



Quarterly Reports From MCOL

For the Fourth Quarter 2010 | Volume 7 Issue 1 | February 2011

An e-magazine exclusively for MCOL paid members providing quarterly income statement and statistical results from selected publicly held health plans.

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Podcast

To listen the accompanying Quarterly Reports Podcast, featuring a brief discussion by Doug Sherlock, Senior Health Care Analyst and President, Sherlock Company (www.sherlockco.com) go to: <http://www.mcol.com/podcasts/qreports/qrep0211.mp3>

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Summary

(millions)	Revenues Fourth Qtr 2010	Revenues Fourth Qtr 2009	Revenues YTD 2010	Revenues YTD 2009	Net Income Fourth Qtr 2010	Net Income Fourth Qtr 2009	Net Income YTD 2010	Net Income YTD 2009
Aetna	\$8,540	\$7,856	\$34,246	\$34,764	\$216	\$166	\$1,767	\$1,277
Amerigroup	\$1,502	\$1,363	\$5,806	\$5,188	\$80	\$40	\$273	\$149
Cigna	\$5,429	\$4,636	\$21,253	\$18,414	\$462	\$331	\$1,349	\$1,305
Coventry	\$3,025	\$3,428	\$11,588	\$13,904	\$150	\$109	\$439	\$242
HealthNet	\$3,373	\$3,798	\$13,620	\$15,713	\$80	(\$45)	\$204	(\$49)
HealthSpring	\$882	\$678	\$3,136	\$2,666	\$51	\$39	\$194	\$134
Humana	\$8,350	\$7,633	\$33,868	\$30,960	\$107	\$251	\$1,099	\$1,040
Molina	\$1,081	\$964	\$4,086	\$3,669	\$18	(\$4)	\$55	\$31
WellPoint	\$14,648	\$19,047	\$58,802	\$65,028	\$549	\$2,742	\$2,887	\$4,746
United Health Group	\$24,030	\$21,784	\$94,155	\$87,138	\$1,043	\$944	\$4,634	\$3,822

(Membership in millions)	Commercial MCR (or combined)				Medicare MCR				Medical Membership January-11
	4th Qtr	4th Qtr	YTD	YTD	4th Qtr	4th Qtr	YTD	YTD	
	2010	2009	2010	2009	2010	2009	2010	2009	
Aetna	80.70%	85.00%	85.00%	84.50%	91.10%	86.70%	86.70%	87.10%	18.468
Amerigroup	80.40%	84.60%	81.60%	85.40%					1.931
Cigna	78.50%	84.40%	80.10%	83.90%	70.40%	70.90%	92.80%	91.60%	11.437
Coventry	81.30%	82.90%	79.20%	81.90%	84.10%	89.40%	82.00%	89.90%	5.118
HealthNet	85.50%	86.40%	86.10%	86.80%	89.40%	88.60%	88.80%	88.10%	2.94
HealthSpring					80.00%	78.68%	81.10%	78.93%	0.305
Humana	88.10%	84.40%	78.60%	80.60%	83.40%	80.90%	83.90%	83.50%	10.238
Molina	82.70%	87.50%	84.50%	86.80%					1.613
WellPoint	84.50%	85.80%	83.20%	83.60%					33.323
United Health Group	79.60%	81.30%	80.60%	82.30%					24.81



Aetna

Consolidated Statements of Income

(Millions)	For the Three Months		For the Year Ended	
	Ended December 31,		December 31,	
	2010	2009	2010	2009
Revenue:				
Health care premiums	\$ 6,891.4	\$ 7,128.3	\$ 27,610.6	\$ 28,243.8
Other premiums	438.0	460.0	1,822.1	1,892.4
Fees and other revenue	903.5	874.3	3,529.5	3,536.5
Net investment income	279.2	265.0	1,056.3	1,036.4
Net realized capital gains	27.8	28.6	227.5	55.0
Total revenue	8,539.9	8,756.2	34,246.0	34,764.1
Benefits and expenses:				
Health care costs	5,720.7	6,085.0	22,719.6	24,061.2
Current and future benefits	524.8	556.5	2,013.4	2,078.1
Operating expenses:				
Selling expenses	297.8	313.4	1,226.6	1,251.9
General and administrative expenses	1,591.8	1,477.8	5,292.4	5,131.1
Total operating expenses	1,889.6	1,791.2	6,519.0	6,383.0
Interest expense	69.1	60.6	254.6	243.4
Amortization of other acquired intangible assets	23.2	24.3	95.2	97.2
Total benefits and expenses	8,227.4	8,517.6	31,601.8	32,862.9
Income before income taxes	312.5	238.6	2,644.2	1,901.2
Income taxes	96.9	72.7	877.4	624.7
Net income	\$ 215.6	\$ 165.9	\$ 1,766.8	\$ 1,276.5

Medical benefit ratios ("MBRs") for Fourth-quarter 2010 and 2009 were as follows:

	2010	2009
Commercial	80.7%	85.0%
Medicare	91.1%	86.7%
Medicaid	86.0%	84.9%
Total	83.0%	85.4%

