



# Quarterly Reports From MCOL

For the Second Quarter 2011 | Volume 7 Issue 3 | August 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](http://www.sherlockco.com)) go to: <http://www.mcol.com/podcasts/qreports/qrep0811.mp3>

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## Summary

(millions)	Revenues Second Qtr 2011	Revenues Second Qtr 2010	Revenues YTD 2011	Revenues YTD 2010	Net Income Second Qtr 2011	Net Income Second Qtr 2010	Net Income YTD 2011	Net Income YTD 2010
Aetna	\$8,344	\$8,546	\$16,732	\$17,167	\$537	\$491	\$1,123	\$1,054
Amerigroup	\$1,527	\$1,438	\$3,067	\$2,809	\$44	\$67	\$115	\$109
Cigna	\$5,509	\$5,353	\$10,922	\$10,558	\$408	\$295	\$838	\$579
Coventry	\$3,033	\$2,868	\$6,082	\$5,727	\$225	\$1	\$335	\$98
HealthNet	\$2,776	\$3,437	\$6,302	\$6,853	\$58	\$45	(\$50)	\$61
HealthSpring	\$1,381	\$768	\$2,783	\$1,529	\$84	\$56	\$128	\$10
Humana	\$9,284	\$8,589	\$18,474	\$16,969	\$460	\$340	\$775	\$598
Molina	\$1,167	\$999	\$2,287	\$1,966	\$17	\$11	\$35	\$21
WellPoint	\$15,101	\$14,431	\$29,995	\$29,504	\$70	\$72	\$163	\$160
United Health Group	\$25,234	\$23,264	\$50,666	\$46,457	\$1,267	\$1,123	\$2,613	\$2,314

(Membership in millions)	Commercial MCR (or combined)				Medicare MCR				Medical Membership 2nd Qtr 2011
	2nd Qtr	2nd Qtr	YTD	YTD	2nd Qtr	2nd Qtr	YTD	YTD	
	2011	2010	2011	2010	2011	2010	2011	2010	
Aetna	77.90%	80.10%	77.45%	80.60%	84.60%	86.40%	84.85%	86.70%	18.200
Amerigroup	84.10%	82.30%	83.00%	82.90%					1.982
Cigna	78.00%	78.80%	77.65%	80.85%					11.458
Coventry	81.10%	78.30%	80.65%	79.25%	82.90%	81.20%	83.95%	84.95%	4.552
HealthNet	85.70%	86.30%	85.70%	86.30%	90.90%	88.50%	89.95%	88.85%	2.941
HealthSpring					79.40%	77.90%	79.90%	78.10%	0.336
Humana*	81.20%	81.20%	79.90%	81.70%	81.40%	81.50%	83.60%	82.70%	11.002
Molina	84.10%	86.00%	84.30%	85.60%					1.645
WellPoint	85.70%	82.90%	83.90%	82.35%					34.200
United Health Group	81.40%	82.20%	81.40%	81.75%					25.700

\*Humana MCR actually is categorized by Retail and Employer Group. Retail is classified as Medicare and Employer Group as Commercial for this presentation. 4.2% of Retail premiums are for individual commercial and 95.8% are for Medicare.



## Aetna

### Consolidated Statements of Income

**Consolidated Statements of Income**

(Millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
<b>Revenue:</b>				
Health care premiums	\$ 6,733.4	\$ 6,915.2	\$ 13,484.0	\$ 13,810.3
Other premiums	451.8	460.5	897.1	935.2
Fees and other revenue	896.5	873.0	1,796.1	1,772.8
Net investment income	241.3	253.7	493.9	528.9
Net realized capital gains	21.4	43.4	61.1	120.1
Total revenue	8,344.4	8,545.8	16,732.2	17,167.3
<b>Benefits and expenses:</b>				
Health care costs	5,366.8	5,658.6	10,714.8	11,349.6
Current and future benefits	477.7	480.7	963.2	1,007.7
<b>Operating expenses:</b>				
Selling expenses	267.2	302.5	557.9	624.0
General and administrative expenses	1,324.5	1,255.6	2,597.3	2,451.3
Total operating expenses	1,591.7	1,558.1	3,155.2	3,075.3
Interest expense	61.5	60.7	127.6	121.6
Amortization of other acquired intangible assets	25.6	24.2	51.9	48.6
Total benefits and expenses	7,523.3	7,782.3	15,012.7	15,602.8
Income before income taxes	821.1	763.5	1,719.5	1,564.5
Income taxes	284.4	272.5	596.8	510.9
Net income	\$ 536.7	\$ 491.0	\$ 1,122.7	\$ 1,053.6

Medical benefit ratios ("MBRs") for Second-quarter 2011 and 2010 were as follows:

	2011	2010
Commercial	77.9%	80.1%
Medicare	84.6%	86.4%
Medicaid	87.2%	89.2%
Total	79.7%	81.8%

