



Quarterly Reports From MCOL

For the Fourth Quarter 2008 | Volume 5 Issue 1 | February 2009

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/qrep0209.mp3>

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Summary

(millions)	Revenues Fourth Qtr 2008	Revenues Fourth Qtr 2007	Revenues YTD 2008	Revenues YTD 2007	Net Income Fourth Qtr 2008	Net Income Fourth Qtr 2007	Net Income YTD 2008	Net Income YTD 2007
Aetna	\$7,759.30	\$7,144.40	\$30,950.70	\$27,599.60	\$194.70	\$448.40	\$1,384.10	\$1,831.10
Amerigroup	\$ 1,174.60	\$1,076.73	\$ 4,516.00	3,945.53	\$37.34	\$31.12	\$ (50.66)	\$116.45
Cigna	\$4,817.00	\$4,455.00	\$19,101.00	\$17,623.00	\$ (209.00)	\$263.00	\$292.00	\$1,115.00
Coventry	\$3,019.85	\$ 2,787.89	\$11,913.65	\$ 9,879.53	\$88.24	\$ 184.34	\$381.89	\$ 626.09
HealthNet	\$3,869.48	\$ 3,583.25	\$15,366.59	\$ 14,108.27	\$ 35.53	\$ 123.38	\$ 95.00	\$ 200.15
HealthSpring	\$540.84	\$ 468.48	\$2,188.32	\$ 1,574.77	\$28.31	\$ 26.20	\$118.95	\$ 86.46
Humana	\$7,487.64	\$ 6,338.80	\$28,946.37	\$ 25,289.99	\$174.08	\$ 243.22	647.15	\$ 833.68
Molina	\$812.50	\$ 679.63	\$3,112.37	\$ 2,492.45	\$15.54	\$ 17.91	\$62.40	\$ 58.33
WellPoint	\$15,069.60	\$ 15,561.40	\$61,251.10	\$ 61,134.30	\$331.40	\$ 859.10	\$2,490.70	\$ 3,345.40
United Health Group	\$20,454.00	\$ 18,705.00	\$81,186.00	\$ 75,431.00	\$726.00	\$ 1,216.00	\$2977.00	\$ 4,654.00

(Membership in millions)	Commercial MCR (or combined)				Medicare MCR				Medical Membership Dec 2008
	4th Qtr 2008	4th Qtr 2007	YTD 2008	YTD 2007	4th Qtr 2008	4 th Qtr 2007	YTD 2008	YTD 2007	
Aetna	80.6%	79.2%	80.3%	79.5%	86.4%	86.5%	85.6%	86.8%	17.701
Amerigroup	81.4%	82.9%	81.4%	83.1%					1.579
Cigna	85.7%	84.6%	84.8%	83.9%					11.679
Coventry	83.8%	78.4%	84.0%	78.3%	90.9%	80.1%	89.0%	80.5%	4.628
HealthNet	84.4%	81.8%	86.9%	85.4%	95.6%	89.9%	95.3%	92.2%	3.720
HealthSpring					78.9%	78.1%	78.3%	79.7%	0.162
Humana	83.1%	81.0%	80.3%	80.4%	83.3%	80.5%	85.9%	83.8%	11.559
Molina	84.7%	83.6%	84.8%	84.5%					3.758
WellPoint	83.4%	82.9%	83.6%	82.4%					35.049
United Health Group	83.9%	83.7%	83.5%	82.1%					32.895



Aetna

Consolidated Statements of Income

(Millions)	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2008	2007	2008	2007
Revenue:				
Health care premiums	\$ 6,514.1	\$ 5,583.4	\$ 25,507.3	\$ 21,500.1
Other premiums	461.6	486.2	1,876.8	1,979.3
Fees and other revenue	823.8	799.1	3,312.5	3,044.0
Net investment income	178.3	285.0	910.0	1,149.9
Net realized capital losses	(218.5)	(9.3)	(655.9)	(73.7)
Total revenue	7,759.3	7,144.4	30,950.7	27,599.6
Benefits and expenses:				
Health care costs	5,329.4	4,480.7	20,785.5	17,294.8
Current and future benefits	464.3	543.4	1,938.7	2,248.1
Operating expenses:				
Selling expenses	288.0	267.2	1,149.6	1,060.9
General and administrative expenses ⁽⁵⁾	1,229.9	1,088.9	4,601.9	3,985.5
Total operating expenses	1,517.9	1,356.1	5,751.5	5,046.4
Interest expense	64.9	51.5	236.4	180.6
Amortization of other acquired intangible assets	27.7	28.1	108.2	97.6
Reduction of reserve for anticipated future losses on discontinued products	-	-	(43.8)	(64.3)
Total benefits and expenses	7,404.2	6,459.8	28,776.5	24,803.2
Income before income taxes	355.1	684.6	2,174.2	2,796.4
Income taxes	160.4	236.2	790.1	965.4
Net income	\$ 194.7	\$ 448.4	\$ 1,384.1	\$ 1,831.0

