 Investment Income		25,973	36,782	54,573	33,083	35,357	83,756	31,778	40,821	56,087	0	0	0	398,210
7 Health Insurance Providers Fee Reimbursement		3,844,752												3,844,752
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		17,779,220	13,911,943	13,784,014	13,862,083	13,783,988	13,713,950	13,513,422	13,331,163	12,890,681	0	0	0	126,570,464
10 Health Insurance Providers Fee & Related Costs		3,949,360												3,949,360
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		310,682	242,815	240,265	242,008	240,601	238,528	235,929	232,581	224,605	0	0	0	2,208,014
13 Maintenance Taxes		4,055	4,052	4,052	4,047	4,024	4,003	3,980	3,934	3,831	0	0	0	35,978
14 <b>Net Revenues</b>		13,515,123	13,665,076	13,539,697	13,616,028	13,539,362	13,471,419	13,273,514	13,094,648	12,662,244	0	0	0	120,377,111
<b>Medical Expenses:</b>														
15 Fee-For-Service		8,981,461	9,206,587	9,282,777	9,131,903	9,335,090	9,153,211	9,161,719	8,106,676	1,767,672	0	0	0	74,127,096
16 Capitated Services		112,174	112,084	112,078	111,960	111,323	110,724	110,081	108,811	105,976	0	0	0	995,211
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		51,762	59,980	10,703	105,458	127,473	244,488	877,210	1,472,524	7,455,974	0	0	0	10,405,572
20 Total Medical Expenses		9,145,397	9,378,651	9,405,558	9,349,321	9,573,886	9,508,423	10,149,010	9,688,011	9,329,622	0	0	0	85,527,879
21 Prescription Expenses (excluding PBM Admin)		3,409,200	3,329,922	3,106,265	3,201,775	3,386,583	3,530,038	3,320,759	3,389,440	2,713,364	0	0	0	29,387,347
22 <b>Total Medical and Prescription Expenses</b>		12,554,597	12,708,573	12,511,823	12,551,096	12,960,469	13,038,461	13,469,769	13,077,451	12,042,986	0	0	0	114,915,226
23 <b>Administrative Expenses</b>		944,334	801,869	747,007	951,548	797,630	767,916	811,401	798,803	860,082	0	0	0	7,480,591
24 <b>Total Expenses</b>		13,498,931	13,510,442	13,258,831	13,502,644	13,758,099	13,806,377	14,281,171	13,876,254	12,903,068	0	0	0	122,395,817
25 <b>Net Income Before Taxes</b>		16,192	154,634	280,866	113,384	(218,737)	(334,958)	(1,007,657)	(781,606)	(240,824)	0	0	0	(2,018,706)
26 % Medical Exp to Net Revenues		67.7%	68.6%	69.5%	68.7%	70.7%	70.6%	76.5%	74.0%	73.7%	0.0%	0.0%	0.0%	71.0%
27 % Prescription Exp to Net Revenues		25.2%	24.4%	22.9%	23.5%	25.0%	26.2%	25.0%	25.9%	21.4%	0.0%	0.0%	0.0%	24.4%
28 % Total Medical and Prescription to Net Rev. (MLR)		92.9%	93.0%	92.4%	92.2%	95.7%	96.8%	101.5%	99.9%	95.1%	0.0%	0.0%	0.0%	95.5%
29 % 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%
30 <b>% Net Income to Net Revenues</b>		0.1%	1.1%	2.1%	0.8%	-1.6%	-2.5%	-7.6%	-6.0%	-1.9%	0.0%	0.0%	0.0%	-1.7%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.3%	7.8%	7.3%	9.2%	7.8%	7.5%	8.1%	8.1%	9.0%	0.0%	0.0%	0.0%	8.2%
<b>Post-income items:</b>														
32 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.