



# Quarterly Reports From MCOL

For the Fourth Quarter 2009 | Volume 6 Issue 1 | February 2010

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/qrep0210.mp3>

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## Summary

(millions)	Revenues Fourth Qtr 2009	Revenues Fourth Qtr 2008	Revenues YTD 2009	Revenues YTD 2008	Net Income Fourth Qtr 2009	Net Income Fourth Qtr 2008	Net Income YTD 2009	Net Income YTD 2008
Aetna	\$8,756	\$7,759	\$34,764	\$30,951	\$170	\$195	\$1,277	\$1,384
Amerigroup	\$1,363	\$1,150	\$5,188	\$4,438	\$40	\$36	\$149	(\$57)
Cigna	\$4,636	\$4,817	\$18,414	\$19,101	\$331	(\$209)	\$1,305	\$294
Coventry	\$3,428	\$2,977	\$13,904	\$11,734	\$109	\$88	\$242	\$382
HealthNet	\$3,798	\$3,869	\$15,713	\$15,367	(\$45)	\$36	(\$49)	\$95
HealthSpring	\$678	\$541	\$2,666	\$2,188	\$39	\$28	\$134	\$119
Humana	\$7,633	\$7,488	\$30,960	\$28,946	\$251	\$174	\$1,040	\$647
Molina	\$964	\$813	\$3,669	\$3,112	\$4	\$15	\$31	\$60
WellPoint	\$19,047	\$15,070	\$65,029	\$61,252	\$2,741	\$331	\$4,746	\$2,491
United Health Group	\$21,784	\$20,454	\$87,138	\$81,186	\$944	\$726	\$3,822	\$2,977

(Membership in millions)	Commercial MCR (or combined)				Medicare MCR				Medical Membership Dec. 2009
	4th Qtr 2009	4th Qtr 2008	YTD 2009	YTD 2008	4th Qtr 2009	4th Qtr 2008	YTD 2009	YTD 2008	
Aetna	85.00%	80.60%	84.50%	80.30%	86.70%	86.40%	87.10%	85.60%	18.914
Amerigroup	84.60%	83.20%	85.40%	82.90%					1.788
Cigna	86.30%	85.70%	85.50%	84.80%	70.90%	89.80%	91.60%	96.90%	11.040
Coventry	82.90%	83.80%	81.90%	84.00%	89.40%	90.90%	89.90%	89.00%	5.269
HealthNet	85.80%	85.30%	86.30%	86.90%	93.20%	95.60%	94.60%	95.30%	3.018
HealthSpring					81.10%	78.90%	81.00%	78.30%	0.189
Humana	84.40%	83.10%	80.60%	80.30%	80.90%	83.30%	83.50%	85.90%	10.283
Molina	87.50%	84.70%	86.80%	84.80%					4.321
WellPoint	84.80%	83.40%	82.60%	83.60%					33.670
United Health Group	81.30%	83.90%	82.30%	83.50%					24.625



# Aetna

## Consolidated Statements of Income

(Millions)	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2009	2008	2009	2008
<b>Revenue:</b>				
Health care premiums	\$ 7,128.3	\$ 6,514.1	\$ 28,243.8	\$ 25,507.3
Other premiums	460.0	461.6	1,892.4	1,876.8
Fees and other revenue	874.3	823.8	3,536.5	3,312.5
Net investment income	265.0	178.3	1,036.4	910.0
Net realized capital gains (losses)	28.6	(218.5)	55.0	(655.9)
<b>Total revenue</b>	<b>8,756.2</b>	<b>7,759.3</b>	<b>34,764.1</b>	<b>30,950.7</b>
<b>Benefits and expenses:</b>				
Health care costs	6,085.0	5,329.4	24,061.2	20,785.5
Current and future benefits	556.5	464.3	2,078.1	1,938.7
<b>Operating expenses:</b>				
Selling expenses	313.4	288.0	1,251.9	1,149.6
General and administrative expenses	1,477.8	1,229.9	5,131.1	4,601.9
<b>Total operating expenses</b>	<b>1,791.2</b>	<b>1,517.9</b>	<b>6,383.0</b>	<b>5,751.5</b>
Interest expense	60.6	64.9	243.4	236.4
Amortization of other acquired intangible assets	24.3	27.7	97.2	108.2
Reduction of reserve for anticipated future losses on discontinued products	-	-	-	(43.8)
<b>Total benefits and expenses</b>	<b>8,517.6</b>	<b>7,404.2</b>	<b>32,862.9</b>	<b>28,776.5</b>
Income before income taxes	238.6	355.1	1,901.2	2,174.2
Income taxes	72.7	160.4	624.7	790.1
<b>Net income</b>	<b>\$ 165.9</b>	<b>\$ 194.7</b>	<b>\$ 1,276.5</b>	<b>\$ 1,384.1</b>

*Aetna Continued*

Segment Information <sup>(7)</sup>

(Millions)	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2009	2008	2009	2008
<b>Health Care:</b>				
Revenue, excluding net realized capital gains (losses) and an other item	\$ 8,046.1	\$ 7,381.8	\$ 32,024.1	\$ 29,051.2
ESI settlement	30.2	-	30.2	-
Net realized capital gains (losses)	12.1	(30.6)	19.0	(276.2)
<b>Total revenue (GAAP measure)</b>	<b>\$ 8,088.4</b>	<b>\$ 7,351.0</b>	<b>\$ 32,073.3</b>	<b>\$ 28,775.0</b>
Operating earnings	\$ 261.6	\$ 436.0	\$ 1,412.7	\$ 1,802.3
Severance and facility charge	(60.9)	(35.6)	(60.9)	(35.6)
ESI settlement	19.6	-	19.6	-
Litigation-related insurance proceeds	-	-	24.9	-
Contribution for the establishment of an out-of-network pricing database (NYAG)	-	(20.0)	-	(20.0)
Net realized capital gains (losses)	12.1	(53.6)	19.0	(213.1)
<b>Net income (GAAP measure)</b>	<b>\$ 232.4</b>	<b>\$ 326.8</b>	<b>\$ 1,415.3</b>	<b>\$ 1,533.6</b>
<b>Group Insurance:</b>				
Revenue, excluding net realized capital gains (losses)	\$ 510.1	\$ 494.4	\$ 2,101.2	\$ 2,021.9
Net realized capital gains (losses)	15.4	(156.0)	41.8	(311.2)
<b>Total revenue (GAAP measure)</b>	<b>\$ 525.5</b>	<b>\$ 338.4</b>	<b>\$ 2,143.0</b>	<b>\$ 1,710.7</b>
Operating (loss) earnings	\$ (14.1)	\$ 17.7	\$ 103.8	\$ 136.8
Allowance on reinsurance recoverable	-	-	-	(27.4)
Net realized capital gains (losses)	15.4	(123.8)	41.8	(224.7)
<b>Net income (loss) (GAAP measure)</b>	<b>\$ 1.3</b>	<b>\$ (106.1)</b>	<b>\$ 145.6</b>	<b>\$ (115.3)</b>
<b>Large Case Pensions:</b>				
Revenue, excluding net realized capital gains (losses)	\$ 141.2	\$ 101.6	\$ 553.6	\$ 533.5
Net realized capital gains (losses)	1.1	(31.7)	(5.8)	(68.5)
<b>Total revenue (GAAP measure)</b>	<b>\$ 142.3</b>	<b>\$ 69.9</b>	<b>\$ 547.8</b>	<b>\$ 465.0</b>
Operating earnings	\$ 8.6	\$ 12.0	\$ 32.2	\$ 36.8
Reduction of reserve for anticipated future losses on discontinued products	-	-	-	26.5
Net realized capital gains (losses)	1.1	(20.6)	(5.8)	(44.5)
<b>Net income (loss) (GAAP measure)</b>	<b>\$ 9.7</b>	<b>\$ (8.6)</b>	<b>\$ 26.4</b>	<b>\$ 22.8</b>