Aetna Continued

Segment Information

Segment Information ⁽⁶⁾

(Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2010	2009	2010	2009
Health Care:				
Revenue, excluding net realized capital gains and the ESI settlement	\$ 7,871.1	\$ 8,046.1	\$ 31,442.7	\$ 32,024.1
ESI settlement	-	30.2	-	30.2
Net realized capital gains	33.5	12.1	181.3	19.0
Total revenue (GAAP measure)	\$ 7,904.6	\$ 8,088.4	\$ 31,604.0	\$ 32,073.3
Commercial Medical Benefit Ratio:				
Premiums	\$ 5,199.7	\$ 5,474.1	\$ 20,632.2	\$ 21,581.6
Health care costs (GAAP measure)	\$ 4,194.6	\$ 4,655.5	\$ 16,624.4	\$ 18,246.6
Favorable (unfavorable) development of prior-period health care cost estimates	87.3	59.0	60.2	(96.6)
Health care costs, excluding prior-period development	\$ 4,281.9	\$ 4,714.5	\$ 16,684.6	\$ 18,150.0
Commercial MBR (GAAP measure)	80.7%	85.0%	80.6%	84.5%
Commercial MBR, excluding prior-period reserve development	82.3%	86.1%	80.9%	84.1%
Operating earnings	\$ 280.4	\$ 261.6	\$ 1,650.1	\$ 1,412.7
Transaction-related costs	(43.1)	-	(43.1)	-
Litigation-related insurance proceeds	16.4	-	101.5	24.9
Severance and facilities charge	(30.8)	(60.9)	(30.8)	(60.9)
ESI settlement	-	19.6	-	19.6
Net realized capital gains	21.8	12.1	131.0	19.0
Net income (GAAP measure)	\$ 244.7	\$ 232.4	\$ 1,808.7	\$ 1,415.3
Group Insurance:				
Revenue, excluding net realized capital gains	\$ 502.6	\$ 510.1	\$ 2,051.2	\$ 2,101.2
Net realized capital gains	6.8	15.4	67.4	41.8
Total revenue (GAAP measure)	\$ 509.4	\$ 525.5	\$ 2,118.6	\$ 2,143.0
Operating earnings (loss)	\$ 20.5	\$ (14.1)	\$ 128.0	\$ 103.8
Net realized capital gains	4.4	15.4	51.6	41.8
Net income (GAAP measure)	\$ 24.9	\$ 1.3	\$ 179.6	\$ 145.6

Aetna Continued

Segment Information Continued

Segment Information continued ⁽⁶⁾

(Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2010	2009	2010	2009
Large Case Pensions:				
Revenue, excluding net realized capital (losses) gains	\$ 138.4	\$ 141.2	\$ 524.6	\$ 553.6
Net realized capital (losses) gains	(12.5)	1.1	(1.2)	(5.8)
Total revenue (GAAP measure)	\$ 125.9	\$ 142.3	\$ 523.4	\$ 547.8
Operating earnings	\$ 6.4	\$ 8.6	\$ 27.8	\$ 32.2
Net realized capital (losses) gains	(8.1)	1.1	1.2	(5.8)
Net income (GAAP measure)	\$ (1.7)	\$ 9.7	\$ 29.0	\$ 26.4
Total Company:				
Revenue, excluding net realized capital gains and the ESI settlement (A)	\$ 8,512.1	\$ 8,697.4	\$ 34,018.5	\$ 34,678.9
ESI settlement	-	30.2	-	30.2
Net realized capital gains	27.8	28.6	227.5	55.0
Total revenue (GAAP measure) (B)	\$ 8,539.9	\$ 8,756.2	\$ 34,246.0	\$ 34,764.1
Business segment operating expenses (C)	\$ 1,790.0	\$ 1,638.8	\$ 6,431.0	\$ 6,092.7
Corporate Financing segment operating expenses ⁽⁷⁾	11.3	58.7	130.7	234.8
Operating expenses, including Corporate Financing segment (D)	1,801.3	1,697.5	6,561.7	6,327.5
Transaction-related costs	66.2	-	66.2	-
Litigation-related insurance proceeds	(25.3)	-	(156.3)	(36.2)
Severance and facilities charge	47.4	93.7	47.4	93.7
Total operating expenses (GAAP measure) (E)	\$ 1,889.6	\$ 1,791.2	\$ 6,519.0	\$ 6,383.0
Operating Expenses Ratios:				
Business segment operating expense ratio (C)/(A)	21.0%	18.8%	18.9%	17.6%
Operating expense ratio (D)/(A)	21.2%	19.5%	19.3%	18.2%
Total operating expense ratio (E)/(B) (GAAP measure)	22.1%	20.5%	19.0%	18.4%

Aetna Continued

Membership

(Thousands)	December 31, 2010	September 30, 2010	December 31, 2009
Medical Membership:			
Commercial	16,824	16,908	17,435
Medicare	445	449	433
Medicaid	1,199	1,171	1,046
Total Medical Membership	18,468	18,528	18,914
Consumer-Directed Health Plans ⁽⁸⁾			
	2,184	2,225	1,868
Dental Membership:			
Commercial	12,137	12,206	12,302
Medicare & Medicaid	639	625	692
Network Access ⁽⁹⁾	971	967	1,067
Total Dental Membership	13,747	13,798	14,061
Pharmacy Benefit Management Membership:			
Commercial	8,553	8,644	9,728
Medicare PDP (stand-alone)	608	622	346
Medicare Advantage PDP	227	231	240
Medicaid	27	30	30
Total Pharmacy Benefit Management Services	9,415	9,527	10,344
Mail Order ⁽¹⁰⁾	602	627	669
Total Pharmacy Membership	10,017	10,154	11,013

(6) Revenue and operating expense information is presented before income taxes. Operating earnings is presented net of income taxes.

(7) Our Corporate Financing segment is not a business segment. It is added to our business segments to reconcile to our consolidated results. The Corporate Financing segment includes interest expense on our outstanding debt and the financing components of our pension and other postretirement benefit plan expenses.

(8) Represents members in consumer-directed health plans included in Aetna's Commercial medical membership.

(9) Represents members in products that allow these members access to Aetna's dental provider network for a nominal fee.

(10) Represents members who purchased medications through Aetna's mail order pharmacy operations during the quarterly period and are included in pharmacy membership above.