*Aetna Continued*

Segment Information

Segment Information <sup>(9)</sup>

(Millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
<b>Health Care:</b>				
Revenue, excluding net realized capital gains	\$ 7,691.4	\$ 7,864.3	\$ 15,401.1	\$ 15,737.5
Net realized capital gains	15.0	22.4	48.7	67.8
<b>Total revenue (GAAP measure)</b>	<b>\$ 7,706.4</b>	<b>\$ 7,886.7</b>	<b>\$ 15,449.8</b>	<b>\$ 15,805.3</b>
<b>Commercial Medical Benefit Ratio:</b>				
Premiums	\$ 5,031.4	\$ 5,148.4	\$ 10,045.0	\$ 10,291.8
Health care costs (GAAP measure)	\$ 3,917.9	\$ 4,124.1	\$ 7,777.3	\$ 8,293.5
Favorable development of prior-period health care cost estimates	167.5	160.4		
<b>Health care costs, excluding prior-period development</b>	<b>\$ 4,085.4</b>	<b>\$ 4,284.5</b>		
Commercial MBR (GAAP measure)	77.9%	80.1%	77.4%	80.6%
Commercial MBR, excluding prior-period reserve development	81.2%	83.2%		
<b>Medicare Medical Benefit Ratio:</b>				
Premiums	\$ 1,358.3	\$ 1,507.2	\$ 2,767.1	\$ 3,026.5
Health care costs (GAAP measure)	\$ 1,149.2	\$ 1,302.9	\$ 2,347.5	\$ 2,624.9
Favorable development of prior-period health care cost estimates	17.6	33.4		
<b>Health care costs, excluding prior-period development</b>	<b>\$ 1,166.8</b>	<b>\$ 1,336.3</b>		
Medicare MBR (GAAP measure)	84.6%	86.4%	84.8%	86.7%
Medicare MBR, excluding prior-period reserve development	85.9%	88.7%		
<b>Total Medical Benefit Ratio:</b>				
Premiums	\$ 6,733.4	\$ 6,915.2	\$ 13,484.0	\$ 13,810.3
Health care costs (GAAP measure)	\$ 5,366.8	\$ 5,658.6	\$ 10,714.8	\$ 11,349.6
Favorable development of prior-period health care cost estimates	188.1	198.6		
<b>Health care costs, excluding prior-period development</b>	<b>\$ 5,554.9</b>	<b>\$ 5,857.2</b>		
Total MBR (GAAP measure)	79.7%	81.8%	79.5%	82.2%
Total MBR, excluding prior-period reserve development	82.5%	84.7%		
Operating earnings	\$ 512.9	\$ 467.4	\$ 1,068.2	\$ 927.5
Litigation-related insurance proceeds	-	13.0	-	58.5
Net realized capital gains	9.7	14.2	31.6	70.5
<b>Net income (GAAP measure)</b>	<b>\$ 522.6</b>	<b>\$ 494.6</b>	<b>\$ 1,099.8</b>	<b>\$ 1,056.5</b>

## Aetna Continued

### Segment Information Continued

Segment Information continued <sup>(9)</sup>

(Millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
<b>Group Insurance:</b>				
Revenue, excluding net realized capital gains	\$ 499.5	\$ 517.0	\$ 1,003.9	\$ 1,046.9
Net realized capital gains	4.4	9.5	10.9	35.7
Total revenue (GAAP measure)	\$ 503.9	\$ 526.5	\$ 1,014.8	\$ 1,082.6
Operating earnings	\$ 44.4	\$ 44.4	\$ 87.3	\$ 72.9
Net realized capital gains	2.9	6.1	7.1	31.0
Net income (GAAP measure)	\$ 47.3	\$ 50.5	\$ 94.4	\$ 103.9
<b>Large Case Pensions:</b>				
Revenue, excluding net realized capital gains	\$ 132.1	\$ 121.1	\$ 266.1	\$ 262.8
Net realized capital gains	2.0	11.5	1.5	16.6
Total revenue (GAAP measure)	\$ 134.1	\$ 132.6	\$ 267.6	\$ 279.4
Operating earnings	\$ 6.2	\$ 6.1	\$ 12.0	\$ 15.8
Net realized capital gains	1.3	7.5	1.0	12.8
Net income (GAAP measure)	\$ 7.5	\$ 13.6	\$ 13.0	\$ 28.6
<b>Total Company:</b>				
Revenue, excluding net realized capital gains (A)	\$ 8,323.0	\$ 8,502.4	\$ 16,671.1	\$ 17,047.2
Net realized capital gains	21.4	43.4	61.1	120.1
Total revenue (GAAP measure) (B)	\$ 8,344.4	\$ 8,545.8	\$ 16,732.2	\$ 17,167.3
Business segment operating expenses (C)	\$ 1,590.5	\$ 1,534.7	\$ 3,152.8	\$ 3,078.6
Corporate Financing segment operating expenses <sup>(7)</sup>	1.2	43.4	2.4	86.7
Operating expenses, including Corporate Financing segment (D)	1,591.7	1,578.1	3,155.2	3,165.3
Litigation-related insurance proceeds	-	(20.0)	-	(90.0)
Total operating expenses (GAAP measure) (E)	\$ 1,591.7	\$ 1,558.1	\$ 3,155.2	\$ 3,075.3
<b>Operating Expenses Ratios:</b>				
Business segment operating expense ratio (C)/(A)	19.1%	18.1%	18.9%	18.1%
Operating expense ratio (D)/(A)	19.1%	18.6%	18.9%	18.6%
Total operating expense ratio (E)/(B) (GAAP measure)	19.1%	18.2%	18.9%	17.9%