Aetna Continued

Segment Information ⁽⁶⁾

(Millions)	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2008	2007	2008	2007
Health Care:				
Revenue, excluding net realized capital losses	\$ 7,381.8	\$ 6,446.5	\$ 29,051.2	\$ 24,802.3
Net realized capital losses	(30.8)	(.5)	(276.2)	(33.7)
Total revenue	\$ 7,351.0	\$ 6,446.0	\$ 28,775.0	\$ 24,768.6
<i>Premiums:</i>				
Commercial	\$ 5,171.8	\$ 4,825.7	\$ 20,096.2	\$ 18,656.8
Medicare	1,184.4	634.3	4,816.1	2,598.3
Medicaid	157.9	123.4	595.0	245.0
Total premiums	\$ 6,514.1	\$ 5,583.4	\$ 25,507.3	\$ 21,500.1
<i>Medical Benefit Ratios:</i>				
Commercial	80.6%	79.2%	80.3%	79.5%
Medicare	86.4%	86.5%	85.6%	86.8%
Medicaid	86.8%	89.4%	87.4%	88.4%
Total	81.8%	80.3%	81.5%	80.4%
Selling expenses	\$ 265.6	\$ 244.0	\$ 1,055.2	\$ 966.6
General and administrative expenses	1,157.8	1,014.9	4,281.8	3,708.3
Total operating expenses	\$ 1,423.4	\$ 1,258.9	\$ 5,337.0	\$ 4,674.9
Operating earnings	\$ 459.9	\$ 439.6	\$ 1,895.4	\$ 1,770.9
Net realized capital losses	(53.6)	(.4)	(213.1)	(21.9)
Severance and facility charge	(35.6)	-	(35.6)	-
Contribution for the establishment of an out-of-network pricing database	(20.0)	-	(20.0)	-
Net income (GAAP measure)	\$ 350.7	\$ 439.2	\$ 1,626.7	\$ 1,749.0

Aetna Continued

Membership

(Thousands)	December 31, 2008	September 30, 2008	December 31, 2007
Medical Membership:			
Commercial	16,488	16,456	15,843
Medicare ⁽⁷⁾	366	365	207
Medicaid	847	847	803
Total Medical Membership	17,701	17,668	16,853
Consumer-Directed Health Plans ⁽⁸⁾			
	1,431	1,412	994
Dental Membership:			
Commercial	12,506	12,538	12,306
Medicare & Medicaid	603	628	588
Network Access ⁽⁹⁾	1,015	951	938
Total Dental Membership	14,124	14,117	13,832
Pharmacy Membership:			
Commercial	9,846	9,809	9,613
Medicare PDP (stand-alone)	375	372	311
Medicare Advantage PDP	195	193	151
Medicaid	25	23	21
Total Pharmacy Benefit Management Services	10,441	10,397	10,096
Mail Order ⁽¹⁰⁾	657	657	636
Total Pharmacy Membership	11,098	11,054	10,732

Source: http://www.aetna.com/news/newsReleases/2009/pr_4thquarter2008_earnings.html



Amerigroup

CONDENSED CONSOLIDATED INCOME STATEMENTS

(dollars in thousands)

AMERIGROUP CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (dollars in thousands, except per share data)
 (unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2008	2007	2008(2)	2007
	-----	-----	-----	-----
Revenues:				
Premium	\$1,161,917	\$1,053,044	\$4,444,623	\$3,872,210
Investment income and other	12,687	23,686	71,383	73,320
	-----	-----	-----	-----
Total revenues	1,174,604	1,076,730	4,516,006	3,945,530
	-----	-----	-----	-----
Expenses:				
Health benefits	946,095	873,165	3,618,261	3,216,070
Selling, general and administrative(1)	153,763	141,541	607,897	499,000
Litigation settlement	-	-	234,205	-
Depreciation and amortization	10,926	8,008	37,385	31,604
Interest	2,071	3,959	11,170	12,291
	-----	-----	-----	-----
Total expenses	1,112,855	1,026,673	4,508,918	3,758,965
	-----	-----	-----	-----
Income before income taxes	61,749	50,057	7,088	186,565
Income tax expense	24,400	18,935	57,750	70,115
	-----	-----	-----	-----
Net income (loss)	\$37,349	\$31,122	(\$50,662)	\$116,450
	=====	=====	=====	=====

Amerigroup Continued

Selected Operating Ratios

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Premium revenue	98.9%	97.8%	98.4%	98.1%
Investment income and other	1.1	2.2	1.6	1.9
Total revenues	100.0%	100.0%	100.0%	100.0%
Health benefits (1)	81.4%	82.9%	81.4%	83.1%
Selling, general and administrative expenses	13.1%	13.1%	13.5%	12.6%

Membership By State and Product:

	December 31,	
	2008	2007
Texas(1)	455,000	460,000
Florida	237,000	206,000
Georgia	206,000	211,000
Tennessee(2)	187,000	356,000
Maryland	169,000	152,000
New York	110,000	112,000
New Jersey	105,000	98,000
Ohio	58,000	54,000
Virginia	25,000	24,000
South Carolina	16,000	-
New Mexico	11,000	-
District of Columbia	-	38,000
Total	1,579,000	1,711,000

Product	December 31,	
	2008	2007
TANF (Medicaid)(1)	1,057,000	1,179,000
SCHIP	291,000	268,000
ABD (Medicaid)(2)	182,000	216,000
FamilyCare (Medicaid)	40,000	43,000
Medicare Advantage	9,000	5,000
Total	1,579,000	1,711,000

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=122199&p=irol-newsArticle&ID=1257895&highlight=>



