

WELLCARE HEALTH PLANS, INC.  
Form 10-Q  
May 02, 2012

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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 March 31, 2012  
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  
(State or other jurisdiction of  
incorporation or organization)

47-0937650  
(I.R.S. Employer  
Identification No.)

8725 Henderson Road, Renaissance One  
Tampa, Florida  
(Address of principal executive offices)

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

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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="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
(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 April 30, 2012 there were 43,087,691 shares of the registrant’s common stock, par value \$.01 per share, outstanding.

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## WELLCARE HEALTH PLANS, INC.

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## Part I — FINANCIAL INFORMATION

## Item 1. Financial Statements.

## WELLCARE HEALTH PLANS, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited, in thousands, except per share data)

	For the Three Months Ended	
	March 31,	
	2012	2011
<b>Revenues:</b>		
Premium	\$ 1,788,547	\$ 1,472,416
Investment and other income	2,786	2,326
Total revenues	1,791,333	1,474,742
<b>Expenses:</b>		
Medical benefits	1,521,791	1,263,317
Selling, general and administrative	161,688	150,966
Medicaid premium taxes	20,376	18,864
Depreciation and amortization	6,970	6,475
Interest	1,150	77
Total expenses	1,711,975	1,439,699
Income before income taxes	79,358	35,043
Income tax expense	28,126	13,713
Net income	51,232	21,330
<b>Other comprehensive income, before tax:</b>		
Change in net unrealized gains and losses on available-for-sale securities	378	458
Income tax expense related to other comprehensive income	140	173
Other comprehensive income, net of tax	238	285
Comprehensive income	\$ 51,470	\$ 21,615
<b>Net income per common share:</b>		
Basic net income per share	\$ 1.19	\$ 0.50
Diluted net income per share	\$ 1.18	\$ 0.50
<b>Weighted average common shares outstanding:</b>		
Weighted average number of common shares outstanding — basic	42,938,284	42,621,908
Weighted average number of common shares outstanding — diluted	43,461,607	43,040,529

See notes to unaudited consolidated financial statements.

WELLCARE HEALTH PLANS, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited, in thousands, except share data)

	March 31, 2012	December 31, 2011
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,444,875	\$ 1,325,098
Investments	231,638	198,569
Premium receivables, net	422,095	217,509
Funds receivable for the benefit of members	2,535	162,745
Income taxes receivable	—	20,655
Prepaid expenses and other current assets, net	164,476	172,986
Deferred income tax asset	46,465	22,332
Total current assets	2,312,084	2,119,894
Property, equipment and capitalized software, net	105,129	98,238
Goodwill	111,131	111,131
Other intangible assets, net	9,542	9,896
Long-term investments	88,137	83,019
Restricted investments	60,733	60,663
Other assets	2,354	5,270
<b>Total Assets</b>	<b>\$ 2,689,110</b>	<b>\$ 2,488,111</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Medical benefits payable	\$ 722,991	\$ 744,821
Unearned premiums	207,132	164
Accounts payable	9,074	3,294
Other accrued expenses and liabilities	171,031	215,817
Current portion of amount payable related to investigation resolution	46,234	49,557
Current portion of long-term debt	13,125	11,250
Income taxes payable	29,911	—
Other payables to government partners	88,776	98,237
<b>Total current liabilities</b>	<b>1,288,274</b>	<b>1,123,140</b>
Deferred income tax liability	14,086	1,026
Amount payable related to investigation resolution	66,593	101,705
Long-term debt	131,250	135,000
Other liabilities	7,591	10,394
<b>Total liabilities</b>	<b>1,507,794</b>	<b>1,371,265</b>
Commitments and contingencies (see Note 10)	—	