## Aetna Continued

Membership				
(Thousands)	June 30, 2011	March 31, 2011	December 31, 2010	June 30, 2010
<b>Medical Membership:</b>				
Commercial	16,594	16,175	16,824	17,020
Medicare	405	407	445	451
Medicaid	1,242	1,212	1,199	1,131
Total Medical Membership	18,241	17,794	18,468	18,602
<b>Consumer-Directed Health Plans <sup>(8)</sup></b>	2,405	2,412	2,184	2,221
<b>Dental Membership:</b>				
Commercial	12,181	11,881	12,137	12,309
Medicare & Medicaid	635	626	639	605
Network Access <sup>(9)</sup>	970	982	971	998
Total Dental Membership	13,786	13,489	13,747	13,912
<b>Pharmacy Benefit Management Membership:</b>				
Commercial	8,131	7,901	8,555	8,796
Medicare PDP (stand-alone)	432	447	608	637
Medicare Advantage PDP	188	190	227	234
Medicaid	27	27	27	30
Total Pharmacy Benefit Management Services	8,778	8,565	9,417	9,697

(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.

Source: [http://www.aetna.com/news/newsReleases/2011/pr\\_2ndquarter2011\\_earnings.html](http://www.aetna.com/news/newsReleases/2011/pr_2ndquarter2011_earnings.html)



## Amerigroup

### CONDENSED CONSOLIDATED INCOME STATEMENTS

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

	<b>Three months ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
Revenues:		
Premium	\$1,523,433	\$1,428,879
Investment income and other	\$4,001	\$8,634
Total revenues	\$1,527,434	\$1,437,513
Expenses:		
Health benefits	\$1,281,760	\$1,176,445
Selling, general and administrative	\$122,289	\$108,189
Premium taxes	\$40,439	\$33,172
Depreciation and amortization	\$9,332	\$8,905
Interest	\$4,170	\$4,019
Total expenses	\$1,457,990	\$1,330,730
Income before income taxes	\$69,444	\$106,783
Income tax expense	\$25,150	\$39,570
Net income	\$44,294	\$67,213

### Selected Operating Ratios

	<b>Three months ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
Premium revenue	99.7%	99.4%
Investment income and other	0.3	0.6
Total revenues	100.0%	100.0%
Health benefits (1)	84.1%	82.3%
Selling, general and administrative expenses	8.0%	7.5%
Income before income taxes	4.5%	7.4%
Net income	2.9%	4.7%

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:

State	Three months ended June 30,	
	2011	2010
Texas	593,000	539,000 <sup>(1)</sup>
Georgia	270,000	259,000
Florida	262,000	259,000
Maryland	207,000	202,000
Tennessee	205,000	199,000
New Jersey	133,000	145,000
New York	109,000	111,000
Nevada	86,000	72,000
Ohio	55,000	58,000
Virginia	40,000	39,000
New Mexico	22,000	21,000
Total	1,982,000	1,904,000
<b>Product</b>		
TANF (Medicaid)	1,405,000	1,337,000
CHIP	266,000	274,000
Aged, Blind and Disabled and Long-Term Care (Medicaid)	216,000	204,000 <sup>(1)</sup>
FamilyCare (Medicaid)	74,000	71,000
Medicare Advantage	21,000	18,000
Total	1,982,000	1,904,000

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

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=122199&p=irol-newsArticle&ID=1590662&highlight=>



# CIGNA

## Consolidated Income Statements

Dollars in Millions

	Three Months Ended June 30,		
	2011	2010	% Change
<b>Revenues:</b>			
Premiums and fees	\$4,786	\$4,504	6%
Net investment income	\$284	\$283	-
Mail order pharmacy revenues	\$349	\$351	(1%)
Other revenues <sup>(1)</sup>	\$73	\$193	(62%)
Net realized investment gains (losses)	\$17	\$22	(23%)
<b>Total revenues</b>	<b>\$5,509</b>	<b>\$5,353</b>	<b>3%</b>
<b>Benefits and Expenses:</b>			
Health Care medical claims expense	\$2,034	\$2,078	(2%)
Other benefit expenses	\$1,058	\$977	8%
Mail order pharmacy cost of goods sold	\$289	\$290	-
Guaranteed minimum income benefits fair value (gain) loss	\$37	\$164	(77%)
Operating expenses excluding special item(s)	\$1,475	\$1,405	5%
Special item(s)	-	-	-
<b>Total benefits and expenses</b>	<b>\$4,893</b>	<b>\$4,914</b>	<b>-</b>
<b>Income before income taxes</b>	<b>\$616</b>	<b>\$439</b>	<b>40%</b>
<b>Income taxes:</b>			
Current	\$138	\$68	103%
Deferred	\$70	\$76	(8%)
<b>Total taxes</b>	<b>\$208</b>	<b>\$144</b>	<b>44%</b>
<b>Net income</b>	<b>\$408</b>	<b>\$295</b>	<b>38%</b>

(1) Includes pre-tax gains of \$2 million and pre-tax losses of \$37 million for the second quarter and six months ended June 30, 2011, respectively, and pre-tax gains of \$92 million and \$47 million for the second quarter and six months ended June 30, 2010, respectively, from futures and swaps contracts entered into as part of a dynamic hedge program to manage equity and growth interest rate risks in CIGNA's run-off reinsurance operations. CIGNA recorded related offsets in Benefits and Expenses to adjust liabilities for reinsured guaranteed minimum death benefit and guaranteed minimum income benefit contracts. For more information, please refer to CIGNA's Form 10-Q for the period ended June 30, 2011 which is expected to be filed on August 4, 2011.