Cigna

Consolidated Income Statements

	2008	2007	2008	2007
Revenues:				
Premiums and fees	\$4,038	\$3,799	\$16,203	\$15,008
Net investment income	\$261	\$274	\$1,063	\$1,114
Mail order pharmacy revenues	\$322	\$292	\$1,204	\$1,118
Other revenues	\$338	\$112	\$801	\$368
Net realized investment gains (losses)	(\$142)	(\$22)	(\$170)	\$15
Total Revenue	\$4,817	\$4,455	\$19,101	\$17,623
Expenses:				
Health Care medical claims expense	\$1,802	\$1,691	\$7,252	\$6,798
Other benefit expenses	\$1,378	\$894	\$4,285	\$3,401
Mail order pharmacy cost of goods sold	\$257	\$235	\$961	\$904
Policy acquisition expenses	\$132	\$117	\$493	\$412
Guaranteed minimum income benefits expense	\$337	\$27	\$690	\$147
Other operating exp excluding special items	\$1,196	\$1,103	\$4,870	\$4,330
Special item(s) (5) Total benefits and expenses	\$55	-	\$172	-
Total Benefits & Expenses	\$5,157	\$4,067	\$18,723	\$15,992
Total taxes	(\$130)	\$125	\$90	\$511
Income (loss) from continuing operations	(\$210)	\$263	\$288	\$1,120
Income (loss) from discontinued operations	\$1	--	\$4	(\$5)
Net income (loss)	(\$209)	\$263	\$292	\$1,115

Cigna Continued

Health Care Key Metrics (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,	
	2008	2007	Change	2008	2007
OTHER OPERATING EXPENSES EXCLUDING SPECIAL ITEMS:					
Pharmacy expenses (1)	\$ 44	\$ 48	(8) %	\$ 182	\$ 183
Medicare Part D expenses	16	17	(6)	58	56
Disease management expenses	42	47	(11)	171	183
Transformation amortization expenses	19	22	(14)	83	89
Voluntary / limited benefits expenses (2)	16	15	7	64	60
Medicare claim administration	25	23	9	96	80
Acquired business expenses (3)	137	-	-	457	-
Other operating expenses	615	633	(3)	2,584	2,521
Other operating expenses excluding special items	\$ 914	\$ 805	14 %	\$ 3,695	\$ 3,172
RATIOS (4):					
	Three Months Ended December 31,		Change	Year Ended December 31,	
	2008	2007	Better (Worse)	2008	2007
Guaranteed Cost loss ratio (excluding voluntary / limited benefits)	85.7 %	84.6 %	(1.1)	84.8 %	83.9 %
Guaranteed Cost loss ratio (including voluntary / limited benefits)	84.1 %	83.2 %	(0.9)	83.4 %	82.7 %

Health Care Covered Lives (unaudited)

	As of December 31,		
	2008	2007	Change
ESTIMATED COVERED LIVES:			
<i>(Lives in thousands)</i>			
Medical membership :			
Guaranteed Cost:			
Commercial HMO	326	523	(38) %
Medicare	35	31	13
Open Access / Other guaranteed cost (1)	530	515	3
Total guaranteed cost excluding voluntary / limited benefits	891	1,069	(17)
Voluntary / Limited Benefits	201	180	12
Total guaranteed cost	1,092	1,249	(13)
Experience-rated (2)	851	907	(6)
Service	8,096	8,013	1
Acquired business (3)	1,640	-	-
Total medical membership	11,679	10,169	15 %
Non-medical membership :			
Medicare Part D (4)	326	320	2 %
Dental (5)	10,615	10,906	(3) %
Behavioral care (5)	18,316	17,688	4 %
Pharmacy (5)	6,203	6,434	(4) %

SOURCE: http://www.cigna.com/about_us/investor_relations/release/4q08release.pdf



Coventry

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

	Quarters Ended		Years Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	
Operating revenues:				
Managed care premiums	\$2,671,463	\$2,448,048	\$10,563,163	\$8,689,633
Management services	348,385	339,846	1,350,483	1,189,898
Total operating revenues	3,019,848	2,787,894	11,913,646	9,879,531
Operating expenses:				
Medical costs	2,237,629	1,918,933	8,868,579	6,920,531
Cost of sales	56,562	36,001	195,600	93,808
Selling, general, administrative	558,986	506,768	2,079,912	1,789,991
Depreciation and amortization	35,707	42,544	150,226	142,569
Total operating expenses	2,888,884	2,504,246	11,294,317	8,946,899
Operating earnings	130,964	283,648	619,329	932,632
Operating earnings percentage of total revenues	4.3	%	10.2	%
	5.2	%	9.4	%
Interest expense	25,840	26,195	96,386	82,217
Other income, net	30,444	37,561	82,833	144,455
Earnings before income taxes	135,568	295,014	605,776	994,870
Provision for income taxes	47,327	110,679	223,881	368,776
Net earnings	\$88,241	\$184,335	\$381,895	\$626,094

Coventry Continued

SELECTED OPERATING STATISTICS

	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Total 2007
Membership by Product (000s)					
Commercial Group Risk	1,477	1,497	1,502	1,505	1,580
Health Plan ASO	714	720	765	761	750
Other ASO	633	641	645	646	783
Total Commercial Division	2,824	2,858	2,912	2,912	3,113
Medicare Advantage	380	377	372	319	283
Medicare Part D	931	910	874	853	704
Total Medicare	1,311	1,287	1,246	1,172	987
Medicaid Risk	371	386	493	488	480
Individual	122	117	111	104	93
Total Indiv./Gov't Division	1,804	1,790	1,850	1,764	1,560
Total Membership	4,628	4,648	4,762	4,676	4,673
Consolidated Coventry					
Operating Income % of Revenues	4.3	% 5.6	% 4.2	% 6.6	% 9.4
SGA % of Revenues	18.5	% 17.3	% 16.7	% 17.3	% 18.1
Total Medical Liabilities (000s) ⁽²⁾	\$ 1,243,620	\$ 1,209,560	\$ 1,126,396	\$ 1,027,194	\$ 996,859
Days in Claims Payable (DCP) ⁽²⁾	54.75	54.94	49.69	50.71	50.82
Total Debt (millions)	\$ 1,902.5	\$ 1,472.3	\$ 1,472.3	\$ 1,662.1	\$ 1,662.0
Total Capital (millions)	\$ 5,333.1	\$ 4,779.3	\$ 4,789.0	\$ 4,949.5	\$ 4,963.5