Medical benefit ratios ("MBRs") for third-quarter 2009 and 2008 were as follows:

	2009	2008
Commercial	85.0%	80.6%
Medicare	86.7%	86.4%
Medicaid	84.9%	86.8%
<b>Total</b>	<b>85.4%</b>	<b>81.8%</b>

*Aetna Continued*

Membership			
(Thousands)	December 31, 2009	September 30, 2009	December 31, 2008
<b>Medical Membership:</b>			
Commercial	17,435	17,582	16,488
Medicare	433	428	366
Medicaid	1,046	1,017	847
<b>Total Medical Membership</b>	<b>18,914</b>	<b>19,027</b>	<b>17,701</b>
<b>Consumer-Directed Health Plans <sup>(8)</sup></b>	<b>1,868</b>	<b>1,862</b>	<b>1,431</b>
<b>Dental Membership:</b>			
Commercial	12,302	12,468	12,506
Medicare & Medicaid	692	676	603
Network Access <sup>(9)</sup>	1,067	1,039	1,015
<b>Total Dental Membership</b>	<b>14,061</b>	<b>14,183</b>	<b>14,124</b>
<b>Pharmacy Membership:</b>			
Commercial	9,728	9,862	9,846
Medicare PDP (stand-alone)	346	338	375
Medicare Advantage PDP	240	233	195
Medicaid	30	29	25
<b>Total Pharmacy Benefit Management Services</b>	<b>10,344</b>	<b>10,462</b>	<b>10,441</b>
Mail Order <sup>(9)</sup>	669	673	657
<b>Total Pharmacy Membership</b>	<b>11,013</b>	<b>11,155</b>	<b>11,098</b>

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

(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/2009/pr\\_3rdquarter2009\\_earnings.html](http://www.aetna.com/news/newsReleases/2009/pr_3rdquarter2009_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		Twelve Months Ended	
	December	31,	December	31,
	2009	2008[1]	2009	2008[1]
<b>Revenues:</b>				
Premium	\$1,357,683	\$1,137,632	\$5,158,989	\$4,366,359
Investment income and other	\$4,902	\$12,687	\$29,081	\$71,383
<b>Total revenues</b>	<b>\$1,362,585</b>	<b>\$1,150,319</b>	<b>\$5,188,070</b>	<b>\$4,437,742</b>
<b>Expenses:</b>				
Health benefits	\$1,148,366	\$946,095	\$4,407,273	\$3,618,261
Selling, general and administrative	\$105,191	\$103,772	\$394,089	\$435,876
Premium tax	\$33,200	\$25,706	\$134,277	\$93,757
Litigation settlement	-	-	-	\$234,205
Depreciation and amortization	\$8,299	\$10,926	\$34,746	\$37,385
Interest	\$3,867	\$4,407	\$16,266	\$20,514
<b>Total expenses</b>	<b>\$1,298,923</b>	<b>\$1,090,906</b>	<b>\$4,986,651</b>	<b>\$4,439,998</b>
<b>Income (loss) before income taxes</b>	<b>\$63,662</b>	<b>\$59,413</b>	<b>\$201,419</b>	<b>(\$2,256)</b>
Income tax expense	\$23,440	\$23,550	\$52,140	\$54,350
<b>Net income (loss)</b>	<b>\$40,222</b>	<b>\$35,863</b>	<b>\$149,279</b>	<b>(\$56,606)</b>

1) 2008 results reflect the previously disclosed reclassification of premium taxes and experience rebate. Additionally, results include the impact from the adoption of a new accounting pronouncement related to convertible debt instruments which increased interest expense in each of the periods presented.

2) Weighted shares in the twelve months ended December 31, 2008 exclude potentially dilutive common stock equivalents due to the net loss in that period in accordance with U.S. generally accepted accounting principles.

**Amerigroup Continued**

**Selected Operating Ratios**

	Three Months ended		Twelve Months ended	
	December 31,		December 31,	
	2009	2008	2009	2008
Premium revenue	99.6%	98.9%	99.4%	98.4%
Investment income and other	40.0%	110.0%	60.0%	160.0%
Total revenues	100.0%	100.0%	100.0%	100.0%
Health benefits [1]	84.6%	83.2%	85.4%	82.9%
Selling, general and administrative expenses	7.7%	9.0%	7.6%	9.8%
Income (loss) before income taxes	4.7%	5.2%	3.9%	(0.1%)
Net income (loss)	3.0%	3.1%	2.9%	(1.3%)

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.

**Membership By State and Product:**

	December 31,	
	2009	2008
Texas(2)	505,000	455,000
Georgia	249,000	206,000
Florida	236,000	237,000
Tennessee	195,000	187,000
Maryland	194,000	169,000
New Jersey	118,000	105,000
New York	114,000	110,000
Nevada	62,000	-
Ohio	60,000	58,000
Virginia	35,000	25,000
New Mexico	20,000	11,000
South Carolina (2)	-	16,000
Total	1,788,000	1,579,000

1) Membership includes approximately 13,000 ASO members in 2009.

2) Amerigroup exited the State of South Carolina on March 1, 2009.

*Amerigroup Continued*

	December 31,	
	2009	2008
TANF (Medicaid)[1]	1,255,000	1,095,000
CHIP[1]	259,000	253,000
ABD (Medicaid)[2]	196,000	182,000
FamilyCare (Medicaid)	63,000	40,000
Medicare Advantage	15,000	9,000
 Total	 1,788,000	 1,579,000

- 1) 2008 reflects a reclassification from CHIP to TANF to coincide with State classifications.
- 2) Membership includes approximately 13,000 ASO members in 2009.