# Quarterly Reports from MCOL

## Cigna Continued

### Key Metrics (unaudited)

RATIOS:	Three Months Ended June 30,		Change <i>Better (Worse)</i>
	2011	2010	
Guaranteed Cost care ratio (including voluntary/limited benefits) <sup>(3)</sup>	78.0%	78.8%	0.8%
Medicare Part D care ratio (including fees)	90.5%	90.3%	(0.2%)
Total Operating Expense Ratio	26.4%	26.0%	(0.4%)
Total Operating Expense Ratio (excluding Medicare IPFFS) <sup>(4)</sup>	26.4%	27.1%	0.7%

(3) The Guaranteed Cost care ratio excludes the stop loss products associated with experience-rated and service members, and includes the impact of the rebates on the three months and six months ended June 30, 2011 results, in accordance with the Patient Protection and Affordable Care Act.

(4) Beginning on January 1, 2011, CIGNA exited the Medicare Advantage Individual Private Fee for Service (Medicare IPFFS) Business. There were no revenues or operating expenses associated with this business for 2011. For the three months ended June 30, 2010, total revenues for this business were \$216 million and operating expenses were \$15 million. For the six months ended June 30, 2010, total revenues for this business were \$418 million and operating expenses were \$39 million.

### Health Care

#### Segment Earnings (unaudited)

*Dollars in Millions*

	Three Months Ended June 30,		% Change
	2011	2010	
<b>Revenues:</b>			
Premiums and fees	\$3,295	\$3,276	1%
Net investment income	\$67	\$64	5%
Mail order pharmacy revenues	\$349	\$351	(1%)
Other revenues	\$67	\$65	3%
Segment revenues	\$3,778	\$3,756	1%
<b>Benefits and Expenses:</b>			
Health Care medical claims expense	\$2,034	\$2,078	(2%)
Other benefit expenses	\$21	\$29	(28%)
Mail order pharmacy cost of goods sold	\$289	\$290	-
Operating expenses	\$996	\$975	2%
Benefits and expenses	\$3,340	\$3,372	(1%)
Income before income taxes	\$438	\$384	14%
Income taxes (See Special item(s) discussion on page 2)	\$158	\$137	15%
Segment earnings, after-tax	\$280	\$247	13%
Less: Special item(s), after-tax (See Special item(s) discussion on page 2)	-	-	-
Adjusted income from operations	\$280	\$247	13%
Net realized investment gains (losses), net of taxes	\$5	\$8	(38%)

**Cigna Continued**

**CIGNA Corporation  
Health Care  
Estimated Covered Lives (unaudited)**

COVERED LIVES BY FUNDING TYPE: (Lives in thousands)	As of June 30,			As of December 31,	
	2011	2010	% Change	2010	% Change
Medical membership: <sup>(1)</sup>					
Guaranteed cost <sup>(2)</sup>	1,152	1,113	4%	1,177	-%
Experience-rated <sup>(3)</sup>	795	826	(4%)	849	(7%)
Total commercial risk	1,947	1,939	-	2,026	(3%)
Medicare	44	147	(70%)	145	(70%)
Total risk	1,991	2,086	(5%)	2,171	(8%)
Service	9,467	9,279	2%	9,266	2%
Total medical membership	11,458	11,365	1%	11,437	-%
Non-medical membership:					
Behavioral care <sup>(4)</sup>	19,560	17,956	9%	18,257	7%
Dental <sup>(4)</sup>	10,782	10,261	5%	10,251	5%
Pharmacy <sup>(4)</sup>	6,277	6,574	(5%)	6,501	(3%)
Medicare Part D <sup>(5)</sup>	537	518	4%	560	(4%)
MARKET SEGMENT: <sup>(6)</sup> (Lives in thousands)					
Medical membership: <sup>(1)</sup>					
National Accounts	3,835	4,000	(4%)	3,949	(3%)
Middle Market	6,722	6,470	4%	6,524	3%
Select	686	597	15%	621	10%
Individual	115	73	58%	105	10%
Medicare, excluding IPFFS	44	53	(17%)	54	(19%)
Subtotal	11,402	11,193	2%	11,253	1%
Other	56	172	(67%)	184	(70%)
Total medical membership	11,458	11,365	1%	11,437	-%

(1) Medical membership includes individuals who meet any one of the following criteria: are covered under an insurance policy or service agreement issued by CIGNA; have access to CIGNA's provider network for covered services under their medical plan; have medical claims that are administered by CIGNA; or are covered under an insurance policy that is marketed by CIGNA and for which CIGNA assumes reinsurance of at least 50%.