Coventry Continued

REVENUE AND MEDICAL COST STATISTICS

	Total					Total
	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007
Revenue PMPM						
Health Plan Commercial Group Risk	\$ 286.30	\$ 289.71	\$ 286.73	\$ 285.32	\$ 283.50	\$ 273.76
Medicare Advantage ⁽³⁾	\$ 862.60	\$ 862.79	\$ 856.90	\$ 879.79	\$ 849.60	\$ 837.69
Medicare Part D ⁽⁴⁾	\$ 88.34	\$ 89.16	\$ 85.64	\$ 89.92	\$ 88.64	\$ 99.57
Medicaid Risk	\$ 208.50	\$ 228.33	\$ 226.08	\$ 193.59	\$ 194.16	\$ 183.77
MLR %						
Consolidated Total	84.0 %	83.8 %	83.8 %	85.8 %	82.5 %	79.6 %
Health Plan Commercial Group Risk	81.7 %	83.2 %	82.3 %	82.7 %	78.8 %	78.3 %
Medicare Advantage	89.0 %	90.9 %	88.4 %	93.2 %	82.8 %	80.5 %
Medicare Part D	84.1 %	58.8 %	78.5 %	86.0 %	103.2 %	78.1 %
Medicaid Risk	85.3 %	85.9 %	84.2 %	86.4 %	84.4 %	87.3 %

Source:

<http://www.coventryhealthcare.com/investor-relations/news-and-events/press-releases/index.htm>



HealthNet

Health Net, Inc.
Consolidated Statements of Operations
 (Amounts in thousands, except per share, PMPM and ratio data)

	Quarter Ended December 31, 2007	Year Ended December 31, 2007	Quarter Ended September 30, 2008	Quarter Ended December 31, 2008	Year Ended December 31, 2008
REVENUES:					
Health plan services premiums	\$ 2,916,718	\$ 11,435,314	\$ 3,072,717	\$ 3,082,133	12,392,006
Government contracts	619,423	2,501,677	724,323	751,604	2,835,261
Net investment income	31,630	120,176	10,204	24,536	91,042
Administrative services fees and other income	15,482	51,104	11,607	11,209	48,280
	<u>3,583,253</u>	<u>14,108,271</u>	<u>3,818,851</u>	<u>3,869,482</u>	<u>15,366,589</u>
EXPENSES:					
Health plan services	2,409,332	9,762,896	2,689,790	2,629,398	10,762,657
Government contracts	556,648	2,307,610	687,848	718,893	2,702,573
General and administrative	317,099	1,275,555	294,178	347,128	1,291,059
Selling	90,332	327,827	93,232	92,314	360,381
Depreciation and amortization	13,598	42,982	17,255	17,271	59,878
Interest	7,712	32,497	10,413	10,523	42,909
	<u>3,394,721</u>	<u>13,749,367</u>	<u>3,792,716</u>	<u>3,815,527</u>	<u>15,219,457</u>
Income from operations before income taxes	188,532	358,904	26,135	53,955	147,132
Income tax provision	71,605	165,207	7,665	18,420	52,129
Net income	<u>\$ 116,927</u>	<u>\$ 193,697</u>	<u>\$ 18,470</u>	<u>\$ 35,535</u>	<u>\$ 95,003</u>
Basic earnings per share	\$ 1.06	\$ 1.74	\$ 0.17	\$ 0.34	\$ 0.89
Diluted earnings per share	\$ 1.04	\$ 1.70	\$ 0.17	\$ 0.34	\$ 0.88
Weighted average shares outstanding:					
Basic	110,087	111,316	105,915	103,694	106,532
Diluted	112,255	113,829	106,869	104,063	107,610
Pretax margin	5.3%	2.5%	0.7%	1.4%	1.0%
Health plan services MCR	82.6%	85.4%	87.5%	85.3%	86.9%
Government contracts cost ratio	89.9%	92.2%	95.0%	95.6%	95.3%
G&A expense ratio	10.8%	11.1%	9.5%	11.2%	10.4%
Selling costs ratio	3.1%	2.9%	3.0%	3.0%	2.9%
Days claims payable (a)	49.9	43.9	46.3	47.0	44.9
Days claims payable - adjusted (a)	54.9	54.1	52.7	54.8	52.2
Effective tax rate	38.0%	46.0%	29.3%	34.1%	35.4%
Health plan services premiums PMPM	\$ 266.88	\$ 263.54	\$ 276.29	\$ 279.47	\$ 277.79
Health plan services costs PMPM	\$ 220.45	\$ 225.00	\$ 241.86	\$ 238.42	\$ 241.27

HealthNet Continued

Health Net, Inc.
 Enrollment Data - Line of Business
 (In thousands)

