

# Oregon Healthcare News

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Articles, Interviews and Statistics for the Healthcare Executive

## Health Plans Continue Losses Through June 30, 2015

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Fifteen of the largest domestic health plans in Oregon recently filed financial reports for the six months ended June 30, 2015 and all but three reported a net loss. These figures were comparable to the first six months of 2014 when all but three plans lost money.

Plan representatives cited the ACA, Cover Oregon's severe operational issues and employee pension plan adjustments as primary reasons for the continued losses.

Our report on page two highlights financial results and shows member months (the combined total of month ending membership for each six 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 helpful 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 National Association of Insurance Commissioners (NAIC). Information not required to be filed with the NAIC (self-insured and some Oregon 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 third quarter of 2015 compared to the third quarter of 2014.

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# Oregon Health Insurance Company Financial Results<sup>1</sup>

## For the Six Months Ended 06/30/15 compared to the Six Months Ended 06/30/14

Full Service Medical Plans Only - Sorted by Total Revenues - 000's Omitted<sup>2</sup>  
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Health Plan Name	Member Months <sup>3</sup>			Total Revenues			Net Underwriting Gain (Loss) <sup>4</sup>			Investment Gain (Loss) & Miscellaneous			Net Income			Statutory Capital <sup>5</sup>		
	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change
Kaiser Fd HP of the NW	2,835	2,811	24	1,671,281	1,556,701	114,580	-20,656	-24,354	3,699	8,046	13,806	-5,760	-13,159	-10,056	-3,104	264,685	454,432	-189,748
Regence BCBS of OR	2,990	2,855	135	940,401	933,861	6,540	-16,633	-12,487	-4,146	18,333	16,535	1,797	-4,264	-834	-3,430	627,749	636,471	-8,723
Providence HPs	1,247	1,114	132	593,055	548,242	44,813	-20,887	5,241	-26,127	8,464	9,962	-1,498	-12,393	15,221	-27,614	518,180	522,313	-4,133
Moda HP	1,295	989	306	387,315	334,574	52,742	-38,152	-6,165	-31,986	527	2,175	-1,648	-33,782	-3,556	-30,226	83,801	73,867	9,934
PacificSource HPs	958	1,088	-130	283,697	317,417	-33,720	-4,127	-3,334	-792	2,208	1,703	505	-6,275	-4,868	-1,407	153,744	152,037	1,707
Trillium Community HP	603	493	110	251,348	206,511	44,837	9,712	10,935	-1,223	313	179	134	12,509	4,579	7,929	56,145	25,726	30,420
Health Net HP of OR	479	420	59	206,709	161,345	45,364	-15,390	-22,306	6,915	1,256	1,250	6	-7,034	-16,262	9,229	54,488	47,804	6,684
PacificSource Comm HP	200	227	-27	146,107	162,376	-16,269	-3,178	-8,329	5,152	36	266	-231	-1,890	-7,039	5,149	60,636	46,159	14,477
UnitedHealthcare of OR	150	125	26	131,229	116,381	14,848	6,577	8,950	-2,373	741	462	279	3,022	4,450	-1,428	41,578	37,395	4,182
LifeWise HP of OR	426	295	131	102,782	77,815	24,967	-27,223	-5,739	-21,484	1,187	1,400	-214	-18,390	-3,327	-15,063	22,407	62,409	-40,002
HP of CareOregon	68	61	7	71,038	62,735	8,304	-6,231	-1,330	-4,901	912	768	144	-3,301	-349	-2,952	28,671	38,617	-9,946
Samaritan HPs	30	30	0	28,019	27,654	364	-1,794	-552	-1,242	66	269	-203	-1,135	-182	-953	7,932	7,500	432
Oregon's Health Co-op	68	4	63	25,013	1,429	23,584	-4,993	-344	-4,650	120	101	19	-4,873	-242	-4,631	9,082	6,578	2,504
FamilyCare Health Plans	21	16	5	19,628	16,032	3,596	-4,048	-2,874	-1,174	242	76	166	-3,806	-2,799	-1,008	15,223	7,143	8,080
AllCare Health Plan, Inc.	22	25	-3	14,823	21,060	-6,236	476	-1,638	2,114	17	21	-5	493	-1,617	2,109	7,079	6,004	1,075

### Notes:

- All information from the National Association of Insurance Commissioners 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 06/15, monthly membership for January through June 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 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 Oregon statute. It approximates the cash value of a company if liquidated in a short period of time.

# Oregon Health Insurance Company Key Financial Statistics<sup>1</sup>

For the Six Months Ended 06/30/15 compared to the Six Months Ended 06/30/14

Full Service Medical Plans Only - Sorted by Total Revenues

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Health Plan Name	Member Months <sup>2,3</sup>			Per Member Per Month <sup>4</sup>												Statutory Capital Per Average Member <sup>6</sup>		
				Total Revenues			Net Underwriting Gain (Loss) <sup>5</sup>			Investment Gain (Loss) & Miscellaneous			Net Income					
	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change	06/15	06/14	Change
Kaiser Fd HP of the NW	2,835	2,811	24	590	554	36	-7	-9	1	3	5	-2	-5	-4	-1	560	970	-410
Regence BCBS of OR	2,990	2,855	135	314	327	-13	-6	-4	-1	6	6	0	-1	0	-1	1,260	1,338	-78
Providence HPs	1,247	1,114	132	476	492	-16	-17	5	-21	7	9	-2	-10	14	-24	2,494	2,813	-319
Moda HP	1,295	989	306	299	338	-39	-29	-6	-23	0	2	-2	-26	-4	-22	388	448	-60
PacificSource HPs	958	1,088	-130	296	292	4	-4	-3	-1	2	2	1	-7	-4	-2	963	838	125
Trillium Community HP	603	493	110	417	419	-2	16	22	-6	1	0	0	21	9	11	559	313	246
Health Net HP of OR	479	420	59	432	384	48	-32	-53	21	3	3	0	-15	-39	24	683	682	0
PacificSource Comm HP	200	227	-27	730	714	17	-16	-37	21	0	1	-1	-9	-31	21	1,819	1,218	601
UnitedHealthcare of OR	150	125	26	872	934	-62	44	72	-28	5	4	1	20	36	-16	1,668	1,801	-143
LifeWise HP of OR	426	295	131	241	264	-23	-64	-19	-44	3	5	-2	-43	-11	-32	316	1,271	-955
HP of CareOregon	68	61	7	1,052	1,032	21	-92	-22	-70	14	13	1	-49	-6	-43	2,548	3,810	-1,262
Samaritan HPs	30	30	0	927	915	12	-59	-18	-41	2	9	-7	-38	-6	-32	1,574	1,489	85
Oregon's Health Co-op	68	4	63	370	344	26	-74	-83	9	2	24	-23	-72	-58	-14	807	9,516	-8,709
FamilyCare Health Plans	21	16	5	954	1,025	-71	-197	-184	-13	12	5	7	-185	-179	-6	4,439	2,740	1,699
AllCare Health Plan, Inc.	22	25	-3	669	853	-185	21	-66	88	1	1	0	22	-66	88	1,916	1,460	456

## Notes:

- All information from the National Association of Insurance Commissioners 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 06/15, monthly membership for January through June 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 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 multiplied by the number of months in the reporting period.