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

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

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

(6) Market Segments defined as follows:

~ 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

~ Medicare, excluding IPFFS, includes Medicare HMO and Medicare Group PFFS.

~ Other includes Small business, which generally includes employers with 2-50 employees, Medicare IPFFS, and Student Health business. CIGNA has made a strategic business decision to deemphasize or exit these Market Segments.

(7) Prior periods restated to reflect segment transfers resulting primarily from increased/decreased enrollment at the account level.

**SOURCE:** [http://www.cigna.com/about\\_us/investor\\_relations/release/2q11qfs.pdf](http://www.cigna.com/about_us/investor_relations/release/2q11qfs.pdf)



# Coventry

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

	Quarters Ended June 30,	
	2011	2010
	(unaudited)	(unaudited)
<b>Operating revenues:</b>		
Managed care premiums	\$2,737,594	\$2,570,508
Management services	\$295,452	\$297,633
<b>Total operating revenues</b>	<b>\$3,033,046</b>	<b>\$2,868,141</b>
Operating expenses:		
Medical costs	\$2,248,793	\$2,032,556
Cost of sales	\$70,194	\$64,116
Selling, general, and administrative	\$484,879	\$454,254
Provider class action	(\$159,300)	\$278,000
Depreciation and amortization	\$33,379	\$33,985
<b>Total operating expenses</b>	<b>\$2,677,945</b>	<b>\$2,862,911</b>
<b>Operating earnings</b>	<b>\$355.101</b>	<b>\$5,230</b>
<b>Operating earnings percentage of total revenues</b>	<b>11.7%</b>	<b>0.2%</b>
Interest expense	\$22,579	\$20,195
Other income, net	\$23,819	\$18,207
Earnings before income taxes	\$356,341	\$3,242
Provision for income taxes	\$131,846	\$2,221
<b>Net earnings</b>	<b>\$224,495</b>	<b>\$1,021</b>

## MEDICAL COST STATISTICS (Unaudited)

	Q2 2011	Q1 2011	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Consolidated Total Health Plan	82.10%	82.60%	79.40%	79.00%	77.20%	79.10%	82.30%
Commercial Group Risk	81.10%	80.20%	79.20%	81.30%	76.80%	78.30%	80.20%
Medicare Advantage(4)	82.90%	84.20%	82.00%	84.10%	77.00%	81.20%	85.70%
Medicare Part D	88.80%	95.80%	83.70%	64.70%	79.00%	90.70%	95.30%
Medicaid	86.90%	86.00%	85.70%	85.40%	89.00%	84.20%	84.00%

## Coventry Continued

### SELECTED OPERATING STATISTICS

(Unaudited)

	Q2 2011	Q1 2011	Total 2010	Q4 2010	Q3 2010
<b>Membership by Product (000s)</b>					
Health Plan Commercial Risk	1,648	1,636		1,641	1,533
Health Plan Commercial ASO	689	688		698	636
Medicare Advantage CCP	21	219		224	193
Medicaid Risk	467	468		468	462
<b>Health Plan Total</b>	<b>3,023</b>	<b>3,011</b>		<b>3,031</b>	<b>2,824</b>
Other National ASO	379	383		459	462
<b>Total Medical Membership</b>	<b>3,402</b>	<b>3,394</b>		<b>3,490</b>	<b>3,286</b>
Medicare Part D	1,150	1,159		1,628	1,618
<b>Total Membership</b>	<b>4,552</b>	<b>4,553</b>		<b>5,118</b>	<b>4,904</b>
<b>Revenues by Product Type (000s)</b>					
Commercial Risk	\$1,510,849	\$1,491,099	\$5,540,470	\$1,475,773	\$1,380,019
Commercial Management Services	\$74,016	\$77,842	\$327,084	\$81,861	\$79,869
Medicare Advantage	\$601,240	\$591,242	\$2,114,205	\$579,329	\$522,202
Medicaid Risk	\$305,788	\$311,066	\$1,133,353	\$312,359	\$286,762
<b>Total Health Plan and Medical Services Businesses</b>	<b>\$2,491,893</b>	<b>\$2,471,249</b>	<b>\$9,115,112</b>	<b>\$2,449,322</b>	<b>\$2,268,852</b>
Medicare Part D	\$316,196	\$358,445	\$1,604,198	\$357,941	\$348,784
Other Premiums	\$26,709	\$26,415	\$100,130	\$24,770	\$25,054
Other Management Services	\$223,892	\$218,141	\$856,072	\$215,279	\$215,185
<b>Total Specialized Managed Care Businesses</b>	<b>\$566,797</b>	<b>\$603,001</b>	<b>\$2,560,400</b>	<b>\$597,990</b>	<b>\$589,023</b>
Total Premiums	\$2,760,782	\$2,778,267	\$10,492,356	\$2,750,172	\$2,562,821
Total Management Services	\$297,908	\$295,983	\$1,183,156	\$297,140	\$295,054
Other/Eliminations	(\$25,644)	(\$25,312)	(\$87,596)	(\$22,296)	(\$22,094)
<b>Total Revenue</b>	<b>\$3,033,046</b>	<b>\$3,048,938</b>	<b>\$11,587,916</b>	<b>\$3,025,016</b>	<b>\$2,835,781</b>