Source: http://www.aetna.com/news/newsReleases/2011/pr_4thquarter2010_earnings.html



Amerigroup

CONDENSED CONSOLIDATED INCOME STATEMENTS

(dollars in thousands, except per share data)
 (unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
Revenues:				
Premium	\$1,497,928	\$1,357,683	\$5,783,458	\$5,158,989
Investment income and other	\$4,307	\$4,902	\$22,843	\$29,081
Total revenues	\$1,502,235	\$1,362,585	\$5,806,301	\$5,188,070
Expenses:				
Health benefits	\$1,204,383	\$1,148,366	\$4,722,106	\$4,407,273
Selling, general and administrative	\$119,642	\$105,191	\$452,069	\$394,089
Premium taxes	\$38,935	\$33,200	\$143,896	\$134,277
Depreciation and amortization	\$8,696	\$8,299	\$35,048	\$34,746
Interest	\$4,011	\$3,867	\$16,011	\$16,266
Total expenses	\$1,375,667	\$1,298,923	\$5,369,130	\$4,986,651
Income before income taxes	\$126,568	\$63,662	\$437,171	\$201,419
Income tax expense	\$46,940	\$23,440	\$163,800	\$52,140
Net income	\$79,628	\$40,222	\$273,371	\$149,279

Selected Operating Ratios

	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
Premium revenue	99.7%	99.6%	99.6%	99.4%
Investment income and other	0.3%	0.4%	0.4%	0.6%
Total revenues	100.0%	100.0%	100.0%	100.0%
Health benefits ^[1]	80.4%	84.6%	81.6%	85.4%
Selling, general and administrative expenses	8.0%	7.7%	7.8%	7.6%
Income before income taxes	8.4%	4.7%	7.5%	3.9%
Net income	5.3%	3.0%	4.7%	2.9%

1) The health benefits ratio is shown as a percentage of premium revenue because there is a direct relationship between the premium received and the health benefits provided.

Amerigroup Continued

Membership By State and Product:

	December 31,	
	2010	2009
Texas ^[1]	559,000	505,000
Georgia	266,000	249,000
Florida	263,000	236,000
Tennessee	203,000	195,000
Maryland	202,000	194,000
New Jersey	134,000	118,000
New York	109,000	114,000
Nevada	79,000	62,000
Ohio	55,000	60,000
Virginia	40,000	35,000
New Mexico	21,000	20,000
Total	1,931,000	1,788,000
Product		
TANF (Medicaid)	1,373,000	1,255,000
CHIP	271,000	259,000
Aged, Blind and Disabled (Medicaid) ^[1]	197,000	196,000
FamilyCare (Medicaid)	71,000	63,000
Medicare Advantage	19,000	15,000
Total	1,931,000	1,788,000

1) Membership includes approximately 14,000 members under an ASO contract in 2010 and 13,000 in 2009.

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=122199&p=irol-newsArticle&ID=1530464&highlight=>



CIGNA

Consolidated Income Statements

Dollars in Millions

	Three Months Ended Dec. 31,			Year Ended Dec. 31,		
	2010	2009	% Change	2010	2009	% Change
Revenues:						
Premiums and fees	\$4,725	\$3,992	18.0%	\$18,393	\$16,041	15.0%
Net investment income	\$276	\$262	5.0%	\$1,105	\$1,014	9.0%
Mail order pharmacy revenues (1)	\$367	\$338	9.0%	\$1,420	\$1,282	11.0%
Other revenues (2)	\$30	\$47	(36.0)%	\$260	\$120	117.0%
Net realized investment gains (losses)	\$31	(\$3)	-	\$75	(\$43)	-
Total revenues	\$5,429	\$4,636	17.0%	\$21,253	\$18,414	15.0%
Benefits and Expenses:						
Health Care medical claims expense	\$2,135	\$1,701	26.0%	\$8,570	\$6,927	24.0%
Other benefit expenses	\$912	\$856	7.0%	\$3,660	\$3,407	7.0%
Mail order pharmacy cost of goods sold	\$303	\$274	11.0%	\$1,169	\$1,036	13.0%
Guaranteed minimum income benefits fair value (gain) loss	(\$127)	(\$89)	(43.0)%	\$55	(\$304)	-
Operating expenses excluding special item(s)	\$1,571	\$1,366	15.0%	\$5,839	\$5,443	7.0%
Special item(s) (3)	\$90	\$20	350.0%	\$90	\$7	-
Total benefits and expenses	\$4,884	\$4,128	18.0%	\$19,383	\$16,516	17.0%
Income from continuing operations before income taxes	\$545	\$508	7.0%	\$1,870	\$1,898	(1.0)%
Income taxes: (3)						
Net income	\$462	\$331	40.0%	\$1,349	\$1,305	3.0%

(1) Reflects revenues for non-risk pharmacy mail order fulfillment services.

(2) Includes pre-tax losses of \$85 million and \$157 million for the fourth quarter and year ended December 31, 2010, respectively, and pre-tax losses of \$50 million and \$282 million for the fourth quarter and year ended December 31, 2009, respectively, from futures contracts entered into as part of a dynamic hedge program to manage equity risks in CIGNA's run-off reinsurance operations. CIGNA recorded corresponding offsets in benefits and expenses to adjust liabilities for reinsured guaranteed minimum death benefit contracts. For more information, please refer to CIGNA's Form 10-K for the year ended December 31, 2010 which is expected to be filed on February 24, 2011.

(3) See the Special Item(s) discussion on Page 1 for further information.