**Source:** <http://phx.corporate-ir.net/phoenix.zhtml?c=122199&p=irol-newsArticle&ID=1393047&highlight=>



# CIGNA

## Consolidated Income Statements

Dollars in Millions

	Three Months Ended December 31,			Year Ended December 31		
	2009	2008	Change (%)	2009	2008	Change (%)
<b>Revenues:</b>						
Premiums and fees	\$3,992	\$4,056	(2)	\$16,041	\$16,253	(1)
Net investment income	\$262	\$261	-	\$1,014	\$1,063	(5)
Mail order pharmacy revenues (1)	\$338	\$322	5	\$1,282	\$1,204	6
Other revenues (2)	\$47	\$320	(85)	\$120	\$751	(84)
Net realized investment losses	(\$3)	(\$142)	98	(\$43)	(\$170)	75
<b>Total revenues</b>	<b>\$4,636</b>	<b>\$4,817</b>	<b>(4)</b>	<b>\$18,414</b>	<b>\$19,101</b>	<b>(4)</b>
<b>Benefits and Expenses:</b>						
Health Care medical claims expense	\$1,701	\$1,772	(4)	\$6,927	\$7,252	(4)
Other benefit expenses	\$856	\$1,408	(39)	\$3,407	\$4,285	(20)
Mail order pharmacy cost of goods sold	\$274	\$257	7	\$1,036	\$961	8
Policy acquisition expenses	\$122	\$132	(8)	\$477	\$493	(3)
Guaranteed minimum income benefits (income) expense (3)	(\$89)	\$337	-	(\$304)	\$690	-
Other operating expenses excluding special items	\$1,244	\$1,194	4	\$4,966	\$4,866	2
Special item(s) (4)	\$20	\$55	(64)	\$7	\$172	(96)
<b>Total benefits and expenses</b>	<b>\$4,128</b>	<b>\$5,155</b>	<b>(20)</b>	<b>\$16,516</b>	<b>\$18,719</b>	<b>(12)</b>
Income (loss) from continuing operations before income taxes	\$508	(\$338)	-	\$1,898	\$382	397
Income taxes (benefits): (5)						
Current	\$137	\$39	251	\$275	\$313	(12)
Deferred	\$40	(\$167)	-	\$319	(\$221)	-
<b>Total taxes</b>	<b>\$177</b>	<b>(\$128)</b>	<b>-</b>	<b>\$594</b>	<b>\$92</b>	<b>546</b>
Income (loss) from continuing operations	\$331	(\$210)	-	\$1,304	\$290	350
Income from discontinued operations	-	\$1	-	\$1	\$4	(75)
<b>Net income (loss)</b>	<b>\$331</b>	<b>(\$209)</b>	<b>-</b>	<b>\$1,305</b>	<b>\$294</b>	<b>344</b>
<b>Less: net income attributable to noncontrolling interest</b>	<b>\$1</b>	<b>-</b>	<b>-</b>	<b>\$3</b>	<b>\$2</b>	<b>50</b>

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

(2) Includes pre-tax losses of \$50 million for the fourth quarter of 2009 and \$282 million for the year ended December 31, 2009, and pre-tax gains of \$215 million for the fourth quarter of 2008 and \$333 million for the year ended December 31, 2008 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, 2009 which is expected to be filed on February 25, 2010.

(3) The year ended December 31, 2008 includes a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of the FASB's fair value disclosure and measurement guidance (ASC 820) for guaranteed minimum income benefit contracts.

(4) The year ended December 31, 2009 includes a pre-tax curtailment benefit of \$46 million (\$30 million after-tax) resulting from the decision to freeze CIGNA's pension plans, a pre-tax charge of \$44 million (\$29 million after-tax) related to the previously announced cost reduction plan, and a pre-tax charge of \$9 million in conjunction with the completion of the 2005 and 2006 IRS examinations. The year ended December 31, 2008 includes a pre-tax charge of \$55 million (\$35 million after-tax) related to the previously announced cost reduction plan and pre-tax charges of \$80 million (\$52 million after-tax) in Corporate and \$37 million (\$24 million after-tax) in Health Care, both of which related to litigation matters.

(5) The year ended December 31, 2009 includes a tax benefit of \$29 million resulting from the completion of the 2005 and 2006 IRS examinations. These tax benefits are partially offset by the pre-tax charge of \$9 million discussed in (4) above, resulting in a net after-tax benefit of \$20 million. This amount was treated as a special item.

**Cigna Continued**

Health Care  
Segment Earnings (unaudited)

Dollars in Millions

	Three Months Ended December 31,			Year Ended December 31,		
	2009	2008	Change	2009	2008	Change
<b>Revenues:</b>						
Premiums and fees	\$2,806	\$2,905	(3)	\$11,384	\$11,665	(2)
Net investment income	\$49	\$46	7	\$181	\$200	(10)
Mail order pharmacy revenues	\$338	\$322	5	\$1,282	\$1,204	6
Other revenues	\$61	\$68	(10)	\$262	\$267	(2)
<b>Segment revenues</b>	<b>\$3,254</b>	<b>\$3,341</b>	<b>(3)</b>	<b>\$13,109</b>	<b>\$13,336</b>	<b>(2)</b>
<b>Benefits and Expenses:</b>						
Health Care medical claims expense	\$1,701	\$1,772	(4)	\$6,927	\$7,252	(4)
Other benefit expenses	\$35	\$42	(17)	\$169	\$193	(12)
Mail order pharmacy cost of goods sold	\$274	\$257	7	\$1,036	\$961	8
Policy acquisition expenses	\$32	\$38	(16)	\$141	\$138	2
Other operating expenses excluding special items	\$915	\$914	-	\$3,708	\$3,695	-
Special item(s) <b>(1)</b>	\$17	\$44	(61)	(\$2)	\$81	-
<b>Benefits and expenses</b>	<b>\$2,974</b>	<b>\$3,067</b>	<b>(3)</b>	<b>\$11,979</b>	<b>\$12,320</b>	<b>(3)</b>
Income before income taxes	\$280	\$274	2	\$1,130	\$1,016	11
Income taxes <b>(2)</b>	\$98	\$92	7	\$399	\$352	13
<b>Segment earnings, after-tax</b>	<b>\$182</b>	<b>\$182</b>	<b>-</b>	<b>\$731</b>	<b>\$664</b>	<b>10</b>
Less: Special items, after-tax <b>(1) (2)</b>	(\$12)	(\$27)	56	\$2	(\$51)	-
<b>Adjusted income from operations</b>	<b>\$194</b>	<b>\$209</b>	<b>(7)</b>	<b>\$729</b>	<b>\$715</b>	<b>2</b>
<b>Net realized investment losses, net of taxes</b>	<b>(\$2)</b>	<b>(\$36)</b>	<b>94</b>	<b>(\$19)</b>	<b>(\$13)</b>	<b>(46)</b>

(1) The year ended December 31, 2009 includes a curtailment benefit of \$39 million (\$25 million after-tax) resulting from the decision to freeze CIGNA's pension plans and a pretax charge of \$37 million (\$24 million after-tax) related to the previously announced cost reduction plan. The year ended December 31, 2008 includes pre-tax charges of \$44 million (\$27 million after-tax) related to the previously announced cost reduction program and \$37 million (\$24 million after-tax) related to litigation matters.

(2) The year ended December 31, 2009 includes a \$1 million tax benefit resulting from the completion of the 2005 and 2006 IRS examinations.

*Cigna Continued*

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

<b>COVERED LIVES BY FUNDING TYPE:</b>	As of December 31,		
(Lives in thousands)	2009	2008	Change
<b>Medical membership :</b>			
Guaranteed cost excluding voluntary / limited benefits (1)	780	891	-12%
Voluntary / Limited Benefits	221	201	10%
Medicare	52	35	49%
Total guaranteed cost	1,053	1,127	-7%
Experience-rated (2)	761	864	-12%
Service	9,226	9,688	-5%
Total medical membership	11,040	11,679	-5%
<b>Non-medical membership :</b>			
Medicare Part D (3)	305	326	-6%
Dental (4)	9,873	10,615	-7%
Behavioral care (4)	17,647	18,316	-4%
Pharmacy (4)	6,451	6,203	4%

<b>COVERED LIVES BY MARKET SEGMENT: (5)</b>	As of December 31,		
(Lives in thousands)	2009	2008	Change
<b>Medical membership :</b>			
National Accounts	4,165	4,586	-9%
Middle Market	6,166	6,299	-2%
Select	571	686	-17%
Other, including Individual	138	108	28%
Total medical membership	11,040	11,679	-5%

- (1) Includes guaranteed cost premiums primarily associated with open access and commercial HMO, as well as other risk-related products.
- (2) Includes minimum premium members, who have a risk profile similar to experienced funding arrangements. 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. The managed pharmacy members in 2009 include the fourth quarter 2009 conversion of members from Great-West Healthcare.
- (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.