(4) 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://coventryhealthcare.com/web/groups/public/@cvtv\\_corporate\\_chc/documents/pressrelease/c062677.pdf](http://coventryhealthcare.com/web/groups/public/@cvtv_corporate_chc/documents/pressrelease/c062677.pdf)



## HealthNet Continued

Enrollment Data - Line of Business  
(In thousands)

	June 30, 2011	March 31, 2010	June 30, 2010	Change from			
				March 31, 2011 Increase/ (Decrease)	% Change	June 30, 2010 Increase/ (Decrease)	% Change
Total Health Plan Enrollment							
Large Group	958	959	941	(1)	0.1%	17	1.8%
Small Group and Individual	426	429	441	(3)	(0.7%)	(15)	(3.4%)
Commercial Risk ASO	1,384	1,388	1,382	(4)	(0.3%)	2	0.1%
ASO	0	0	5	0	0.0%	(5)	(100.0%)
Total Commercial	1,384	1,388	1,387	(4)	(0.3%)	(3)	(0.2%)
Medicare Advantage	205	209	219	(4)	(1.9%)	(14)	(6.4%)
Medi-Cal/Medicaid	963	941	877	22	2.3%	86	9.8%
Medicare PDP (stand-alone)	389	401	434	(12)	(3.0%)	(45)	(10.4%)
Western Region Operations	2,941	2,939	2,917	2	0.1%	24	0.8%
Northeast Operations	0	1	19	(1)	%	(19)	(100.0%)
Total Enrollment	2,941	2,940	2,936	1	0.0%	5	0.2%

Source: [http://healthnet.tekgroup.com/article\\_display.cfm?article\\_id=5558](http://healthnet.tekgroup.com/article_display.cfm?article_id=5558)



## HealthSpring

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

	Three Months Ended June 30,	
	2011	2010
Revenue:		
Premium revenue	\$1,362,733	\$756,342
Management and other fees	\$15,236	\$10,590
Investment income	\$3,382	\$1,547
Total revenue	\$1,381,351	\$768,479
Operating expenses:		
Medical expense	\$1,106,962	\$604,933
Selling, general and administrative	\$120,765	\$66,216
Depreciation and amortization	\$15,854	\$7,510
Interest expense	\$5,978	\$2,254
Total operating expenses	\$1,249,559	\$680,913
Income before income taxes	\$131,792	\$87,566
Income taxes	(\$47,870)	(\$31,791)
Net income	\$83,922	\$55,775

### Membership

	June 30, 2011	Dec.31, 2010	Percent Change	June 30, 2011	Percent Change
MA Membership:					
Alabama	32,740	30,148	8.6%	30,724	6.6%
Florida	38,451	37,022	3.9%	35,975	6.9%
Pennsylvania	69,325	63,044	10.0%	--	n/a
Tennessee	71,474	65,533	9.1%	64,791	10.3%
Texas	81,504	71,105	14.6%	48,070	69.6%
Other	42,954	37,752	13.8%	17,876	140.3%
Total	336,448	304,604	10.5%	197,436	70.4%
PDP Membership	835,246	724,394	15.3%	394,599	111.7%
Medicaid Membership	1,350	--	n/a	--	n/a

### Medical Loss Ratio

	2nd Qtr 2011	2nd Qtr 2010	YTD 2011	YTD 2010
Medicare Advantage medical loss ratio	79.4%	77.9%	79.9%	78.1%

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=194529&p=irol-newsArticle&ID=1591651&highlight=>



# Humana

Consolidated Statements of Income  
 In thousands,

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010
Revenues:		
Premiums	\$8,849,376	\$8,376,751
Services	\$343,509	\$132,702
Investment income	\$91,246	\$79,790
<b>Total revenues</b>	<b>\$9,284,131</b>	<b>\$8,589,243</b>
Operating expenses:		
Benefits	\$7,269,768	6,869,096
Operating costs	\$1,192,405	1,093,690
Depreciation and amortization	\$67,781	64,381
<b>Total operating expenses</b>	<b>\$8,529,954</b>	<b>8,027,167</b>
<b>Income from operations</b>	<b>\$754,177</b>	<b>562,076</b>
Interest expense	\$27,663	26,222
<b>Income before income taxes</b>	<b>\$726,514</b>	<b>535,854</b>
Provision for income taxes	\$266,227	195,778
<b>Net income</b>	<b>\$460,287</b>	<b>340,076</b>

Membership Detail (*In thousands*)