Cigna Continued

Health Care

Segment Earnings (unaudited)

Dollars in Millions

	Three Months Ended December 31,			Year Ended December 31,		
	2010	2009	% Change	2010	2009	% Change
Revenues:						
Premiums and fees	\$3,374	\$2,806	20%	\$13,319	\$11,384	17%
Net investment income	\$62	\$49	27%	\$243	\$181	34%
Mail order pharmacy revenues	\$367	\$338	9%	\$1,420	\$1,282	11%
Other revenues	\$70	\$61	15%	\$266	\$262	2%
Segment revenues	\$3,873	\$3,254	19%	\$15,248	\$13,109	16%
Benefits and Expenses:						
Health Care medical claims expense	\$2,135	\$1,701	26%	\$8,570	\$6,927	24%
Other benefit expenses	\$21	\$35	(40)%	\$100	\$169	(41)%
Mail order pharmacy cost of goods sold	\$303	\$274	11%	\$1,169	\$1,036	13%
Operating expenses excluding special item(s)	\$1,097	\$947	16%	\$4,072	\$3,849	6%
Special item(s)	-	\$17	-	-	(\$2)	-
Benefits and expenses	\$3,556	\$2,974	20%	\$13,911	\$11,979	16%
Income before income taxes	\$317	\$280	13%	\$1,337	\$1,130	18%
Income taxes	\$110	\$98	12%	\$476	\$399	19%
Segment earnings, after-tax	\$207	\$182	14%	\$861	\$731	18%
Less: Special item(s), after-tax	-	(\$12)	-	-	\$2	-
Adjusted income from operations	\$207	\$194	7%	\$861	\$729	18%
Net realized investment gains (losses), net of taxes	\$11	(\$2)	-	\$26	(\$19)	-

Key Metrics (unaudited)

	Three Months Ended Dec. 31,		Change	Year Ended Dec. 31,		Change
	2010	2009	<i>Better</i> <i>(Worse)</i>	2010	2009	<i>Better</i> <i>(Worse)</i>
RATIOS:						
Guaranteed Cost care ratio (including voluntary/limited benefits) ⁽²⁾	78.5	84.4	5.9	80.1	83.9	3.8
Medicare Part D care ratio (including fees)	61.3	60.1	-1.2	84.2	81.8	-2.4
Medicare Part D care ratio (excluding fees)	70.4	70.9	0.5	92.8	91.6	-1.2

(2) The Guaranteed Cost care ratio excludes the stop loss products associated with experience-rated and service members.

Cigna Continued

CIGNA Corporation Health Care Estimated Covered Lives (unaudited)

	As of December 31,		%
FUNDING TYPE:	2010	2009 ⁽⁶⁾	Change
<i>(Lives in thousands)</i>			
Medical membership :			
Guaranteed cost (1)	1,177	1,001	18%
Experience-rated (2)	849	761	12%
Total commercial risk	2,026	1,762	15%
Medicare	145	52	179%
Total risk	2,171	1,814	20%
Service	9,266	9,226	-
Total medical membership	11,437	11,040	4%
Non-medical membership :			
Medicare Part D (3)	560	305	84%
Dental (4)	10,251	9,873	4%
Behavioral care (4)	18,257	17,647	3%
Pharmacy (4)	6,501	6,451	1%
MARKET SEGMENT: (5)			
<i>(Lives in thousands)</i>			
Medical membership :			
National Accounts	3,908	4,213	(7)%
Middle Market	6,598	6,128	8%
Select	623	561	11%
Other	308	138	123%
Total medical membership	11,437	11,040	4%

(1) Includes open access, commercial HMO, and voluntary / limited benefits business, as well as other risk-related products.

(2) Includes minimum premium members, who have a risk profile similar to experienced members. Also, includes certain non-participating cases for which special customer level reporting of experience is required.

(3) Reflects members enrolled in CIGNA's Medicare Part D program, which provides access to prescription medications through a nationwide pharmacy network.

(4) Reflects members enrolled in CIGNA's dental, behavioral care or managed pharmacy programs, which provide access to services through a nationwide network. These members may also be medical members, or they may have stand-alone dental, behavioral care or pharmacy coverage.

(5) Estimated Covered Lives by Market Segment generally reflects the following:

~ the National Accounts market segment includes multi-site employers with more than 5,000 employees;

~ the Middle Market segment includes multi-site employers with more than 250 but fewer than 5,000 employees and single-site employers with more than 250 employees;

~ the Select market segment includes employers with more than 50 but fewer than 250 employees; and

~ Other includes Individual, Small business, which generally includes employers with 2- 50 employees, and Medicare, which includes Individual and Group Medicare Private Fee for Service.

(6) Prior period restated to reflect segment transfers resulting

SOURCE: http://www.cigna.com/about_us/investor_relations/release/4q10qss.pdf



Coventry

COVENTRY HEALTH CARE, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (Amounts in thousands, except per share data)
 (unaudited)

	Quarters Ended Dec 31, 2010	2009	Years Ended Dec 31, 2010	2009
Operating revenues:				
Managed care premiums	\$2,730,377	\$3,121,527	\$10,414,640	\$12,717,399
Management services	\$294,639	\$306,620	\$1,173,276	\$1,186,127
Total operating revenues	\$3,025,016	\$3,428,147	\$11,587,916	\$13,903,526
Operating expenses:				
Medical costs	\$2,156,033	\$2,598,291	\$8,265,947	\$10,859,394
Cost of sales	\$64,152	\$62,548	\$252,052	\$240,828
Selling, general, administrative	\$531,442	\$544,656	\$1,961,947	\$2,151,799
Charge for provider class action	-	-	\$278,000	-
Depreciation and amortization	\$36,343	\$39,246	\$140,685	\$149,554
Total operating expenses	\$2,787,970	\$3,244,741	\$10,898,631	\$13,401,575
Operating earnings	\$237,046	\$183,406	\$689,285	\$501,951
Operating earnings percentage of total revenues	7.80%	5.40%	5.90%	3.60%
Interest expense	\$19,705	\$20,272	\$80,418	\$84,875
Other income, net	\$18,505	\$17,704	\$77,667	\$87,478
Earnings before income taxes	\$235,846	\$180,838	\$686,534	\$504,554
Provision for income taxes	\$85,520	\$71,758	\$247,918	\$189,220
Income from continuing operations	\$150,326	\$109,080	\$438,616	\$315,334
Discontinued operations:				
Loss from discontinued operations	-	-	-	(\$62,278)
Provision for income taxes	-	-	-	\$10,755
Loss from discontinued operations	-	-	-	(\$73,033)
Net earnings	\$150,326	\$109,080	\$438,616	\$242,301