	Dec 31, 2008	Sept 30, 2008	Dec 31, 2007	Change from			
				September 30, 2008		December 31, 2007	
				Increase/ (Decrease)	% Change	Increase/ (Decrease)	% Change
Total Health Plan Enrollment							
Large Group	1,342	1,371	1,455	(29)	(2.1)%	(113)	(7.8)%
Small Group and Individual	682	707	770	(25)	(3.5)%	(88)	(11.4)%
Commercial Risk	2,024	2,078	2,225	(54)	(2.6)%	(201)	(9.0)%
ASO	44	45	68	(1)	(2.2)%	(24)	(35.3)%
Total Commercial	2,068	2,123	2,293	(55)	(2.6)%	(225)	(9.8)%
Medicare Advantage	295	293	236	2	0.7%	59	25.0%
Medicare PDP (stand-alone)	545	538	379	7	1.3%	166	43.8%
Medi-Cal/Medicaid	812	788	846	24	3.0%	(34)	(4.0)%
Total Health Plans	3,720	3,742	3,754	(22)	(0.6)%	(34)	(0.9)%
TRICARE - North Contract Eligibles	3,004	2,951	2,895	53	1.8%	109	3.8%

Source: http://healthnet.tekgroup.com/article_download.cfm?article_id=5294



HealthSpring

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Revenue:				
Premium:				
Medicare	\$ 528,443	\$ 446,095	\$ 2,135,548	\$ 1,479,576
Commercial	798	10,423	5,144	46,648
Total premium revenue	529,241	456,518	2,140,692	1,526,224
Management and other fees	8,546	6,068	32,602	24,958
Investment income	3,051	5,971	15,026	23,943
Total revenue	540,838	468,557	2,188,320	1,575,125
Operating expenses:				
Medical expense:				
Medicare	414,984	348,533	1,702,745	1,187,331
Commercial	865	9,728	5,146	38,662
Total medical expense	415,849	358,261	1,707,891	1,225,993
Selling, general and administrative	68,781	54,840	246,294	186,154
Depreciation and amortization	7,267	7,369	28,547	16,220
Impairment of intangible assets	-	-	-	4,537
Interest expense	4,611	7,109	19,124	7,466
Total operating expenses	496,508	427,579	2,001,856	1,440,370
Income before income taxes	44,330	40,978	186,464	134,755
Income taxes	(16,018)	(14,775)	(67,512)	(48,295)
Net income	\$ 28,312	\$ 26,203	\$ 118,952	\$ 86,460

HealthSpring Continued

Membership

	Dec. 31, 2008	Dec. 31, 2007	Percent Change
Medicare Advantage Membership:			
Tennessee	49,933	50,510	(1.1)%
Texas	43,889	36,661	19.7
Alabama	29,022	30,600	(5.2)
Florida	27,568	25,946	6.3
Illinois	9,245	8,639	7.0
Mississippi	2,425	841	188.3
Total	162,082	153,197	5.8 %
 PDP Membership:	 282,429	 139,212	 102.9 %
 Commercial Membership:			
Tennessee	-	11,046	(100.0)%
Alabama	895	755	18.5
Total	895	11,801	(92.4)%

Medicare Advantage medical loss ratio ("MLR") was 78.9% for the 2008 fourth quarter, compared with 78.1% for the prior year's fourth quarter. PDP MLR was 75.8% for the 2008 fourth quarter compared with 78.7% for the 2007 fourth quarter.

Medicare Advantage MLR was 78.3% for 2008 compared with 79.7% for the prior year. The Company's PDP MLR was 89.6% for 2008 and 86.3% for 2007.

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=194529&p=irol-newsArticle&ID=1255173&highlight=>



Humana

Humana Inc.

Consolidated Statements of Income

In thousands, except per common share results

	Three Months Ended			
	December 31,		Dollar Change	Percentage Change
	2008	2007		
Revenues:				
Premiums	\$7,253,922	\$6,113,693	\$1,140,229	18.7 %
Administrative services fees	112,535	97,027	15,508	16.0 %
Investment income	66,208	86,298	(20,090)	-23.3 %
Other revenue	54,971	41,777	13,194	31.6 %
Total revenues	7,487,636	6,338,795	1,148,841	18.1 %
Operating expenses:				
Benefits	6,041,104	4,912,251	1,128,853	23.0 %
Selling, general and administrative	1,098,943	1,000,376	98,567	9.9 %
Depreciation	49,788	40,297	9,491	23.6 %
Other intangible amortization	10,020	7,937	2,083	26.2 %
Total operating expenses	7,199,855	5,960,861	1,238,994	20.8 %
Income from operations	287,781	377,934	(90,153)	-23.9 %
Interest expense	26,735	18,947	7,788	41.1 %
Income before income taxes	261,046	358,987	(97,941)	-27.3 %
Provision for income taxes	86,966	115,768	(28,802)	-24.9 %
Net income	\$174,080	\$243,219	(\$69,139)	-28.4 %

Humana Continued

Humana Inc.

Consolidated Statements of Income

In thousands, except per common share results

	Twelve Months Ended			
	December 31,		Dollar	Percentage
	2008	2007	Change	Change
Revenues:				
Premiums	\$28,064,844	\$24,434,347	\$3,630,497	14.9 %
Administrative services fees	451,879	391,515	60,364	15.4 %
Investment income	220,215	314,239	(94,024)	-29.9 %
Other revenue	209,434	149,888	59,546	39.7 %
Total revenues	28,946,372	25,289,989	3,656,383	14.5 %
Operating expenses:				
Benefits	23,708,233	20,270,531	3,437,702	17.0 %
Selling, general and administrative	3,944,652	3,476,468	468,184	13.5 %
Depreciation	183,257	162,397	20,860	12.8 %
Other intangible amortization	37,093	22,415	14,678	65.5 %
Total operating expenses	27,873,235	23,931,811	3,941,424	16.5 %
Income from operations	1,073,137	1,358,178	(285,041)	-21.0 %
Interest expense	80,289	68,878	11,411	16.6 %
Income before income taxes	992,848	1,289,300	(296,452)	-23.0 %
Provision for income taxes	345,694	455,616	(109,922)	-24.1 %
Net income	\$647,154	\$833,684	(\$186,530)	-22.4 %