	Ending June 30, 2011	Ending June 30, 2010	Year-over-year Change		Ending March 31, 2010	Sequential Change	
			Amount	Percent		Amount	Percent
Medical Membership:							
<b>Retail</b>							
Medicare Advantage	1,602.5	1,462.9	139.6	9.5%	1,594.8	7.7	0.5%
Medicare stand-alone PDPs	2,408.7	1,708.0	700.7	41.0%	2,353.1	55.6	2.4%
Medicare Supplement	52.9	35.6	17.3	48.6%	49.9	3.0	6.0%
Individual	403.7	371.5	32.2	8.7%	382.9	20.8	5.4%
<b>Total Retail</b>	<b>4,467.8</b>	<b>3,578.0</b>	<b>889.8</b>	<b>24.9%</b>	<b>4,380.7</b>	<b>87.1</b>	<b>2.0%</b>
<b>Employer Group</b>							
Medicare Advantage	282.0	269.5	12.5	4.6%	280.7	1.3	0.5%
Medicare Advantage ASO	27.7	28.7	(1.0)	-3.5%	27.9	(0.2)	-0.7%
Medicare stand-alone PDPs	4.1	2.4	1.7	70.8%	4.1	-	0.0%
Fully-insured medical	1,186.2	1,295.4	(109.2)	-8.4%	1,178.5	7.7	0.7%
ASO	1,313.6	1,582.6	(269.0)	-17.0%	1,319.3	(5.7)	-0.4%
<b>Total Employer Group</b>	<b>2,813.6</b>	<b>3,178.6</b>	<b>(365.0)</b>	<b>-11.5%</b>	<b>2,810.5</b>	<b>3.1</b>	<b>0.1%</b>
<b>Other Businesses</b>							
Military Services	3,015.2	3,030.7	(15.5)	-0.5%	3,012.9	2.3	0.1%
Medicaid	619.2	453.7	165.5	36.5%	619.3	(0.1)	0.0%
LI-NET	87.0	83.0	4.0	4.8%	98.5	(11.5)	-11.7%
<b>Total Other Businesses</b>	<b>3,721.4</b>	<b>3,567.4</b>	<b>154.0</b>	<b>4.3%</b>	<b>3,730.7</b>	<b>(9.3)</b>	<b>-0.2%</b>
<b>Total Medical Membership</b>	<b>11,002.8</b>	<b>10,324.0</b>	<b>678.8</b>	<b>6.6%</b>	<b>10,921.9</b>	<b>80.9</b>	<b>0.7%</b>

Key Income Statement Ratios\*

	Three Months Ended June 30,	
	2011	2010
Commercial benefit ratio	81.2%	81.2%
Medicare benefit ratio	81.4%	81.5%

\*Benefit ratio actually is categorized by Retail and Employer Group. Retail is classified as Medicare and Employer Group as Commercial for this presentation. 4.2% of Retail premiums are for individual commercial and 95.8% are for Medicare.

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=92913&p=irol-newsArticle&ID=1591031&highlight=>



# Molina

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (Amounts in thousands)

	<b>Three Months Ended June 30,</b>	
	2011	2010
<b>Revenue:</b>		
Premium revenue	\$1,128,770	\$976,685
Service revenue	\$36,888	\$21,054
Investment income	\$1,446	\$1,599
Total operating revenue	\$1,167,104	\$999,338
<b>Expenses:</b>		
Medical care costs	\$949,359	\$839,613
Cost of service revenue	\$39,215	\$14,254
General and administrative expenses	\$96,921	\$78,079
Premium tax expenses	\$37,709	\$34,995
Depreciation and amortization	\$12,490	\$11,219
Total expenses	\$1,135,694	\$978,160
Operating income	\$31,410	\$21,178
Interest expense	(\$3,683)	(\$4,099)
Income before income taxes	\$27,727	\$17,079
Provision for Income Taxes	\$10,287	\$6,500
Net income	\$17,440	\$10,579
<b>Operating Statistics:</b>		
Medical care ratio (1)	84.1%	86.0%

(1) 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:	June 30, 2011	March 31, 2011	June 30, 2010
California	348,000	347,000	348,000
Florida	66,000	66,000	54,000
Michigan	220,000	225,000	226,000
Missouri	80,000	82,000	78,000
New Mexico	89,000	90,000	93,000
Ohio	245,000	248,000	234,000
Texas	129,000	128,000	42,000
Utah	82,000	80,000	77,000
Washington	345,000	341,000	346,000
Wisconsin <sup>(1)</sup>	41,000	40,000	--

Total Ending Membership By State for the Medicare Advantage Plans <sup>(1)</sup>	June 30, 2011	March 31, 2011	June 30, 2010
California	6,000	5,300	3,600
Florida	600	600	500
Michigan	7,100	6,700	5,000
New Mexico	700	700	600
Ohio	200	400	--
Texas	600	600	600
Utah	7,000	6,700	8,100
Washington	4,000	3,300	1,900

(1) The Company acquired the Wisconsin health plan on September 1, 2010. As of March 31, 2011, the Wisconsin health plan had approximately 2,400 Medicare Advantage members that are ceded 100% 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=1587814&highlight=>



# WellPoint

Consolidated Statements of Income  
(Unaudited)  
(In millions)