MEDICAL COST STATISTICS (Unaudited)

	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Total 2009
MLR%						
Consolidated Total	79.40%	79.00%	77.20%	79.10%	82.30%	85.40%
Health Plan Commercial Group Risk	79.20%	81.30%	76.80%	78.30%	80.20%	81.90%
Medicare Advantage(6)	82.00%	84.10%	77.00%	81.20%	85.70%	89.90%
Medicare Part D	83.70%	64.70%	79.00%	90.70%	95.30%	85.70%
Medicaid	85.70%	85.40%	89.00%	84.20%	84.00%	87.60%

Coventry Continued

SELECTED OPERATING STATISTICS

(Unaudited)

	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Total 2009
Membership by Product (000s)						
Health Plan Commercial Risk		1,641	1,533	1,522	1,501	1,418
Health Plan Commercial ASO		698	636	657	663	685
Medicare Advantage CCP		224	193	192	190	186
Medicaid Risk		468	462	413	406	402
Health Plan Total		3,031	2,824	2,784	2,760	2,691
Medicare Advantage PFFS		-	-	-	-	329
Other National Risk		-	-	-	-	2
Other National ASO		459	462	466	482	564
Total Medical Membership		3,490	3,286	3,250	3,242	3,586
Medicare Part D		1,628	1,618	1,631	1,600	1,683
Total Membership		5,118	4,904	4,881	4,842	5,269
Revenues by Product Type (000s)⁽³⁾						
Commercial Risk	\$5,540,470	\$1,475,773	\$1,380,019	\$1,367,457	\$1,317,221	\$5,174,772
Commercial Management Services	\$327,084	\$81,861	\$79,869	\$82,395	\$82,957	\$346,042
Medicare Advantage	\$2,114,205	\$579,329	\$522,202	\$505,084	\$507,592	\$4,901,918
Medicaid Risk	\$1,133,353	\$312,359	\$286,762	\$268,460	\$265,771	\$1,066,231
Total Health Plan and Medical Services Businesses	\$9,115,112	\$2,449,322	\$2,268,852	\$2,223,396	\$2,173,541	\$11,488,963
Medicare Part D	\$1,604,198	\$357,941	\$348,784	\$423,664	\$473,809	\$1,545,858
Other Premiums	\$100,130	\$24,770	\$25,054	\$25,201	\$25,105	\$94,562
Other Management Services	\$856,072	\$215,279	\$215,185	\$217,706	\$207,904	\$850,184
Total Specialized Managed Care Businesses	\$2,560,400	\$597,990	\$589,023	\$666,571	\$706,818	\$2,490,604
Total Premiums	\$10,492,356	\$2,750,172	\$2,562,821	\$2,589,866	\$2,589,498	\$12,783,341
Total Management Services	\$1,183,156	\$297,140	\$295,054	\$300,101	\$290,861	\$1,196,226
Other/Eliminations	(\$87,596)	(\$22,296)	(\$22,094)	(\$21,826)	(\$21,381)	(\$76,041)
Total Revenue	\$11,587,916	\$3,025,016	\$2,835,781	\$2,868,141	\$2,858,978	\$13,903,526

(3) Operating statistics excluding discontinued operations.

(6) Beginning with Q1 2010, Medicare Advantage revenue and medical cost statistics represent the MA-CCP business only as the Company did not renew the MA-PFFS product line effective January 1, 2010.

Source: <http://phx.corporate-ir.net/External.File?t=2&item=g7rqBLVLuv81UAmrh20Mp3LxJrVH2FOdJ0bHFQLqIpXTDpPIftPOyCuw8ioG1wgZXt+WLexhOHB1bqVz80ykbA==>



HealthNet

Health Net, Inc.
 Consolidated Statements of Operations
 (Amounts in thousands)

	Quarter Ended			Year Ended	
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
REVENUES:					
Health plan services premiums	\$2,491,124	\$2,470,939	\$2,981,678	\$9,996,888	\$12,440,589
Government contracts	\$822,388	\$860,697	\$754,766	\$3,344,483	\$3,104,700
Net investment income	\$15,226	\$19,466	\$33,486	\$71,181	\$105,930
Administrative services fees and other income	\$4,953	\$5,487	\$28,165	\$21,133	\$62,022
Northeast administrative services fees and other	\$39,643	\$36,863	-	\$186,167	-
	<u>\$3,373,334</u>	<u>\$3,393,452</u>	<u>\$3,798,095</u>	<u>\$13,619,852</u>	<u>\$15,713,241</u>
EXPENSES:					
Health plan services	\$2,099,969	\$2,134,701	\$2,557,149	\$8,609,117	\$10,731,951
Government contracts	\$770,487	\$814,385	\$707,353	\$3,168,160	\$2,939,722
General and administrative	\$245,861	\$225,929	\$355,407	\$956,264	\$1,361,956
Selling	\$64,333	\$59,021	\$84,068	\$238,759	\$330,112
Depreciation and amortization	\$9,012	\$8,659	\$8,605	\$34,800	\$53,042
Interest	\$8,085	\$8,150	\$9,538	\$34,880	\$40,887
Northeast administrative services expenses	\$63,727	\$61,878	-	\$279,434	-
Adjustment to loss on sale of Northeast subsidiaries	\$(12,331)	\$(21,457)	\$105,931	\$(41,959)	\$105,931
Asset impairments	-	-	\$4,309	\$6,000	\$174,879
Early debt extinguishment	-	-	-	\$3,532	-
	<u>\$3,249,143</u>	<u>\$3,291,266</u>	<u>\$3,832,360</u>	<u>\$13,288,987</u>	<u>\$15,738,480</u>
Income (loss) from operations before income taxes	\$124,191	\$102,186	\$(34,265)	\$330,865	\$(25,239)
Income tax provision (benefit)	\$43,787	\$39,503	\$10,892	\$126,622	\$(23,765)
Net income (loss)	\$80,404	\$62,683	\$(45,157)	\$204,243	\$(49,004)

