

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:	Harris / Houston
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		44,624	45,010	45,491	45,576	45,545	45,718	45,826	45,535	44,898	0	0	0	408,223
2 Average Monthly Member Months														45,358
Revenues:														
3 Medical Premiums		12,298,316	12,384,357	12,494,147	12,468,573	12,465,073	12,536,409	12,556,746	12,403,960	12,131,788	0	0	0	111,739,369
4 Delivery Supplemental Payments		1,112,068	1,045,202	1,108,548	1,108,548	943,146	999,453	929,069	696,801	971,299	0	0	0	8,914,134
5 Pharmacy Premiums		2,173,500	2,186,887	2,207,308	2,203,739	2,201,309	2,207,559	2,218,168	2,214,496	2,199,866	0	0	0	19,812,832
6 Investment Income		30,421	43,298	65,582	39,641	41,234	100,317	38,618	48,658	71,345	0	0	0	479,115
7 Health Insurance Providers Fee Reimbursement		3,792,032												3,792,032
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		19,406,337	15,659,744	15,875,585	15,820,501	15,650,762	15,843,738	15,742,601	15,363,915	15,374,298	0	0	0	144,737,481
10 Health Insurance Providers Fee & Related Costs		3,895,205												3,895,205
11 Health Insurance Providers Fee (NAIP)		57,096	57,590	58,206	58,314	58,275	58,496	58,634	58,262	57,447	0	0	0	522,321
12 Premium Taxes		339,079	273,288	276,675	276,165	273,167	275,510	274,820	268,017	267,802	0	0	0	2,524,521
13 Maintenance Taxes		2,901	2,926	2,957	2,962	2,960	2,972	2,979	2,960	2,918	0	0	0	26,534
14 Net Revenues		15,112,056	15,325,940	15,537,747	15,483,059	15,316,360	15,506,760	15,406,168	15,034,676	15,046,131	0	0	0	137,768,898
Medical Expenses:														
15 Fee-For-Service		10,238,547	10,357,100	10,953,452	10,699,111	10,209,852	10,450,611	10,814,846	8,916,373	3,749,077	0	0	0	86,388,969
16 Capitated Services		80,234	80,928	81,793	81,946	81,890	82,201	82,395	81,872	80,727	0	0	0	733,986
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		97,105	99,870	146,943	138,447	222,442	353,815	773,920	2,217,795	7,894,307	0	0	0	11,944,644
20 Total Medical Expenses		10,415,886	10,537,898	11,182,188	10,919,504	10,514,184	10,886,627	11,671,161	11,216,040	11,724,111	0	0	0	99,067,599
21 Prescription Expenses (excluding PBM Admin)		1,799,169	2,033,803	1,835,121	1,956,158	1,944,179	2,062,552	2,238,162	2,031,798	1,807,319	0	0	0	17,708,261
22 Total Medical and Prescription Expenses		12,215,055	12,571,701	13,017,309	12,875,662	12,458,363	12,949,179	13,909,323	13,247,838	13,531,430	0	0	0	116,775,860
23 Administrative Expenses		1,030,757	902,610	860,357	1,085,981	905,654	887,174	945,250	920,605	1,025,793	0	0	0	8,564,182
24 Total Expenses		13,245,812	13,474,311	13,877,666	13,961,644	13,364,017	13,836,353	14,854,573	14,168,444	14,557,223	0	0	0	125,340,043
25 Net Income Before Taxes		1,866,244	1,851,629	1,660,081	1,521,415	1,952,343	1,670,407	551,595	866,232	488,908	0	0	0	12,428,855
26 % Medical Exp to Net Revenues		68.9%	68.8%	72.0%	70.5%	68.6%	70.2%	75.8%	74.6%	77.9%	0.0%	0.0%	0.0%	71.9%
27 % Prescription Exp to Net Revenues		11.9%	13.3%	11.8%	12.6%	12.7%	13.3%	14.5%	13.5%	12.0%	0.0%	0.0%	0.0%	12.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		80.8%	82.0%	83.8%	83.2%	81.3%	83.5%	90.3%	88.1%	89.9%	0.0%	0.0%	0.0%	84.8%
29 % Admin Exp to Net Revenues		6.8%	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		12.3%	12.1%	10.7%	9.8%	12.7%	10.8%	3.6%	5.8%	3.2%	0.0%	0.0%	0.0%	9.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.0%	6.9%	6.5%	8.2%	6.9%	6.7%	7.2%	7.2%	8.0%	0.0%	0.0%	0.0%	7.3%
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.