	Three Months Ended June 30		
	2011	2010	Change
Revenues			
Premiums	\$13,913.6	\$13,257.1	5.0%
Administrative fees	\$957.7	\$923.2	3.7%
Other revenue	\$8.5	\$18.3	(53.6%)
Total operating revenue	\$14,879.8	\$14,198.6	4.8%
Net investment income	\$187.8	\$202.3	(7.2%)
Net realized gains on investments	\$41.5	\$36.5	13.7%
Other-than-temporary impairment losses on investments:			
Total other-than-temporary impairment losses on investments	(\$11.1)	(\$14.9)	25.5%
Portion of other-than-temporary impairment losses recognized in other comprehensive income	\$2.7	\$8.8	(69.3%)
Net other-than-temporary impairment losses recognized in income	(\$8.4)	(\$6.1)	(37.7%)
Total revenues	\$15,100.7	\$14,431.3	4.6%
Expenses			
Benefit expense	\$11,922.0	\$10,985.9	8.5%
Selling, general and administrative expense			
Selling expense	\$405.6	\$403.1	0.6%
General and administrative expense	\$1,605.5	\$1,751.6	(8.3%)
Total selling, general and administrative expense	\$2,011.1	\$2,154.7	(6.7%)
Interest expense	\$103.6	\$100.2	3.4%
Amortization of other intangible assets	\$56.6	\$60.9	(7.1%)
Total expenses	\$14,093.3	\$13,301.7	6.0%
Income before income taxes	\$1,007.4	\$1,129.6	(10.8%)
Income tax expense	\$305.8	\$407.2	(24.9%)
<b>Net income</b>	<b>\$701.6</b>	<b>\$722.4</b>	<b>(2.9%)</b>
Benefit expense as a percentage of premiums			

# Quarterly Reports from MCOL

## WellPoint Continued

### Membership Summary (Unaudited and in Thousands)

	June 30, 2011	December 31, 2010	June 30, 2010	Change from	
				December 31, 2010	June 30, 2011
Medical Membership					
Customer Type					
Local Group	15,197	15,216	15,198	0.1%	(0.0%)
National Accounts	7,471	7,029	7,108	6.3%	5.1%
BlueCard	4,947	4,711	4,782	5.0%	3.5%
Total National	12,418	11,740	11,890	5.8%	4.4%
Individual	1,870	1,905	1,953	(1.8%)	(4.2%)
Senior	1,353	1,259	1,252	7.5%	8.1%
State Sponsored	1,838	1,756	1,750	4.7%	5.0%
FEP	1,510	1,447	1,449	4.4%	4.2%
Total Medical Membership	34,186	33,323	33,492	2.6%	2.1%
Funding Arrangement					
Self-Funded	20,443	19,590	19,425	4.4%	5.2%
Fully-Insured	13,743	13,733	14,067	(0.1%)	(2.3%)
Total Medical Membership	34,186	33,323	33,492	2.6%	2.1%
Reportable Segment					
Commercial	27,615	26,959	27,107	2.4%	1.9%
Consumer	5,061	4,917	4,936	2.9%	2.5%
Other	1,510	1,447	1,449	4.4%	4.2%
Total Medical Membership	34,186	33,323	33,492	2.6%	2.1%
Other Membership					
Behavioral Health					
Membership	25,185	23,963	23,700	5.1%	6.3%
Life and Disability					
Membership	5,040	5,201	5,225	(3.1%)	(3.5%)
Dental Membership	4,025	4,007	4,077	(0.4%)	(1.3%)
Managed Dental					
Membership	4,342	4,272	4,310	1.6%	0.7%
Vision Membership	3,699	3,508	3,391	5.4%	9.1%
Medicare Part D					
Membership	1,217	1,248	1,227	(2.5%)	(0.8%)

Source: <http://ir.wellpoint.com/phoenix.zhtml?c=130104&p=irol-newsArticle&ID=1589352&highlight=>



# United Health Group

## CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)

	Three Months Ended June 30,	
	2011	2010
Revenues		
Premiums	\$22,813	\$21,125
Services	\$1,656	\$1,413
Products	\$605	\$577
Investment and Other Income	\$160	\$149
Total Revenues	\$25,234	\$23,264
Operating Costs		
Medical Costs	\$18,578	\$17,221
Operating Costs	\$3,733	\$3,359
Cost of Products Sold	\$554	\$534
Depreciation and Amortization	\$240	\$249
Total Operating Costs	\$23,135	\$21,363
Earnings from Operations	\$2,099	\$1,901
Interest Expense	(\$119)	(\$119)
Earnings Before Income Taxes	\$1,980	\$1,782
Provision for Income Taxes	(\$713)	(\$659)
Net Earnings	\$1,267	\$1,123

### CUSTOMER PROFILE SUMMARY ALL BUSINESS UNITS

(in thousands)(unaudited)

	June 30, 2011	March 31, 2011	June 30, 2010
People Served			
Commercial Risk-based	9,495	9,470	9,235
Commercial Fee-based	16,205	16,130	15,355
Total Commercial	25,700	25,600	24,590
Medicare Advantage	2,185	2,165 (b)	2,040
Medicaid	3,430	3,390	3,185
Standardized Medicare Supplement	2,860	2,840	2,725
Total Public and Senior <sup>(a)</sup>	8,475	8,395	7,950
Total UnitedHealthcare - Medical	34,175	33,995	32,540
Supplemental Data			
Medicare Part D Stand Alone	4,780	4,745	4,520
Total Part D Prescription Drug Plans	6,930	6,865	6,455
Consumer-Driven Health Plans			
(included in Commercial above)	3,850	3,825	3,300

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

(b) Includes 35,000 individuals served in connection with a first quarter 2011 acquisition.

Source: <http://www.unitedhealthgroup.com/invest/2011/UNH-Q2-2011-Release.pdf>