Selected Ratios

	Quarter Ended		Year Ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Commercial MCR	85.50%	86.40%	86.10%	86.80%
Medicare Advantage MCR	89.40%	88.60%	88.80%	88.10%

HealthNet Continued

Enrollment Data - Line of Business
(In thousands)

	Dec 31, 2010	Sept 30, 2010	Dec 31, 2009	Change from			
				September 30, 2010		December 31, 2009	
				Increase/ (Decrease)	% Change	Increase/ (Decrease)	% Change
Total Health Plan Enrollment							
Large Group	950	949	1,001	1	0.1%	(51)	(5.1)%
Small Group and Individual	433	436	440	(3)	(0.7)%	(7)	(1.6)%
Commercial Risk	1,383	1,385	1,441	(2)	(0.1)%	(58)	(4.0)%
ASO	0	0	5	0	0.0%	(5)	(100.0)%
Total Commercial	1,383	1,385	1,446	(2)	(0.1)%	(63)	(4.4)%
Medicare Advantage	222	221	227	1	0.5%	(5)	(2.2)%
Medi-Cal/Medicaid	901	896	857	5	0.6%	44	5.1%
Medicare PDP (stand-alone)	427	432	460	(5)	(1.2)%	(33)	(7.2)%
Western Region Operations	2,933	2,934	2,990	(1)	0.0%	(57)	(1.9)%
Northeast Operations	7	10	28	(3)	(30.0)%	(21)	(75.0)%
Total Enrollment	2,940	2,944	3,018	(4)	(0.1)%	(78)	(2.6)%

Source: http://healthnet.tekgroup.com/article_display.cfm?article_id=5496



HealthSpring

HealthSpring, Inc. and Subsidiaries
 Condensed Consolidated Statement of Income Information
 (in thousands, except share data) (Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Revenue:				
Premium revenue	\$868,158	\$663,663	\$3,086,536	\$2,619,505
Management and other fees	\$10,953	\$13,186	\$42,144	\$42,250
Investment income	\$2,455	\$758	\$7,029	\$4,290
Total revenue	\$881,566	\$677,607	\$3,135,709	\$2,666,045
Operating expenses:				
Medical expense	\$668,697	\$522,465	\$2,447,972	\$2,129,946
Selling, general and administrative	\$113,857	\$79,415	\$324,267	\$279,822
Depreciation and amortization	\$10,483	\$7,778	\$33,293	\$30,726
Interest expense	\$5,582	\$3,600	\$20,957	\$15,614
Total operating expenses	\$798,619	\$613,258	\$2,826,489	\$2,456,108
Income before income taxes	\$82,947	\$64,349	\$309,220	\$209,937
Income taxes	(\$32,080)	(\$25,571)	(\$114,997)	(\$76,342)
Net income	\$50,867	\$38,778	\$194,223	\$133,595

Membership

	Dec. 31, 2010	Dec. 31, 2009	Percent Change
Medicare Advantage Membership:			
Alabama	30,148	31,330	-3.80%
Florida	37,022	32,606	13.50%
Pennsylvania	63,044	-	n/a
Tennessee	65,533	58,252	12.50%
Texas	71,105	51,201	38.90%
Other	37,752	15,852	138.20%
Total	304,604	189,241	61%
PDP Membership	724,394	313,045	131.40%

Medical Loss Ratio

	4th Qtr 2010	4th Qtr 2009	YTD 2010	YTD 2009
Medicare Advantage medical loss ratio	80.00%	78.68%	81.10%	78.93%

Source: http://phx.corporate-ir.net/phoenix.zhtml?c=194529&p=irol-newsArticle_print&ID=1488392&highlight=



Humana

Consolidated Statements of Income In thousands,

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Revenues:				
Premiums	\$8,039,064	\$7,368,808	\$32,712,323	\$29,926,751
Administrative services fees	\$133,803	\$127,827	\$508,244	\$496,135
Investment income	\$76,837	\$76,572	\$329,332	\$296,317
Other revenue	\$100,541	\$59,838	\$318,309	\$241,211
Total revenues	\$8,350,245	\$7,633,045	\$33,868,208	\$30,960,414
Operating expenses:				
Benefits	\$6,783,284	\$6,026,796	\$27,087,874	\$24,775,002
Selling, general and administrative	\$1,299,781	\$1,111,617	\$4,662,802	\$4,227,535
Depreciation	\$57,116	\$60,764	\$225,146	\$213,014
Other intangible amortization	\$9,191	\$8,930	\$37,764	\$37,260
Total operating expenses	\$8,149,372	\$7,208,107	\$32,013,586	\$29,252,811
Income from operations	\$200,873	\$424,938	\$1,854,622	\$1,707,603
Interest expense	\$26,381	\$26,238	\$105,060	\$105,843
Income before income taxes	\$174,492	\$398,700	\$1,749,562	\$1,601,760
Provision for income taxes	\$67,167	\$148,041	\$650,172	\$562,085
Net income	\$107,325	\$250,659	\$1,099,390	\$1,039,675