<b>RATIOS:</b>	Three Months Ended December 31,			Year Ended December 31,		
	2009	2008	Change <i>Better (Worse)</i>	2009	2008	Change <i>Better (Worse)</i>
Guaranteed Cost care ratio (excluding voluntary / limited benefits) (4)	86.3%	85.7%	(0.6)	85.5%	84.8%	(0.7)
Guaranteed Cost care ratio (including voluntary / limited benefits) (4)	84.4%	84.0%	(0.4)	83.9%	83.4%	(0.5)
Medicare Part D care ratio (including fees)	60.1%	64.8%	4.7	81.8%	80.1%	(1.7)
Medicare Part D care ratio (excluding fees) (5)	70.9%	89.8%	18.9	91.6%	96.9%	5.3

- (4) The Guaranteed Cost care ratio excludes the stop loss products associated with experience-rated and service members.
- (5) Certain reclassifications have been made to the Medicare Part D care ratio to conform to the current presentation.

**SOURCE:** [http://www.cigna.com/about\\_us/investor\\_relations/release/4q09qss.pdf](http://www.cigna.com/about_us/investor_relations/release/4q09qss.pdf)



## Coventry

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

	Quarters Ended		Years Ended	
	December 31, 2009 (unaudited)	2008 (unaudited)	December 31, 2009 (unaudited)	2008
<b>Operating revenues:</b>				
Managed care premiums	\$3,121,527	\$2,671,463	\$12,717,399	\$10,563,163
Management services	\$306,620	\$305,279	\$1,186,127	\$1,171,064
<b>Total operating revenues</b>	<b>\$3,428,147</b>	<b>\$2,976,742</b>	<b>\$13,903,526</b>	<b>\$11,734,227</b>
<b>Operating expenses:</b>				
Medical costs	\$2,598,291	\$2,237,629	\$10,859,394	\$8,868,579
Cost of sales	\$62,548	\$56,562	\$240,828	\$195,600
Selling, general, administrative	\$544,656	\$529,658	\$2,151,799	\$1,940,820
Depreciation and amortization	\$39,246	\$34,298	\$149,554	\$143,699
<b>Total operating expenses</b>	<b>\$3,244,741</b>	<b>\$2,858,147</b>	<b>\$13,401,575</b>	<b>\$11,148,698</b>
<b>Operating earnings</b>	<b>\$183,406</b>	<b>\$118,595</b>	<b>\$501,951</b>	<b>\$585,529</b>
<b>Operating earnings percentage of total revenues</b>	<b>5.4%</b>	<b>4.0%</b>	<b>3.6%</b>	<b>5.0%</b>
Interest expense	\$20,272	\$25,840	\$84,875	\$96,386
Other income, net	\$17,704	\$30,426	\$87,478	\$82,718
Earnings before income taxes	\$180,838	\$123,181	\$504,554	\$571,861
Provision for income taxes	\$71,758	\$41,835	\$189,220	\$209,861
<b>Income from continuing operations</b>	<b>\$109,080</b>	<b>\$81,346</b>	<b>\$315,334</b>	<b>\$362,000</b>
<b>Income (loss) from discontinued operations, net of tax</b>	<b>-</b>	<b>\$6,895</b>	<b>(\$73,033)</b>	<b>\$19,895</b>
<b>Net earnings</b>	<b>\$109,080</b>	<b>\$88,241</b>	<b>\$242,301</b>	<b>\$381,895</b>

*Coventry Continued*

**SELECTED OPERATING STATISTICS**  
(Unaudited)

	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Total 2008
<b>Membership by Product (000s)</b>						
Health Plan Commercial Risk		1,418	1,431	1,477	1,501	1,575
Health Plan Commercial ASO		685	689	697	702	714
Medicare Advantage CCP		186	185	182	176	137
Medicaid Risk		402	391	385	375	371
<b>Health Plan Total</b>		2,691	2,696	2,741	2,754	2,797
Medicare Advantage PFFS		329	336	329	318	243
Other National Risk		2	5	15	21	24
Other National ASO		564	567	571	575	633
<b>Total Medical Membership</b>		3,586	3,604	3,656	3,668	3,697
Medicare Part D		1,683	1,636	1,555	1,501	931
<b>Total Membership</b>		5,269	5,240	5,211	5,169	4,628
<b>Revenues by Product Type (000s)</b>						
Commercial Risk	\$5,174,772	\$1,257,335	\$1,279,571	\$1,310,645	\$1,327,221	\$5,421,984
Commercial Management Services	\$346,042	\$96,896	\$81,661	\$83,675	\$83,810	\$352,369
Medicare Advantage	\$4,901,918	\$1,247,725	\$1,268,592	\$1,224,011	\$1,161,590	\$3,177,244
Medicaid Risk	\$1,066,231	\$261,208	\$281,146	\$263,039	\$260,838	\$1,087,189
<b>Total Health Plan and Medical Services Businesses</b>	\$11,488,963	\$2,863,164	\$2,910,970	\$2,881,370	\$2,833,459	\$10,038,786
Medicare Part D	\$1,545,858	\$347,991	\$316,654	\$397,090	\$484,123	\$847,702
Other Premiums	\$94,562	\$23,291	\$23,568	\$23,746	\$23,957	\$64,783
Other Management Services <sup>(1)</sup>	\$850,184	\$212,054	\$211,769	\$215,468	\$210,893	\$826,321
<b>Total Specialized Managed Care Businesses<sup>(1)</sup></b>	\$2,490,604	\$583,336	\$551,991	\$636,304	\$718,973	\$1,738,806
Total Premiums	\$12,783,341	\$3,137,550	\$3,169,531	\$3,218,531	\$3,257,729	\$10,598,902
Total Management Services <sup>(1)</sup>	\$1,196,226	\$308,950	\$293,430	\$299,143	\$294,703	\$1,178,690
Other/Eliminations	(\$76,041)	(\$18,353)	(\$18,851)	(\$19,300)	(\$19,537)	(\$43,365)
<b>Total Revenue<sup>(1)</sup></b>	\$13,903,526	\$3,428,147	\$3,444,110	\$3,498,374	\$3,532,895	\$11,734,227
<b>Consolidated Coventry</b>						
Operating Income % of Revenues <sup>(1)</sup>	3.60%	5.40%	4.40%	2.90%	1.80%	5%
SGA % of Revenues <sup>(1)</sup>	15.50%	15.90%	15.30%	15.30%	15.40%	16.50%
Total Medical Liabilities (000s)		\$1,373,707	\$1,428,766	\$1,413,243	\$1,416,735	\$1,243,620
Days in Claims Payable (DCP)		53.53	54.78	54.07	55.11	54.75
Total Debt (millions)		\$1,599	\$1,709	\$1,807	\$1,903	\$1,903
Total Capital (millions)		\$5,312	\$5,312	\$5,333	\$5,403	\$5,333
Debt to Capital		30.10%	32.20%	33.90%	35.20%	35.70%

1) Operating statistics excluding discontinued operations.