Humana Continued

Humana Inc.
 Membership Detail
In thousands

	Ending	Average	Ending	Year-over-year		Ending	Sequential	
	December 31, 2008	4Q08	December 31, 2007	Change Amount	Percent	September 30, 2008	Change Amount	Percent
Medical Membership:								
Government Segment:								
Total Medicare Advantage	1,435.9	1,419.2	1,143.0	292.9	25.6 %	1,368.0	67.9	5.0 %
Total Medicare stand-alone PDPs	3,066.6	3,080.0	3,442.0	(375.4)	-10.9 %	3,089.0	(22.4)	-0.7 %
Total Medicare military services	4,502.5	4,499.2	4,585.0	(82.5)	-1.8 %	4,457.0	45.5	1.0 %
Total Medicaid	2,964.7	2,966.0	2,865.9	98.8	3.4 %	2,953.9	10.8	0.4 %
Total Government Segment	471.1	500.0	565.0	(93.9)	-16.6 %	562.4	(91.3)	-16.2 %
Commercial Segment:								
Total fully-insured medical ASO	7,938.3	7,965.2	8,015.9	(77.6)	-1.0 %	7,973.3	(35.0)	-0.4 %
Total Commercial Segment	1,978.8	1,963.7	1,808.6	170.2	9.4 %	1,931.2	47.6	2.5 %
Total medical membership	1,642.0	1,633.4	1,643.0	(1.0)	-0.1 %	1,622.8	19.2	1.2 %
	3,620.8	3,597.1	3,451.6	169.2	4.9 %	3,554.0	66.8	1.9 %
	11,559.1	11,562.3	11,467.5	91.6	0.8 %	11,527.3	31.8	0.3 %

Humana Continued

Membership Detail *In thousands*

	Ending	Average	Ending	Year-over-year		Ending	Sequential	
	December 31, 2008	4Q08	December 31, 2007	Amount	Percent	September 30, 2008	Amount	Percent
Specialty Membership								
Total dental	3,633.4	3,643.8	3,639.8	(6.4)	-0.2 %	3,641.3	(7.9)	-0.2 %
Vision	2,233.0	2,239.7	2,272.8	(39.8)	-1.8 %	2,188.9	44.1	2.0 %
Other supplemental benefits (B)	950.6	916.9	871.2	79.4	9.1 %	897.2	53.4	6.0 %
Total specialty membership	6,817.0	6,800.4	6,783.8	33.2	0.5 %	6,727.4	89.6	1.3 %

Humana Inc.

Key Income Statement Ratios and Segment Operating Results

Dollars in thousands

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2008	2007	Difference	2008	2007	Difference
Benefit ratio						
Government Segment	83.3 %	80.1 %	3.2 %	85.9 %	83.8 %	2.1 %
Commercial Segment	83.1 %	81.0 %	2.1 %	80.3 %	80.5 %	-0.2 %
Consolidated	83.3 %	80.3 %	3.0 %	84.5 %	83.0 %	1.5 %
Selling, general, and administrative expense ratio (A)						
Government Segment	11.8 %	13.7 %	-1.9 %	10.6 %	11.2 %	-0.6 %
Commercial Segment	23.0 %	21.8 %	1.2 %	22.4 %	21.5 %	0.9 %
Consolidated	14.8 %	16.0 %	-1.2 %	13.7 %	13.9 %	-0.2 %

Source: <http://www.businesswire.com/portal/site/humana/>



Molina

MOLINA HEALTHCARE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended December 31,		Year Ended December 31,		
	2008	2007	2008	2007	
Revenue:					
Premium revenue	\$ 808,895	\$ 670,605	\$ 3,091,240	\$ 2,462,369	
Investment income	3,609	9,024	21,126	30,085	
Total operating revenue	812,504	679,629	3,112,366	2,492,454	
Expenses:					
Medical care costs	684,781	560,839	2,621,312	2,080,083	
General and administrative expenses	91,565	80,464	344,761	285,295	
Depreciation and amortization	8,691	7,693	33,688	27,967	
Impairment charge	—	—	—	782	
Total expenses	785,037	648,996	2,999,761	2,394,127	
Operating income	27,467	30,633	112,605	98,327	
Interest expense	(2,155)	(2,251)	(8,714)	(4,631)	
Income before income taxes	25,312	28,382	103,891	93,696	
Provision for income taxes	9,771	10,471	41,493	35,366	
Net income	\$ 15,541	\$ 17,911	\$ 62,398	\$ 58,330	
Operating Statistics:					
Ratio of direct medical care costs to premium revenue	82.2	% 81.0	% 82.3	% 81.8	%
Ratio of administrative costs to premium revenue	2.5	2.6	2.5	2.7	
Medical care ratio ⁽¹⁾	84.7	% 83.6	% 84.8	% 84.5	%
General and admin expense ratio (core G&A ratio)	8.1	% 8.8	% 8.0	% 8.2	%
Premium taxes	3.2	3.0	3.1	3.3	
Total G&A expense ratio	11.3	% 11.8	% 11.1	% 11.5	%