Membership Detail (In thousands)

	Ending Dec 31, 2010	Average 3Q10	Ending Dec 31, 2009	Year-Over-Year Change		Ending Sept 30, 2010	Sequential Change	
				Amount	Percent		Amount	Percent
Medical Membership:								
Medical Membership:								
Total MA fully-insured	1,733.8	1,734.3	1,508.5	225.3	14.9%	1,736.4	-2.6	-0.1%
Total Medicare Advantage	1,762	1,762.6	1,508.5	253.5	16.8%	1,764.8	-2.8	-0.2%
Total Medicare	3,520.8	3,527.5	3,436.4	84.4	2.5%	3,550.4	-29.6	-0.8%
Total military services	3,027.8	3,027.9	3,034.4	-6.6	-0.2%	3,031.1	-3.3	-0.1%
Total Government Segment	7,121	7,125.4	6,872.5	248.5	3.6%	6,989.5	131.5	1.9%
Total fully-insured medical	1,663.4	1,659.6	1,839.5	-176.1	-9.6%	1,670.6	-7.2	-0.4%
Total Commercial Segment	3,117	3,115.3	3,410.8	-293.8	-8.6%	3,130.9	-13.9	-0.4%
Total medical membership	10,238	10,240.7	10,283.3	-45.3	-0.4%	10,120.4	117.6	1.2%
Total specialty membership	7,076.1	7,056.8	7,109.9	-33.8	-0.5%	7,038.8	37.3	0.5%

Key Income Statement Ratios

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Benefit ratio				
Government Segment	83.40%	80.90%	83.90%	83.50%
Commercial Segment	88.10%	84.40%	78.60%	80.60%

Source: <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NDEyNTQ2FENoaWxkSUQ9NDIzNDcyfFR5cGU9MQ==&t=1>



Molina

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except share and per-share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Revenue:				
Premium revenue	\$1,042,889	\$962,411	\$3,989,909	\$3,660,207
Service revenue	\$36,484	--	\$89,809	--
Investment income	\$1,379	\$1,813	\$6,259	\$9,149
Total operating revenue	\$1,080,752	\$964,224	\$4,085,977	\$3,669,356
Expenses:				
Medical care costs	\$862,491	\$842,371	\$3,370,857	\$3,176,236
Cost of service revenue	\$36,788	--	\$78,647	--
General and administrative expenses	\$100,374	\$77,046	\$345,993	\$276,027
Premium tax expenses (1)	\$35,197	\$40,969	\$139,775	\$128,581
Depreciation and amortization	\$12,470	\$9,642	\$45,704	\$38,110
Total expenses	\$1,047,320	\$970,028	\$3,980,976	\$3,618,954
Gain on purchase of convertible senior notes	--	--	--	\$1,532
Operating income (loss)	\$33,432	(\$5,804)	\$105,001	\$51,934
Interest expense	(\$3,453)	(\$3,860)	(\$15,509)	(\$13,777)
Income (loss) before income taxes	\$29,979	(\$9,664)	\$89,492	\$38,157
Income tax expense (benefit) (1)	\$12,351	(\$5,192)	\$34,522	\$7,289
Net income (loss)	\$17,628	(\$4,472)	\$54,970	\$30,868
Medical care ratio (2)	82.70%	87.50%	84.50%	86.80%

(1) Effective January 1, 2010, the Company has recorded the MGRT as a premium tax and not as an income tax. For the three months and year ended December 31, 2009, premium tax expense and income tax expense have been reclassified to conform to this presentation.

(2) Medical care ratio represents medical care costs as a percentage of premium revenue; premium tax ratio represents premium taxes as a percentage of premium revenue.

UNAUDITED MEMBERSHIP DATA

Total Ending Membership By Health Plan:	Dec. 31, 2009	Sept. 30, 2010	Dec. 31, 2010
California	344,000	349,000	351,000
Florida	61,000	57,000	50,000
Michigan	227,000	225,000	223,000
Missouri	81,000	79,000	78,000
New Mexico	91,000	91,000	94,000
Ohio	245,000	241,000	216,000
Texas	94,000	96,000	40,000
Utah	79,000	78,000	69,000
Washington	355,000	353,000	334,000
Wisconsin (1)	36,000	28,000	-
	1,613,000	1,597,000	1,455,000
Total Ending Membership By State for the Medicare Advantage Plans (1):			
California	4,900	4,300	2,100
Florida	500	500	-
Michigan	6,300	5,700	3,300
New Mexico	600	600	400
Texas	700	600	500
Utah	8,900	8,600	4,000
Washington	2,600	2,300	1,300
	24,500	22,600	11,600

(1) The Company acquired the Wisconsin health plan on September 1, 2010. As of December 31, 2010, the Wisconsin health plan had approximately 3,000 Medicare Advantage members covered under a reinsurance contract with a third party; these members are not included in the membership tables herein.