*Coventry Continued*

**REVENUE AND MEDICAL COST STATISTICS**

(Unaudited)

	Total					Total
	2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	2008
<b>Revenue PMPM</b>						
Health Plan Commercial Group Risk	\$301.63	\$306.75	\$304.13	\$299.79	\$296.36	\$286.30
Medicare Advantage <sup>(2)</sup>	\$855.16	\$849.62	\$853.90	\$857.05	\$860.46	\$862.60
Medicare Part D <sup>(3)</sup>	\$84.40	\$83.42	\$84.63	\$85.27	\$84.35	\$88.34
Medicaid Risk	\$229.94	\$218.62	\$239.22	\$230.27	\$231.93	\$208.50
<b>MLR %</b>						
Consolidated Total	85.40%	83.20%	84.40%	86.40%	87.40%	84%
Health Plan Commercial Group Risk	81.90%	82.90%	82.10%	81.70%	80.90%	81.70%
Medicare Advantage	89.90%	89.40%	89.40%	90.40%	90.50%	89%
Medicare Part D	85.70%	64.40%	79.40%	89.90%	101.80%	84.10%
Medicaid Risk	87.60%	85.80%	86.10%	90.20%	88.30%	85.30%

2) Revenue PMPM excludes the impact of revenue ceded to external parties.

3) Revenue PMPM excludes the impact of CMS risk-share premium adjustments and revenue ceded to external parties.

Source: [http://phx.corporate-ir.net/phoenix.zhtml?c=107448&p=irol-newsArticle\\_print&ID=1385305&highlight=](http://phx.corporate-ir.net/phoenix.zhtml?c=107448&p=irol-newsArticle_print&ID=1385305&highlight=)



# HealthNet

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

	Quarter Ended December 31, 2008	Year Ended December 31, 2008	Quarter Ended September 30, 2009	Quarter Ended December 31, 2009	Year Ended December 31, 2009
<b>REVENUES:</b>					
Health plan services premiums	3,082,133	12,392,006	3,166,877	2,981,678	12,440,589
Government contracts	751,604	2,835,261	758,507	754,766	3,104,700
Net investment income	24,536	91,042	27,691	33,486	105,930
Administrative services fees and other income	11,209	48,280	15,578	28,165	62,022
	3,869,482	15,366,589	3,968,653	3,798,095	15,713,241
<b>EXPENSES:</b>					
Health plan services	2,629,398	10,762,657	2,734,984	2,557,149	10,731,951
Government contracts	718,893	2,702,573	716,323	703,721	2,936,090
General and administrative	347,128	1,291,059	319,451	359,039	1,365,586
Selling	92,314	360,381	83,275	84,068	330,112
Depreciation and amortization	17,271	59,878	12,689	8,605	53,044
Interest	10,523	42,909	10,264	9,538	40,887
Asset impairments	-	-	170,570	4,309	174,879
Loss on sale of businesses	-	-	-	105,931	105,931
	3,815,527	15,219,457	4,047,556	3,832,360	15,738,480
Income (loss) from operations before income taxes	53,955	147,132	(78,903)	(34,265)	(25,239)
Income tax provision (benefit)	18,420	52,129	(12,881)	10,892	23,765
Net income (loss)	35,535	95,003	(66,022)	(45,157)	(49,004)
Basic earnings (loss) per share	\$0.34	\$0.89	(\$0.64)	(\$0.43)	(\$0.47)
Diluted earnings (loss) per share	\$0.34	\$0.88	(\$0.64)	(\$0.43)	(\$0.47)
Weighted average shares outstanding:					
Basic	103,694	106,532	103,873	103,902	103,849
Diluted	104,063	107,610	103,873	103,902	103,849
Pretax margin	1.4%	1.0%	(2.0%)	(0.9%)	(0.2%)
Health plan services MCR	85.3%	86.9%	86.4%	85.8%	86.3%
Government contracts cost ratio	95.6%	95.3%	94.4%	93.2%	94.6%
G&A expense ratio	11.2%	10.4%	10.0%	11.9%	10.9%
Selling costs ratio	3.0%	2.9%	2.6%	2.8%	2.7%
Days claims payable (a)	47	44.9	41	38.6	38.9
Days claims payable-adjusted (a)	59.9	56.5	55.4	55.7	57.7
Effective tax rate	34.1%	35.4%	16.3%	(31.8%)	(94.2%)
Health plan services premiums PMPM	\$279.47	\$277.79	\$296.16	\$289.15	\$294.12
Health plan services costs PMPM	\$238.42	\$241.27	\$255.77	\$247.90	\$253.71

*HealthNet Continued*

Enrollment Data - Line of Business  
(In thousands)

	Dec 31, 2009	Sept 30, 2009	Dec 31, 2008	September 30, 2009 Increase/ (Decrease)	Change %	December 31, 2008 Increase/ (Decrease)	Change %
Large Group	1,001	1,025	1,108	(24)	(2.3%)	(107)	(9.7%)
Small Group and Individual	440	450	500	(10)	(2.2%)	(60)	(12.0%)
Commercial Risk	1,441	1,475	1,608	(34)	(2.3%)	(167)	(10.4%)
ASO	5	5	5	0	0.0%	0	0.0%
Total Commercial	1,446	1,480	1,613	(34)	(2.3%)	(167)	(10.4%)
Medicare Advantage	227	225	222	2	0.9%	5	2.3%
Medicare PDP (stand-alone)	460	453	487	7	1.5%	(27)	(5.5%)
Medi-Cal/Medicaid	857	841	765	16	1.9%	92	12.0%
Total Health Plans	3,018	3,598	3,720	(580)	(16.1%)	(702)	(18.9%)

Source: <http://investor.health.net/phoenix.zhtml?c=70296&p=irol-newsArticle&ID=1382453&highlight=>



**HEALTHSPRING**

More from Medicare. More from life.

## 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,	
	2009	2008	2009	2008
Revenue:				
Premium revenue	\$663,663	\$529,241	\$2,619,505	\$2,140,692
Management and other fees	\$13,186	\$8,546	\$42,250	\$32,602
Investment income	\$758	\$3,051	\$4,290	\$15,026
<b>Total revenue</b>	<b>\$677,607</b>	<b>\$540,838</b>	<b>\$2,666,045</b>	<b>\$2,188,320</b>
Operating expenses:				
Medical expense	\$522,465	\$415,849	\$2,129,946	\$1,707,891
Selling, general and administrative	\$79,415	\$68,781	\$279,822	\$246,294
Depreciation and amortization	\$7,778	\$7,267	\$30,726	\$28,547
Interest expense	\$3,600	\$4,611	\$15,614	\$19,124
<b>Total operating expenses</b>	<b>\$613,258</b>	<b>\$496,508</b>	<b>\$2,456,108</b>	<b>\$2,001,856</b>
Income before income taxes	\$64,349	\$44,330	\$209,937	\$186,464
Income taxes	(\$25,571)	(\$16,018)	(\$76,342)	(\$67,512)
<b>Net income</b>	<b>\$38,778</b>	<b>\$28,312</b>	<b>\$133,595</b>	<b>\$118,952</b>

*HealthSpring Continued*

Membership	Dec. 31, 2009	Dec. 31, 2008	Percent Change
Medicare Advantage Membership:			
Alabama	31,330	29,022	8.0%
Florida	32,606	27,568	18.3%
Illinois	11,261	9,245	21.8%
Mississippi	4,591	2,425	89.3%
Tennessee	58,252	49,933	16.7%
Texas	51,201	43,889	16.7%
Total	189,241	162,082	16.8%
PDP Membership:	313,045	282,429	10.8%
Commercial:	722	895	(19.3%)

	4th Qtr 2009	4th Qtr 2008	YTD 2009	YTD 2008
Medicare MCR	81.10%	78.90%	81.00%	78.30%

Source: <http://phx.corporate-ir.net/phoenix.zhtml?c=194529&p=irol-newsArticle&ID=1384683&highlight=>



