

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:	Jefferson
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		13,541	13,668	13,962	13,982	13,942	13,887	13,759	13,619	13,231	0	0	0	123,591
2 Average Monthly Member Months														13,732
Revenues:														
3 Medical Premiums		3,316,171	3,346,476	3,408,898	3,407,512	3,371,747	3,357,879	3,331,278	3,267,248	3,124,771	0	0	0	29,931,980
4 Delivery Supplemental Payments		336,064	332,669	308,907	397,165	241,015	257,988	278,355	210,464	288,539	0	0	0	2,651,166
5 Pharmacy Premiums		745,587	754,208	774,207	774,555	773,330	769,414	758,875	751,550	737,583	0	0	0	6,839,309
6 Investment Income		8,359	11,981	19,030	10,348	11,422	26,854	10,308	12,817	18,612	0	0	0	129,729
7 Health Insurance Providers Fee Reimbursement		1,128,041												1,128,041
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		5,534,222	4,445,334	4,511,042	4,589,580	4,397,514	4,412,135	4,378,816	4,242,079	4,169,505	0	0	0	40,680,226
10 Health Insurance Providers Fee & Related Costs		1,158,733												1,158,733
11 Health Insurance Providers Fee (NAIP)		9,445	9,533	9,739	9,752	9,725	9,686	9,597	9,499	9,229	0	0	0	86,205
12 Premium Taxes		96,703	77,584	78,610	80,137	76,757	76,742	76,449	74,012	72,641	0	0	0	709,634
13 Maintenance Taxes		880	888	908	909	906	903	894	885	860	0	0	0	8,033
14 Net Revenues		4,268,461	4,357,328	4,421,786	4,498,782	4,310,127	4,324,804	4,291,876	4,157,682	4,086,776	0	0	0	38,717,622
Medical Expenses:														
15 Fee-For-Service		2,431,205	2,565,994	2,490,499	2,508,181	2,612,461	2,580,771	2,678,176	2,238,000	627,264	0	0	0	20,732,552
16 Capitated Services		24,347	24,575	25,104	25,140	25,068	24,969	24,739	24,487	23,789	0	0	0	222,217
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		24,711	25,373	41,581	88,339	64,577	91,818	199,637	470,959	1,996,801	0	0	0	3,003,796
20 Total Medical Expenses		2,480,263	2,615,942	2,557,184	2,621,660	2,702,106	2,697,558	2,902,552	2,733,446	2,647,854	0	0	0	23,958,565
21 Prescription Expenses (excluding PBM Admin)		663,767	639,254	664,303	696,595	671,110	718,218	711,052	677,162	559,046	0	0	0	6,000,507
22 Total Medical and Prescription Expenses		3,144,030	3,255,196	3,221,487	3,318,255	3,373,216	3,415,776	3,613,604	3,410,608	3,206,900	0	0	0	29,959,072
23 Administrative Expenses		293,947	256,224	244,470	315,047	254,469	247,059	262,922	254,185	278,195	0	0	0	2,406,517
24 Total Expenses		3,437,977	3,511,420	3,465,957	3,633,302	3,627,685	3,662,834	3,876,526	3,664,793	3,485,095	0	0	0	32,365,589
25 Net Income Before Taxes		830,484	845,908	955,829	865,480	682,442	661,970	415,350	492,889	601,681	0	0	0	6,352,033
26 % Medical Exp to Net Revenues		58.1%	60.0%	57.8%	58.3%	62.7%	62.4%	67.6%	65.7%	64.8%	0.0%	0.0%	0.0%	61.9%
27 % Prescription Exp to Net Revenues		15.6%	14.7%	15.0%	15.5%	15.6%	16.6%	16.6%	16.3%	13.7%	0.0%	0.0%	0.0%	15.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		73.7%	74.7%	72.9%	73.8%	78.3%	79.0%	84.2%	82.0%	78.5%	0.0%	0.0%	0.0%	77.4%
29 % Admin Exp to Net Revenues		6.9%	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 % Net Income to Net Revenues		19.5%	19.4%	21.6%	19.2%	15.8%	15.3%	9.7%	11.9%	14.7%	0.0%	0.0%	0.0%	16.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.3%	7.1%	6.7%	8.5%	7.2%	6.9%	7.4%	7.5%	8.3%	0.0%	0.0%	0.0%	7.5%
Post-income items:														
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.