

Washington State Health Plans Report Strong Financials Through Third Quarter

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Fourteen of the largest domestic health plans in Washington State recently filed financial reports for the nine months ended September 30, 2013 and the results were strong with eight reporting higher net income than the same period in 2012 and only two reporting a net loss.

These figures demonstrate the sta-

bility of Washington State health insurers as health care reform is implemented.

Our report on page two highlights financial results and shows member months (the combined total of month ending membership for each nine month period), total revenues, net underwriting gain (loss), investment gain (loss), net income (loss) and statutory capital.

Our report on page three presents key financial statistics. When the financial figures on page two are divided by member months, a monthly average is obtained that is valuable in comparing one plan to another. These “per member per month” averages are presented in the middle section of the page.

Finally, we present statutory capital per average member in the right hand section of page three. This is essentially the amount of “cushion” on a per member basis a company has available to cover inadequate

cost estimates. Alternatively, this is the liquidating value of the company per average insured person.

As you review the numbers, keep in mind there are differences in the type of membership each plan serves.

All information in this report was obtained through publicly available reports filed with the Washington State Office of Insurance Commissioner (OIC). Information not required to be filed with the OIC (self-insured and some insured business from smaller, non-domestic carriers) is not included in this report nor is it referenced in this article.

Our next financial report will cover the twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012.

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Washington State Health Insurance Company Financial Results¹

For the Nine Months Ended 09/30/13 compared to the Nine Months Ended 09/30/12

Full Service Medical Plans Only - Sorted by Total Revenues - 000's Omitted²

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Health Plan Name	Member Months ³			Total Revenues			Net Underwriting Gain (Loss) ⁴			Investment Gain (Loss) & Miscellaneous			Net Income			Statutory Capital ⁵		
	09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change
Premiera Blue Cross	5,916	5,962	-46	1,924,485	1,914,889	9,596	34,337	52,923	-18,586	53,155	39,091	14,064	68,626	79,943	-11,316	1,295,045	1,154,636	140,410
Group Health Cooperative	3,059	3,161	-102	1,694,530	1,587,852	106,678	80,527	-6,367	86,893	19,617	16,389	3,227	100,143	10,023	90,121	656,374	459,384	196,990
Regence BlueShield	4,955	5,183	-228	1,649,277	1,622,583	26,695	13,539	-29,067	42,606	40,242	39,834	408	46,996	10,427	36,569	1,176,927	1,054,217	122,710
Molina Healthcare of WA	3,722	3,352	370	915,654	753,506	162,148	15,669	27,539	-11,870	923	875	48	10,606	12,764	-2,158	126,393	106,338	20,054
Community HP of WA	2,749	2,649	100	694,598	624,355	70,243	3,849	-14,696	18,545	4,861	9,138	-4,277	7,666	-6,941	14,607	122,902	110,801	12,101
Group Health Options	1,635	1,951	-316	675,935	760,363	-84,428	3,805	-16,602	20,408	3,269	3,774	-505	5,721	-9,661	15,383	114,672	108,153	6,519
UnitedHealthcare of WA	1,018	567	451	583,576	396,976	186,600	11,888	-15,001	10,538	3,196	2,601	595	-6,588	6,142	-12,730	97,306	100,532	-3,226
LifeWise HP of WA	941	1,008	-66	264,322	244,728	19,594	11,888	-10,979	22,866	3,418	3,330	88	9,989	-5,060	15,049	56,129	41,674	14,454
Asuris NW Health	566	608	-43	179,821	182,442	-2,620	81	9,953	-9,872	1,593	1,591	2	819	8,550	-7,730	67,675	60,585	7,090
Arcadian Health Plan	229	384	-154	169,773	302,105	-132,332	-3,892	-5,506	1,615	1,185	1,035	151	508	-3,481	3,989	76,753	52,408	24,345
SoundPath Health	149	150	-1	111,911	95,530	16,381	-700	65	-765	428	264	164	1,521	257	1,264	16,762	4,652	12,110
Amerigroup Washington ⁶	253	49	204	87,889	14,786	73,103	5,158	-3,352	8,510	488	7	481	4,255	-3,345	7,600	34,486	15,823	18,663
KPS Health Plans	190	223	-34	85,469	88,044	-2,575	1,077	63	1,014	285	2,643	-2,359	1,272	2,374	-1,102	15,905	13,331	2,574
Columbia United Providers	383	496	-113	71,597	86,406	-14,809	-1,963	2,633	-4,596	70	44	26	-1,314	1,757	-3,071	23,713	23,730	-17