# Humana

## Consolidated Statements of Income

In thousands, except per common share results

	Three Months Ended December 31,		Dollar Change	Percentage Change
	2009	2008		
<b>Revenues:</b>				
Premiums	\$7,368,808	\$7,253,922	\$114,886	1.6%
Administrative services fees	\$127,827	\$112,535	\$15,292	13.6%
Investment income	\$76,572	\$66,208	\$10,364	15.7%
Other revenue	\$59,838	\$54,971	\$4,867	8.9%
<b>Total revenues</b>	<b>\$7,633,045</b>	<b>\$7,487,636</b>	<b>\$145,409</b>	<b>1.9%</b>
<b>Operating expenses:</b>				
Benefits	\$6,026,796	\$6,041,104	(\$14,308)	(0.2%)
Selling, general and administrative	\$1,111,617	\$1,098,943	\$12,674	1.2%
Depreciation	\$60,764	\$49,788	\$10,976	22.0%
Other intangible amortization	\$8,930	\$10,020	(\$1,090)	(10.9%)
<b>Total operating expenses</b>	<b>\$7,208,107</b>	<b>\$7,199,855</b>	<b>\$8,252</b>	<b>0.1%</b>
<b>Income from operations</b>	<b>\$424,938</b>	<b>\$287,781</b>	<b>\$137,157</b>	<b>47.7%</b>
Interest expense	\$26,238	\$26,735	(\$497)	(1.9%)
<b>Income before income taxes</b>	<b>\$398,700</b>	<b>\$261,046</b>	<b>\$137,654</b>	<b>52.7%</b>
Provision for income taxes	\$148,041	\$86,966	\$61,075	70.2%
<b>Net income</b>	<b>\$250,659</b>	<b>\$174,080</b>	<b>\$76,579</b>	<b>44.0%</b>

	Twelve Months Ended December 31,		Dollar Change	Percentage Change
	2009	2008		
<b>Revenues:</b>				
Premiums	\$29,926,751	\$28,064,844	\$1,861,907	6.60%
Administrative services fees	\$496,135	\$451,879	\$44,256	9.80%
Investment income	\$296,317	\$220,215	\$76,102	34.60%
Other revenue	\$241,211	\$209,434	\$31,777	15.20%
<b>Total revenues</b>	<b>\$30,960,414</b>	<b>\$28,946,372</b>	<b>\$2,014,042</b>	<b>7.00%</b>
<b>Operating expenses:</b>				
Benefits	\$24,775,002	\$23,708,233	\$1,066,769	4.50%
Selling, general and administrative	\$4,227,535	\$3,944,652	\$282,883	7.20%
Depreciation	\$213,014	\$183,257	\$29,757	16.20%
Other intangible amortization	\$37,260	\$37,093	\$167	0.50%
<b>Total operating expenses</b>	<b>\$29,252,811</b>	<b>\$27,873,235</b>	<b>\$1,379,576</b>	<b>4.90%</b>
<b>Income from operations</b>	<b>\$1,707,603</b>	<b>\$1,073,137</b>	<b>\$634,466</b>	<b>59.10%</b>
Interest expense	\$105,843	\$80,289	\$25,554	31.80%
<b>Income before income taxes</b>	<b>\$1,601,760</b>	<b>\$992,848</b>	<b>\$608,912</b>	<b>61.30%</b>
Provision for income taxes	\$562,085	\$345,694	\$216,391	62.60%
<b>Net income</b>	<b>\$1,039,675</b>	<b>\$647,154</b>	<b>\$392,521</b>	<b>60.70%</b>

## Humana Continued

### Membership Detail In thousands

	Ending 31-Dec-09	Average 4Q09	Ending 31-Dec-08	Year-over-year Amount	Change Percent	Ending 30-Sep-09	Sequential Amount	Change Percent
<b>Medical Membership:</b>								
<b>Government Segment:</b>								
Total Medicare Advantage	1,508.5	1,508.7	1,435.9	72.6	5.1%	1,514.8	(6.3)	(0.4%)
Total Medicare stand-alone PDPs	1,927.9	1,938.8	3,066.6	(1,138.7)	(37.1%)	1,960.4	(32.5)	(1.7%)
Total Medicare	3,436.4	3,447.5	4,502.5	(1,066.1)	(23.7%)	3,475.2	(38.8)	(1.1%)
Total military services	3,034.4	3,024.0	2,964.7	69.7	2.4%	3,015.1	19.3	0.6%
Total Medicaid	401.7	402.0	471.1	(69.4)	(14.7%)	399.8	1.9	0.5%
Total Government Segment	6,872.5	6,873.5	7,938.3	(1,065.8)	(13.4%)	6,890.1	(17.6)	(0.3%)
<b>Commercial Segment:</b>								
Total Commercial Segment	3,410.8	3,416.3	3,620.8	(210.0)	(5.8%)	3,426.9	(16.1)	(0.5%)
Total medical membership	10,283.3	10,289.8	11,559.1	(1,275.8)	(11.0%)	10,317.0	(33.7)	(0.3%)
<b>Specialty Membershi</b>								
Total specialty membership	7,200.1	7,193.9	6,713.2	486.9	7.3%	7,163.7	36.4	0.5%

### Key Income Statement Ratios and Segment Operating Results Dollars in thousands

	Three Months Ended December 31,			Percentage Change	Twelve Months Ended December 31,			Percentage Change
	2009	2008	Difference		2009	2008	Difference	
<b>Benefit ratio</b>								
Government Segment	80.90%	83.30%	-2.40%		83.50%	85.90%	-2.40%	
Commercial Segment	84.40%	83.10%	1.30%		80.60%	80.30%	0.30%	
Consolidated	81.80%	83.30%	-1.50%		82.80%	84.50%	-1.70%	
<b>Selling, general, and administrative expense ratio (A)</b>								
Government Segment	11.20%	11.80%	-0.60%		10.30%	10.60%	-0.30%	
Commercial Segment	24.90%	23.00%	1.90%		24.10%	22.40%	1.70%	
Consolidated	14.70%	14.80%	-0.10%		13.80%	13.70%	0.10%	
<b>Investment income</b>								
Government Segment	\$46,247	\$34,232	\$12,015	35.10%	\$179,141	\$115,162	\$63,979	55.60%
Commercial Segment	\$30,325	\$31,976	(\$1,651)	-5.20%	\$117,176	\$105,053	\$12,123	11.50%
Consolidated	\$76,572	\$66,208	\$10,364	15.70%	\$296,317	\$220,215	\$76,102	34.60%
<b>Interest expense</b>								
Government Segment	\$18,852	\$12,538	\$6,314	50.40%	\$69,012	\$30,622	\$38,390	125.40%
Commercial Segment	\$7,386	\$14,197	(\$6,811)	-48.00%	\$36,831	\$49,667	(\$12,836)	-25.80%
Consolidated	\$26,238	\$26,735	(\$497)	-1.90%	\$105,843	\$80,289	\$25,554	31.80%

(A) The selling, general and administrative (SG&A) expense ratio is defined as SG&A expenses as a percent of premiums, administrative services fees and other revenue..