Molina Continued

**MOLINA HEALTHCARE, INC.
UNAUDITED MEMBERSHIP DATA**

Total Ending Membership by Health Plan:	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007
California	322,000	313,000	296,000
Michigan	206,000	207,000	209,000
Missouri	77,000	77,000	68,000
Nevada ⁽¹⁾	–	–	N/A
New Mexico	84,000	84,000	73,000
Ohio	176,000	179,000	136,000
Texas	31,000	29,000	29,000
Utah	61,000	55,000	55,000
Washington	299,000	295,000	283,000
Total	1,256,000	1,239,000	1,149,000

Total Ending Membership by State: Medicare Advantage	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007
California	1,500	1,600	1,100
Michigan	1,700	1,700	1,100
Nevada	700	600	500
New Mexico	300	200	–
Texas	400	400	–
Utah	2,400	2,200	1,900
Washington	1,000	1,000	500
Total	8,000	7,700	5,100

Total Ending Membership: Aged, Blind or Disabled Pop:	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007
California	12,700	12,500	11,800
Michigan	30,300	30,400	31,400
New Mexico	6,300	6,500	6,800
Ohio	19,000	19,700	14,900
Texas	16,200	16,200	16,000
Utah	7,300	7,000	6,800
Washington	3,000	3,000	2,800
Total	94,800	95,300	90,500

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=137837&p=irol-newsArticle&ID=1255604&highlight=>



WellPoint

Consolidated Statements of Income(Unaudited)

(In millions, except per share data)	Three Months Ended		Change
	December 31		
	2008	2007	
Revenues			
Premiums	\$14,291.0	\$14,266.1	0.2%
Administrative fees	975.4	914.1	6.7%
Other revenue	159.8	145.8	9.6%
Total operating revenue	15,426.2	15,326.0	0.7%
Net investment income	186.6	243.4	(23.3%)
Net realized (losses) gains on investments	(543.2)	0.6	NM (1)
Total revenues	15,069.6	15,570.0	(3.2%)
Expenses			
Benefit expense	11,924.7	11,822.0	0.9%
Selling, general and administrative expense			
Selling expense	440.8	433.4	1.7%
General and administrative expense	1,892.3	1,686.3	12.2%
Total selling, general and administrative expense	2,333.1	2,119.7	10.1%
Cost of drugs	117.0	105.0	11.4%
Interest expense	115.9	125.3	(7.5%)
Amortization of other intangible assets	71.1	75.2	(5.5%)
Total expenses	14,561.8	14,247.2	2.2%
Income before income taxes	507.8	1,322.8	(61.6%)
Income tax expense	176.4	463.7	(62.0%)
Net income	\$331.4	\$859.1	(61.4%)

Ratios

Benefit expense as a percentage of premiums	83.4%	82.9%	50 bp
Selling, general and administrative expense as a percentage of total operating revenue	15.1%	13.8%	130 bp
Income before income tax expense as a percentage of total revenues	3.4%	8.5%	(510) bp

WellPoint Continued

WellPoint, Inc.

Consolidated Statements of Income
(Unaudited)

(In millions, except per share data)	Year Ended		Change
	2008	2007	
Revenues			
Premiums	\$57,101.0	\$55,865.0	2.2%
Administrative fees	3,836.6	3,673.6	4.4%
Other revenue	641.6	617.0	4.0%
Total operating revenue	61,579.2	60,155.6	2.4%
Net investment income	851.1	1,001.1	(15.0%)
Net realized (losses) gains on investments	(1,179.2)	11.2	NM (1)
Total revenues	61,251.1	61,167.9	0.1%
Expenses			
Benefit expense	47,742.4	46,037.2	3.7%
Selling, general and administrative expense			
Selling expense	1,778.4	1,716.8	3.6%
General and administrative expense	7,242.1	6,984.7	3.7%
Total selling, general and administrative expense	9,020.5	8,701.5	3.7%
Cost of drugs	468.5	432.7	8.3%
Interest expense	469.8	447.9	4.9%
Amortization of other intangible assets	286.1	290.7	(1.6%)
Impairment of intangible assets	141.4	-	NM (1)
Total expenses	58,128.7	55,910.0	4.0%
Income before income taxes	3,122.4	5,257.9	(40.6%)
Income tax expense	631.7	1,912.5	(67.0%)
Net income	\$2,490.7	\$3,345.4	(25.5%)

Ratios

Benefit expense as a percentage of premiums	83.6%	82.4%	120 bp
Selling, general and administrative expense as a percentage of total operating revenue	14.6%	14.5%	10 bp
Income before income taxes as a percentage of total revenues	5.1%	8.6%	(350) bp

WellPoint Continued

Membership & Prescription Volume Summary

(Unaudited and in Thousands)