Notes:

- All information from the Washington State Office of Insurance Commissioner web site.
- 000's omitted means the last three digits of each figure is removed. For example, the number 1,000 becomes 1.
- Member Months is the combined total of each month's ending membership. For example, to get Member Months through 09/13, monthly membership for January through September is added together to get a combined total.
- Net Underwriting Gain (Loss) is Net Income prior to Income taxes, Investment Gains and Losses and Miscellaneous revenues and expenses. It is a thought to be an accurate measure of the adequacy of premium revenue and can be a good predictor of future premium increases or decreases.
- Statutory Capital is an insurance company's retained earnings as defined by Washington State statute. It approximates the cash value of a company if liquidated in a short period of time.
- Amerigroup Washington is a new Medicaid plan with enrollment effective July 1, 2012.

Washington State Health Insurance Company Key Financial Statistics¹

For the Nine Months Ended 09/30/13 compared to the Nine Months Ended 09/30/12

Full Service Medical Plans Only - Sorted by Total Revenues
wahcnews.com

Health Plan Name	Member Months ^{2,3}			Per Member Per Month ⁴												Statutory Capital Per Average Member ⁶		
	09/13	09/12	Change	Total Revenues			Net Underwriting Gain (Loss) ⁵			Investment Gain (Loss) & Miscellaneous			Net Income			09/13	09/12	Change
				09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change	09/13	09/12	Change			
Premiera Blue Cross	5,916	5,962	-46	325	321	4	6	9	-3	9	7	2	12	13	-1	1,970	1,743	227
Group Health Cooperative	3,059	3,161	-102	554	502	52	26	-2	28	6	5	1	33	3	30	1,931	1,308	623
Regence BlueShield	4,955	5,183	-228	333	313	20	3	-6	9	8	8	0	9	2	7	2,138	1,831	307
Molina Healthcare of WA	3,722	3,352	370	246	225	21	4	8	-4	0	0	0	3	4	-1	306	286	20
Community HP of WA	2,749	2,649	100	253	236	17	1	-6	7	2	3	-1	3	-3	6	402	376	26
Group Health Options	1,635	1,951	-316	413	390	23	2	-9	11	2	2	0	3	-5	8	631	499	132
UnitedHealthcare of WA	1,018	567	451	573	700	-127	-15	19	-34	3	5	-2	-6	11	-17	860	1,595	-735
LifeWise HP of WA	941	1,008	-66	281	243	38	13	-11	24	4	3	1	11	-5	16	537	372	165
Asuris NW Health	566	608	-43	318	300	18	0	16	-16	3	3	0	1	14	-13	1,077	896	181
Arcadian Health Plan	229	384	-154	740	788	-48	-17	-14	-3	5	3	2	2	-9	11	3,011	1,230	1,781
SoundPath Health	149	150	-1	750	637	113	-5	0	-5	3	2	1	10	2	8	1,011	279	731
Amerigroup Washington ⁷	253	49	204	348	304	44	20	-69	89	2	0	2	17	-69	86	1,228	976	252
KPS Health Plans	190	223	-34	450	394	56	6	0	5	1	12	-11	7	11	-4	754	537	217
Columbia United Providers	383	496	-113	187	174	13	-5	5	-10	0	0	0	-3	4	-7	558	431	127

Notes:

- All information from the Washington State Office of Insurance Commissioner web site.
- 000's omitted. This means the last three digits of each figure is removed. For example, the number 1,000 becomes 1.
- Member Months is the combined total of each month's ending membership. For example, to get Member Months through September is added together to get a combined total.
- Per Member Per Month is any of the financial figures divided by Member Months for the particular plan.
- Net Underwriting Gain (Loss) is Net Income prior to income taxes, investment gains and losses and miscellaneous revenues and expenses. It is a thought to be an accurate measure of the adequacy of premium revenue and can be a good predictor of future premium increases or decreases.
- Statutory Capital Per Average Member is Statutory Capital divided by Member Months and then multiplied by the number of months in the reporting period.
- Amerigroup Washington is a new Medicaid plan with enrollment effective July 1, 2012.