Source: <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mjg2OTB8Q2hpbGRJRd0tMXxUeXBIPtM=&t=1>



# Molina

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(1)</sup>
<b>Revenue:</b>				
Premium revenue	\$962,411	\$808,895	\$3,660,207	\$3,091,240
Investment income	\$1,813	\$3,609	\$9,149	\$21,126
Total operating revenue	\$964,224	\$812,504	\$3,669,356	\$3,112,366
<b>Expenses:</b>				
Medical care costs	\$842,371	\$684,781	\$3,176,236	\$2,621,312
General and administrative expenses	\$115,933	\$91,565	\$399,149	\$344,761
Depreciation and amortization	\$9,642	\$8,691	\$38,110	\$33,688
Total expenses	\$967,946	\$785,037	\$3,613,495	\$2,999,761
Gain on purchase of convertible senior notes	--	--	\$1,532	--
Operating (loss) income	(\$3,722)	\$27,467	\$57,393	\$112,605
Interest expense <sup>(1)</sup>	(\$3,860)	(\$3,318)	(\$13,777)	(\$13,231)
(Loss) income before income taxes <sup>(1)</sup>	(\$7,582)	\$24,149	\$43,616	\$99,374
Income tax (benefit) expense <sup>(1)</sup>	(\$3,110)	\$9,329	\$12,748	\$39,776
Net (loss) income <sup>(1)</sup>	(\$4,472)	\$14,820	\$30,868	\$59,598
<b>Net (loss) income per share: <sup>(1)</sup></b>				
Basic	(\$0.18)	\$0.55	\$1.19	\$2.15
Diluted	(\$0.18)	\$0.55	\$1.19	\$2.15
Weighted average number of common shares and potentially dilutive common shares outstanding	\$25,552	\$26,813	\$25,984	\$27,772
<b>Operating Statistics:</b>				
Ratio of medical care costs paid directly to providers to premium revenue	85.5%	82.2%	84.8%	82.3%
Ratio of medical care costs not paid directly to providers to premium revenue	2.0%	2.5%	2.0%	2.5%
Medical care ratio <sup>(2)</sup>	87.5%	84.7%	86.8%	84.8%
General and administrative expense ratio excluding premium taxes (core G&A ratio) <sup>(3)</sup>	8.0%	8.1%	7.5%	8.0%
Premium taxes included in G&A expense <sup>(3)</sup>	4.0%	3.2%	3.4%	3.1%
Total general and administrative expense ratio <sup>(3)</sup>	12.0%	11.3%	10.9%	11.1%
Depreciation and amortization expense ratio <sup>(3)</sup>	1.0%	1.1%	1.0%	1.1%
Effective tax rate <sup>(1)</sup>	(41.0)%	38.6%	29.2%	40.0%

(1) The Company's 2008 results have been recast to reflect the adoption of ASC Subtopic 470-20. This resulted in additional interest expense of \$1.2 million for the three months ended December 31, 2008, and \$4.5 million for the year ended December 31, 2008.

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

(3) Computed as a percentage of total operating revenue.

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**UNAUDITED MEMBERSHIP DATA**

	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008
<b>Total Ending Membership By Health Plan<sup>(1)</sup>:</b>			
California	351,000	355,000	322,000
Florida (2)	50,000	43,000	--
Michigan	223,000	210,000	206,000
Missouri	78,000	78,000	77,000
New Mexico	94,000	90,000	84,000
Ohio	216,000	208,000	176,000
Texas	40,000	31,000	31,000
Utah	69,000	69,000	61,000
Washington	334,000	327,000	299,000
<b>Total</b>	<b>1,455,000</b>	<b>1,411,000</b>	<b>1,256,000</b>
 <b>Total Ending Membership By State for the Medicare Advantage Plans (1):</b>			
California	2,100	1,900	1,500
Michigan	3,300	2,700	1,700
New Mexico	400	400	300
Texas	500	500	400
Utah	4,000	3,500	2,400
Washington	1,300	1,100	1,000
<b>Total</b>	<b>11,600</b>	<b>10,100</b>	<b>7,300</b>
 <b>Total Ending Membership By State for the Aged, Blind or Disabled Population:</b>			
California	13,900	13,700	12,700
Florida (2)	8,800	8,700	--
Michigan	32,200	30,200	30,300
New Mexico	5,700	5,700	6,300
Ohio	22,600	19,600	19,000
Texas	17,600	17,500	16,200
Utah	7,500	7,700	7,300
Washington	3,200	3,200	3,000
<b>Total</b>	<b>111,500</b>	<b>106,300</b>	<b>94,800</b>

(1) Effective December 31, 2009, the Company no longer serves members in Nevada. Current and prior period membership data has been adjusted to remove the Nevada membership. Because Nevada had fewer than 1,000 members, there was no adjustment to the "Total Ending Membership by Health Plan."

(2) The Florida health plan began serving members in late December 2008.

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Total Member Months <sup>(1),(3)</sup> by Health Plan:	Three Months Ended			Year Ended	
	Dec. 31, 2009	Sept. 30, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
California	1,059,000	1,065,000	956,000	4,135,000	3,721,000
Florida (2)	141,000	109,000	-	386,000	-
Michigan	651,000	629,000	622,000	2,523,000	2,526,000
Missouri	232,000	232,000	232,000	927,000	910,000
New Mexico	279,000	264,000	254,000	1,042,000	970,000
Ohio	637,000	618,000	533,000	2,411,000	1,998,000
Texas	119,000	93,000	91,000	402,000	348,000
Utah	206,000	203,000	177,000	793,000	659,000
Washington	997,000	979,000	892,000	3,847,000	3,514,000
Total	4,321,000	4,192,000	3,757,000	16,466,000	14,646,000

(1) Effective December 31, 2009, the Company no longer serves members in Nevada. Current and prior period membership data has been adjusted to remove the Nevada membership. Because Nevada had fewer than 1,000 members, there was no adjustment to the "Total Ending Membership by Health Plan."

(2) The Florida health plan began serving members in late December 2008.

(3) A total member month is defined as the aggregate of each month's ending membership for the period presented.

Source: [http://phx.corporate-ir.net/phoenix.zhtml?c=137837&p=irol-newsArticle\\_print&ID=1387420&highlight=](http://phx.corporate-ir.net/phoenix.zhtml?c=137837&p=irol-newsArticle_print&ID=1387420&highlight=)



# WellPoint

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

	Three Months Ended	December 31,
	2009	2008
Revenues		
Premiums	\$13,984.8	\$14,291.0
Administrative fees	\$952.9	\$975.4
Other revenue	\$119.4	\$159.8
Total operating revenue	\$15,057.1	\$15,426.2
Net investment income	\$201.6	\$186.6
Gain on sale of business	\$3,792.3	-
Net realized gains (losses) on investments	\$36.0	(\$97.6)
Other-than-temporary impairment losses on investments:		
Total other-than-temporary impairment losses on investments	(\$56.5)	(\$445.6)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	\$16.0	-
Net other-than-temporary impairment losses recognized in income	(\$40.5)	(\$445.6)
Total revenues	\$19,046.5	\$15,069.6
Expenses		
Benefit expense	\$11,854.4	\$11,924.7
Selling, general and administrative expense	\$411.7	\$440.8
General and administrative expense	\$2,141.9	\$1,892.3
Total selling, general and administrative expense	\$2,553.6	\$2,333.1
Cost of drugs	\$72.6	\$117.0
Interest expense	\$103.7	\$115.9
Amortization of other intangible assets	\$65.5	\$71.1
Impairment of goodwill and other intangible assets	\$57.0	-
Total expenses	\$14,706.8	\$14,561.8
Income before income taxes	\$4,339.7	\$507.8
Income tax expense	\$1,597.9	\$176.4
Net income	\$2,741.8	\$331.4
Net income per diluted share	\$6.0	\$0.7
Diluted shares	\$461.1	\$508.5
Benefit expense as a percentage of premiums	85%	83%
Selling, general and administrative expense as a percentage of total operating revenue	17%	15%
Income before income tax expense as a percentage of total revenues	23%	3%

