

WELLCARE HEALTH PLANS, INC.

Form 10-Q

August 05, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-32209

WELLCARE HEALTH PLANS, INC.

(Exact name of registrant as specified in its charter)

Delaware

47-0937650

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

8725 Henderson Road, Renaissance One
Tampa, Florida

33634

(Zip Code)

(813) 290-6200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="radio"/>	Accelerated filer <input type="radio"/>	Non-accelerated filer <input type="radio"/>	Smaller reporting company <input type="radio"/>
(Do not check if a smaller reporting company)			

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 4, 2015, there were 44,073,905 shares of the registrant's common stock, par value \$.01 per share, outstanding.

WELLCARE HEALTH PLANS, INC.

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Part I — FINANCIAL INFORMATION

Item 1. Financial Statements.

WELLCARE HEALTH PLANS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited, in millions, except per share and share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Premium	\$3,478.5	\$3,139.5	\$6,944.6	\$6,114.7
Investment and other income	4.0	12.4	7.8	22.9
Total revenues	3,482.5	3,151.9	6,952.4	6,137.6
Expenses:				
Medical benefits	2,977.1	2,834.3	6,029.3	5,464.2
Selling, general and administrative	255.5	228.9	512.4	474.2
ACA industry fee	58.3	36.3	116.6	68.6
Medicaid premium taxes	20.3	18.6	40.2	35.7
Depreciation and amortization	18.1	15.0	34.9	29.6
Interest	12.5	9.3	23.9	18.5
Impairment and other charges	—	24.1	—	24.1
Total expenses	3,341.8	3,166.5	6,757.3	6,114.9
Income (loss) from operations	140.7	(14.6	) 195.1	22.7
Bargain purchase gain	—	11.1	—	39.4
Income (loss) before income taxes	140.7	(3.5	) 195.1	62.1
Income tax expense	89.0	4.0	125.9	25.5
Net income (loss)	51.7	(7.5	) 69.2	36.6
Other comprehensive (loss) income, before tax:				
Change in net unrealized gains and losses on available-for-sale securities	(1.2	) 1.0	(0.8	) 1.2
Income tax (benefit) expense related to other comprehensive income	(0.4	) 0.3	(0.3	) 0.2
Other comprehensive (loss) income, net of tax	(0.8	) 0.7	(0.5	) 1.0
Comprehensive income (loss)	\$50.9	\$(6.8	) \$68.7	\$37.6
Earnings (loss) per common share:				
Basic	\$1.17	\$(0.17	) \$1.57	\$0.83
Diluted	\$1.17	\$(0.17	) \$1.56	\$0.83
Weighted average common shares outstanding:				
Basic	44,054,778			