

Washington State Health Plans Maintain Strong Financials Through 12/31/13

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Publisher and Editor
Washington Healthcare News



Fourteen of the largest domestic health plans in Washington State recently filed financial reports for the twelve months ended December 31, 2013 and the results were strong with seven reporting higher net income than the same period in 2012 and only four reporting a net loss.

These figures demonstrate the con-

tinued stability 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 twelve 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 three months ended March 31, 2014 compared to the three months ended December 31, 2013.

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Washington State Health Insurance Company Financial Results¹ For the Twelve Months Ended 12/31/13 compared to the Twelve Months Ended 12/31/12

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		
	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change
Premiera Blue Cross	7,859	7,970	-112	2,556,111	2,574,502	-18,390	41,953	57,941	-15,988	73,936	44,393	29,543	86,257	93,096	-6,839	1,360,265	1,160,691	199,574
Group Health Cooperative	4,101	4,174	-74	2,245,768	2,121,980	123,788	76,137	21,319	97,456	31,647	25,733	5,914	107,784	4,414	103,370	803,527	431,260	372,266
Regence BlueShield	6,585	6,828	-243	2,190,555	2,157,825	32,730	1,997	-24,820	26,818	55,947	64,263	-8,316	48,280	29,958	18,323	1,180,944	1,081,609	99,335
Molina Healthcare of WA	4,941	4,600	341	1,201,179	1,050,142	151,037	5,639	38,041	-32,402	1,272	1,142	130	4,969	19,277	-14,308	119,985	113,774	6,211
Community HP of WA	3,620	3,610	10	901,919	876,213	25,706	14,175	-46	14,221	6,067	10,666	-4,599	18,443	8,824	9,619	137,799	126,092	11,707
Group Health Options	2,161	2,559	-399	893,606	1,010,883	-117,277	-2,835	-16,054	13,219	4,387	4,842	-455	1,965	-8,223	10,188	111,478	109,894	1,584
UnitedHealthcare of WA	1,394	846	548	783,691	567,753	215,938	-24,189	24,366	-48,555	4,493	3,883	611	-15,905	17,257	-33,163	117,461	88,681	28,781
LifeWise HP of WA	1,232	1,351	-120	344,978	325,982	18,996	17,724	-8,852	26,576	4,204	4,493	-290	15,675	-1,364	17,039	61,844	46,157	15,687
Asuris NW Health	754	797	-43	241,162	240,848	314	-6,118	7,374	-13,493	1,834	2,206	-372	-3,420	11,937	-15,357	63,288	66,247	-2,959
Arcadian Health Plan	308	511	-203	227,531	399,767	-172,235	-14,437	-3,009	-11,428	1,768	1,594	174	-4,899	-3,810	-1,089	70,335	72,075	-1,740
SoundPath Health	200	201	-2	149,983	128,030	21,953	385	-618	1,003	491	370	121	2,434	-424	2,858	18,883	2,423	16,460
Amerigroup Washington	354	117	237	133,926	45,514	88,412	3,994	-4,901	8,895	891	18	873	2,512	-4,883	7,395	35,711	30,197	5,513
KPS Health Plans	257	292	-34	115,005	123,221	-8,215	1,469	509	960	371	2,865	-2,495	1,895	3,430	-1,535	19,152	14,597	4,555
Columbia United Providers	511	624	-113	95,498	108,711	-13,213	-1,690	3,424	-5,114	116	78	38	-972	2,275	-3,247	23,834	24,553	-719

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 12/13, monthly membership for January through December 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 Twelve Months Ended 12/31/13 compared to the Twelve Months Ended 12/31/12

Full Service Medical Plans Only - Sorted by Total Revenues

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Health Plan Name	Member Months ^{2,3}						Per Member Per Month ⁴												Statutory Capital Per Average Member ⁶		
	Total Revenues			Net Underwriting Gain (Loss) ⁵			Investment Gain (Loss) & Miscellaneous						Net Income			12/13	12/12	Change			
	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change	12/13	12/12	Change			
Premiera Blue Cross	7,859	7,970	-112	325	323	2	5	7	-2	9	6	4	11	12	-1	2,077	1,747	330			
Group Health Cooperative	4,101	4,174	-74	548	508	39	19	-5	24	8	6	2	26	1	25	2,351	1,240	1,112			
Regence BlueShield	6,585	6,828	-243	333	316	17	0	-4	4	8	9	-1	7	4	3	2,152	1,901	251			
Molina Healthcare of WA	4,941	4,600	341	243	228	15	1	8	-7	0	0	0	1	4	-3	291	297	-5			
Community HP of WA	3,620	3,610	10	249	243	6	4	0	4	2	3	-1	5	2	3	457	419	38			
Group Health Options	2,161	2,559	-399	414	395	19	-1	-6	5	2	2	0	1	-3	4	619	515	104			
UnitedHealthcare of WA	1,394	846	548	562	671	-109	-17	29	-46	3	5	-1	-11	20	-32	1,011	1,259	-247			
LifeWise HP of WA	1,232	1,351	-120	280	241	39	14	-7	21	3	3	0	13	-1	14	602	410	193			
Asuris NW Health	754	797	-43	320	302	18	-8	9	-17	2	3	0	-5	15	-20	1,008	997	10			
Arcadian Health Plan	308	511	-203	739	782	-43	-47	-6	-41	6	3	3	-16	-7	-8	2,742	1,693	1,050			
SoundPath Health	200	201	-2	751	636	115	2	-3	5	2	2	1	12	-2	14	1,134	144	990			
Amerigroup Washington	354	117	237	378	389	-11	11	-42	53	3	0	2	7	-42	49	1,210	3,096	-1,886			
KPS Health Plans	257	292	-34	447	423	24	6	2	4	1	10	-8	7	12	-4	893	601	292			
Columbia United Providers	511	624	-113	187	174	13	-3	5	-9	0	0	0	-2	4	-6	559	472	87			

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 12/13, monthly membership for January through December 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.