**WellPoint Continued**

Membership & Prescription Volume Summary  
(Unaudited and in Thousands)

	December 31, 2009	December 31, 2008	September 30, 2009
<b>Medical Membership</b>			
Customer Type			
Local Group	15,643	16,632	15,717
National Accounts	6,813	6,720	6,857
BlueCard	4,744	4,736	4,779
Total National	11,557	11,456	11,636
Individual	2,131	2,272	2,173
Senior	1,215	1,304	1,225
State Sponsored	1,733	1,992	1,717
FEP	1,391	1,393	1,387
Total Medical Membership	33,670	35,049	33,855
Funding Arrangement			
Self-Funded	18,236	18,520	18,316
Fully-Insured	15,434	16,529	15,539
Total Medical Membership	33,670	35,049	33,855
Reportable Segment			
Commercial	27,356	28,304	27,530
Consumer	4,923	5,352	4,938
Other	1,391	1,393	1,387
Total Medical Membership	33,670	35,049	33,855
Other Membership			
Behavioral Health Membership	22,965	23,568	22,883
Life and Disability			
Membership	5,393	5,477	5,425
Dental Membership (1)	4,284	4,560	4,322
Managed Dental Membership (1)	3,949	-	3,953
Vision Membership	3,088	2,614	3,037
Medicare Part D Membership	1,509	1,870	1,633
PBM Prescription Volume Paid (Quarterly)			
Retail Scripts	40,300	60,858	58,753
Mail Order Scripts	4,291	6,485	6,593
Specialty Pharmacy Scripts	138	199	200
Total Scripts	44,729	67,542	65,546

(1) Dental Membership and Managed Dental Membership as of December 31, 2009, and September 30, 2009, includes DeCare members acquired on April 9, 2009. Managed Dental Membership includes DeCare members for which we provide administrative services only.

Source: [http://ir.wellpoint.com/phoenix.zhtml?c=130104&p=irol-newsArticle\\_financial\\_invest&t=Regular&id=1347466&](http://ir.wellpoint.com/phoenix.zhtml?c=130104&p=irol-newsArticle_financial_invest&t=Regular&id=1347466&)



# United Health Group

## CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008 (a)	2009	2008 (b)
<b>REVENUES</b>				
Premiums	\$19,729	\$18,581	\$79,315	\$73,608
Services	\$1,367	\$1,295	\$5,306	\$5,152
Products	\$547	\$469	\$1,925	\$1,655
Investment and Other Income	\$141	\$109	\$592	\$771
Total Revenues	\$21,784	\$20,454	\$87,138	\$81,186
<b>OPERATING COSTS</b>				
Medical Costs	\$16,041	\$15,015	\$65,289	\$60,359
Operating Costs	\$3,413	\$3,486	\$12,734	\$13,103
Cost of Products Sold	\$497	\$415	\$1,765	\$1,480
Depreciation and Amortization	\$258	\$259	\$991	\$981
Total Operating Costs	\$20,209	\$19,175	\$80,779	\$75,923
<b>EARNINGS FROM OPERATIONS</b>				
Interest Expense	(\$144)	(\$155)	(\$551)	(\$639)
<b>EARNINGS BEFORE INCOME TAXES</b>				
Provision for Income Taxes	(\$487)	(\$398)	(\$1,986)	(\$1,647)
<b>NET EARNINGS</b>	<b>\$944</b>	<b>\$726</b>	<b>\$3,822</b>	<b>\$2,977</b>

(a) Includes pre-tax Operating Costs of \$350 million for settlement of class action litigation related to reimbursement for out-of-network medical services, partially offset by a net reduction in pre-tax Operating Costs of \$10 million for insurance recoveries and legal fees related to various matters.

(b) Includes items discussed in (a) above and pre-tax Operating Costs from prior quarters of \$882 million for settlement of two class action lawsuits and related legal costs, \$46 million for employee severance related to operating cost reduction initiatives and other items, partially offset by a \$185 million reduction in Operating Costs for proceeds from the sale of certain assets and membership in the individual Medicare Advantage business in Nevada.

**United Health Group Continued**

**UNITEDHEALTH GROUP SEGMENT FINANCIAL INFORMATION**

	(in millions)		(unaudited)	
	Three Months Ended December 31, Year		Ended December 31,	
	2009	2008	2009	2008
<b>REVENUES</b>				
Health Care Services (a)	\$20,197	\$19,080	\$81,341	\$75,857
OptumHealth	\$1,425	\$1,306	\$5,528	\$5,225
Ingenix	\$536	\$426	\$1,823	\$1,552
Prescription Solutions	\$3,782	\$3,123	\$14,452	\$12,573
Eliminations	(\$4,156)	(\$3,481)	(\$16,006)	(\$14,021)
<b>Total Consolidated</b>	<b>\$21,784</b>	<b>\$20,454</b>	<b>\$87,138</b>	<b>\$81,186</b>
<b>EARNINGS FROM OPERATIONS</b>				
Health Benefits	\$1,150	\$1,268	\$4,788	\$5,068
OptumHealth	\$164	\$177	\$636	\$718
Ingenix	\$74	\$76	\$246	\$229
Prescription Solutions	\$187	\$80	\$689	\$363
Corporate	-	(\$322)	-	(\$1,115)
<b>Total Consolidated</b>	<b>\$1,575</b>	<b>\$1,279</b>	<b>\$6,359</b>	<b>\$5,263</b>

(a) Revenues for the three months and year ended December 31, 2009 were \$10,126 and \$40,842 for UnitedHealthcare; \$7,782 and \$32,134 for Ovations; and \$2,289 and \$8,365 for AmeriChoice, respectively. Revenues for the three months and year ended December 31, 2008 were \$10,527 and \$41,838 for UnitedHealthcare; \$6,848 and \$28,052 for Ovations; and \$1,705 and \$5,967 for AmeriChoice, respectively.

**CUSTOMER PROFILE SUMMARY  
ALL BUSINESS UNITS**

	(in thousands)		
	(unaudited)		
	December 2009	September 2009	December 2008
<b>People Served</b>			
Commercial Risk-based	9,415	9,460	10,360
Commercial Fee-based	15,210	15,295	15,985
<b>Total Commercial</b>	<b>24,625</b>	<b>24,755</b>	<b>26,345</b>
Medicare Advantage	1,790	1,770	1,495
Medicaid	2,900 (a)	2,795	2,515
Standardized Medicare Supplement	2,680	2,660	2,540
<b>Total Public and Senior (a)</b>	<b>7,370</b>	<b>7,225</b>	<b>6,550</b>
<b>Total Health Care Services Medical Benefits</b>	<b>31,995</b>	<b>31,980</b>	<b>32,895</b>
<b>Total People Served</b>	<b>70,330</b>	<b>70,345</b>	<b>72,800</b>
<b>Supplemental Data - included in Total People Served</b>			
OptumHealth	57,600	57,600	59,700
Total Part D Prescription Drug Plans	5,935	5,910	5,450
Consumer-Driven Health Plans	2,850	2,860	2,735

a) Year-to-date Medicaid membership growth of 385,000 people is comprised of risk-based growth of 565,000 people, which includes 100,000 people that converted from an administrative services contract to a risk-based program in the first quarter, and a net reduction of 80,000 people served in terminated fee-based public services programs.  
 (b) Excludes pre-standardized Medicare Supplement and other AARP products. These people are included in Total People Served.

Source: <http://www.unitedhealthgroup.com/invest/2009/UNH-2009-release.pdf>