	December 31, 2008	December 31, 2007	September 30, 2008	Change from December 2007	September 2008
Medical Membership Customer Type					
Local Group	16,632	16,663	16,683	(0.2%)	(0.3%)
National Accounts	6,720	6,389	6,808	5.2%	(1.3%)
BlueCard	4,736	4,563	4,785	3.8%	(1.0%)
Total National	11,456	10,952	11,593	4.6%	(1.2%)
Individual	2,296	2,390	2,341	(3.9%)	(1.9%)
Senior	1,304	1,250	1,308	4.3%	(0.3%)
State Sponsored	1,968	2,174	2,022	(9.5%)	(2.7%)
FEP	1,393	1,380	1,390	0.9%	0.2%
Total Medical Membership	35,049	34,809	35,337	0.7%	(0.8%)
Funding Arrangement					
Self-Funded	18,520	17,737	18,662	4.4%	(0.8%)
Fully-Insured	16,529	17,072	16,675	(3.2%)	(0.9%)
Total Medical Membership	35,049	34,809	35,337	0.7%	(0.8%)
Reportable Segment					
Commercial Business	28,304	27,886	28,515	1.5%	(0.7%)
Consumer Business	5,352	5,543	5,432	(3.4%)	(1.5%)
Other Business	1,393	1,380	1,390	0.9%	0.2%
Total Medical Membership	35,049	34,809	35,337	0.7%	(0.8%)
Other Membership					
Behavioral Health	23,568	20,230	23,588	16.5%	(0.1%)
Life and Disabilit	5,477	5,598	5,507	(2.2%)	(0.5%)
Dental Membership	4,560	5,014	4,618	(9.1%)	(1.3%)
Vision Membership	2,614	2,401	2,632	8.9%	(0.7%)
Medicare Part D Membership	1,870	1,614	1,870	15.9%	0.0%
PBM Prescription Volume Processed (Quarterly) (1)					
Retail Scripts	101,524	91,393	96,759	11.1%	4.9%
Mail Order Scripts	6,730	7,019	6,532	(4.1%)	3.0%
Specialty Pharmacy	275	193	244	42.5%	12.7%
Total Scripts	108,529	98,605	103,535	10.1%	4.8%
PBM Prescription Volume Paid (Quarterly) (1)					
Retail Scripts	60,858	56,833	58,621	7.1%	3.8%
Mail Order Scripts	6,485	7,000	6,345	(7.4%)	2.2%
Specialty Pharmacy	199	131	177	51.9%	12.4%
Total Scripts	67,542	63,964	65,143	5.6%	3.7%

Source:

<http://ir.wellpoint.com/phoenix.zhtml?c=130104&p=irol-newsArticle financial&t=Regular&id=1249124&>



United Health Group

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended December 31,		Year Ended December 31,	
	2008 (a)	2007	2008 (b)	2007 (c)
REVENUES				
Premiums	\$ 18,581	\$ 16,964	\$ 73,608	\$ 68,781
Services	1,295	1,202	5,152	4,608
Products	469	260	1,655	898
Investment and Other Income	109	279	771	1,144
Total Revenues	20,454	18,705	81,186	75,431
OPERATING COSTS				
Medical Costs	15,015	13,551	60,359	55,435
Operating Costs	3,486	2,698	13,103	10,583
Cost of Products Sold	415	211	1,480	768
Depreciation and Amortization	259	207	981	796
Total Operating Costs	19,175	16,667	75,923	67,582
EARNINGS FROM OPERATIONS	1,279	2,038	5,263	7,849
Interest Expense	(155)	(153)	(639)	(544)
EARNINGS BEFORE INCOME TAXES	1,124	1,885	4,624	7,305
Provision for Income Taxes	(398)	(669)	(1,647)	(2,651)
NET EARNINGS	\$ 726	\$ 1,216	\$ 2,977	\$ 4,654

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UNITEDHEALTH GROUP SEGMENT FINANCIAL INFORMATION

(in millions)
(unaudited)

REVENUES

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Health Care Services (a)	\$ 19,080	\$ 17,572	\$ 75,857	\$ 71,199
OptumHealth	1,306	1,255	5,225	4,921
Ingenix	426	414	1,552	1,304
Prescription Solutions	3,123	3,317	12,573	13,249
Eliminations	(3,481)	(3,853)	(14,021)	(15,242)
Total Consolidated	\$ 20,454	\$ 18,705	\$ 81,186	\$ 75,431

EARNINGS FROM OPERATIONS

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Health Care Services	\$ 1,268	\$ 1,601	\$ 5,068	\$ 6,595
OptumHealth	177	239	718	895
Ingenix	76	120	229	266
Prescription Solutions	80	78	363	269
Corporate	(322)	-	(1,115)	(176)
Total Consolidated	\$ 1,279	\$ 2,038	\$ 5,263	\$ 7,849

UNITEDHEALTH GROUP
Medical Care Ratios
(unaudited)

	Three Months Ended				Year Ended
	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008	December 31, 2008
UnitedHealth Group Consolidated	82.4%	83.2%	81.7%	80.8%	82.0%
UnitedHealthcare (a)	82.5%	83.8%	83.8%	83.9%	83.5%

	Three Months Ended				Year Ended
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	December 31, 2007
UnitedHealth Group Consolidated	82.7%	80.3%	79.5%	79.9%	80.8%
UnitedHealthcare (a)	81.8%	82.4%	82.0%	84.1%	82.8%

Membership:

	December 31, 2008	September 30, 2008	December 31, 2007
People Served			
Commercial Risk-based	10,360	10,495	10,805
Commercial Fee-based	15,985	15,975	14,720
Total Commercial	26,345	26,470	25,525
Medicare Advantage	1,495	1,480	1,370
Medicaid	2,515	2,340	1,710
Standardized Medicare Supplement	2,540	2,510	2,400
Total Public and Senior (a)	6,550	6,330	5,480
Total Health Care Services Medical Benefits	32,895	32,800	31,005
Total People Served	72,800	72,820	70,950
Supplemental Data - included in Total People Served			
OptumHealth	59,700	59,600	58,700
Total Part D Prescription Drug Plans	5,450	5,465	5,950
Consumer-Driven Health Plans	2,735	2,740	2,315

Source: <http://www.unitedhealthgroup.com/invest/2008/4q2008release.pdf>