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=137837&p=irol-newsArticle&ID=1530262&highlight=>



WellPoint

Consolidated Statements of Income
(Unaudited)
(In millions, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Revenues				
Premiums	\$13,439.90	\$13,984.80	\$53,973.60	\$56,382.00
Administrative fees	\$968.60	\$952.90	\$3,833.70	\$3,840.30
Other revenue	\$7.70	\$119.40	\$36.50	\$606.30
Total operating revenue	\$14,416.20	\$15,057.10	\$57,843.80	\$60,828.60
Gain on sale of business	—	\$3,792.30	—	\$3,792.30
Net investment income	\$194.50	\$201.60	\$803.30	\$801.00
Net realized gains on investments	\$47.60	\$36.00	\$194.10	\$56.40
Other-than-temporary impairment losses on investments:				
Total other-than-temporary impairment losses on investments	(\$17.60)	(\$56.50)	70.8)	(\$538.40)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	\$7.20	\$16.00	\$31.40	\$88.20
Other-than-temporary impairment losses recognized in income	(\$10.40)	(\$40.50)	(\$39.40)	(\$450.20)
Total revenues	\$14,647.90	\$19,046.50	\$58,801.80	\$65,028.10
Expenses				
Benefit expense	\$11,355.80	\$11,992.70	\$44,926.90	\$47,119.80
Selling, general and administrative expense				
Selling expense	\$404.10	\$411.70	\$1,610.30	\$1,685.50
General and administrative expense	\$1,963.20	\$2,003.60	\$7,229.10	\$7,424.90
Total selling, general and administrative expense	\$2,367.30	\$2,415.30	\$8,839.40	\$9,110.40
Cost of drugs	—	\$72.60	—	\$419.00
Interest expense	\$113.00	\$103.70	\$418.90	\$447.40
Amortization of other intangible assets	\$59.70	\$65.50	\$241.70	\$266.00
Impairment of other intangible assets	—	\$57.00	\$21.10	\$262.50
Total expenses	\$13,895.80	\$14,706.80	\$54,448.00	\$57,625.10
Income before income taxes	\$752.10	\$4,339.70	\$4,353.80	\$7,403.00
Income tax expense	\$203.30	\$1,597.90	\$1,466.70	\$2,657.10
Net income	\$548.80	\$2,741.80	\$2,887.10	\$4,745.90
Benefit expense as a percentage of premiums	84.50%	85.80%	83.20%	83.60%

WellPoint Continued

Membership Summary
(Unaudited and in Thousands)

	December 31, 2010	December 31, 2009	September 30, 2010
Medical Membership			
Customer Type			
Local Group	15,216	15,643	15,171
National Accounts	7,029	6,813	7,091
BlueCard	4,711	4,744	4,783
Total National	11,740	11,557	11,874
Individual	1,905	2,131	1,967
Senior	1,259	1,215	1,256
State Sponsored	1,756	1,733	1,752
FEP	1,447	1,391	1,453
Total Medical Membership	33,323	33,670	33,473
Funding Arrangement			
Self-Funded	19,590	18,236	19,650
Fully-Insured	13,733	15,434	13,823
Total Medical Membership	33,323	33,670	33,473
Reportable Segment			
Commercial	26,959	27,356	27,050
Consumer	4,917	4,923	4,970
Other	1,447	1,391	1,453
Total Medical Membership	33,323	33,670	33,473
Other Membership			
Behavioral Health Membership	23,963	22,965	23,776
Life and Disability Membership	5,201	5,393	5,152
Dental Membership	4,007	4,284	4,028
Managed Dental Membership	4,272	3,949	4,280
Vision Membership	3,508	3,088	3,475
Medicare Part D Membership	1,248	1,509	1,234

Source: <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Nzg3OTR8Q2hpbGRJRd0tMXxUeXBIPtM=&t=1>



United Health Group

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Revenues				
Premiums	\$21,685	\$19,729	\$85,405	\$79,315
Services	\$1,573	\$1,367	\$5,819	\$5,306
Products	\$621	\$547	\$2,322	\$1,925
Investment and Other Income	\$151	\$141	\$609	\$592
Total Revenues	\$24,030	\$21,784	\$94,155	\$87,138
Operating Costs				
Medical Costs	\$17,258	\$16,041	\$68,841	\$65,289
Operating Costs (a)	\$4,087	\$3,413	\$14,270	\$12,734
Cost of Products Sold	\$563	\$497	\$2,116	\$1,765
Depreciation and Amortization	\$320	\$258	\$1,064	\$991
Total Operating Costs	\$22,228	\$20,209	\$86,291	\$80,779
Earnings from Operations	\$1,802	\$1,575	\$7,864	\$6,359
Interest Expense	(\$118)	(\$144)	(\$481)	(\$551)
Earnings Before Income Taxes	\$1,684	\$1,431	\$7,383	\$5,808
Provision for Income Taxes	(\$641)	(\$487)	(\$2,749)	(\$1,986)
Net Earnings	\$1,043	\$944	\$4,634	\$3,822
Medical Care Ratio	79.6%	81.3%	80.6%	82.3%

CUSTOMER PROFILE SUMMARY ALL BUSINESS UNITS

(in thousands)(unaudited)

	December 31, 2010	September 30, 2010	December 31, 2009
People Served			
Commercial Risk-based	9,405	9,330	9,415
Commercial Fee-based	15,405	15,370	15,210
Total Commercial	24,810	24,700	24,625
Medicare Advantage	2,070	2,060	1,790
Medicaid	3,320	3,235	2,900
Standardized Medicare Supplement	2,770	2,750	2,680
Total Public and Senior (a)	8,160	8,045	7,370
Total Health Benefits - Medical	32,970	32,745	31,995
Medicare Part D Stand-alone	4,530	4,525	4,300
Total Health Benefits	37,500	37,270	36,295
Supplemental Data			
Total Part D Prescription Drug Plans	6,505	6,480	5,935
Consumer-Driven Health Plans	3,410	3,360	2,765

(a) Excludes pre-standardized Medicare Supplement and other AARP products.

Source: <http://www.unitedhealthgroup.com/invest/2010/258UNH-Q4-2010-release.pdf>