

SIERRA HEALTH SERVICES INC  
Form 8-K  
October 25, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 24, 2005

**SIERRA HEALTH SERVICES, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or Other Jurisdiction of Incorporation)

**1-8865**

(Commission File Number)

**88-0200415**

(IRS Employer Identification No.)

2724 North Tenaya Way  
Las Vegas, Nevada 89128

(Address of principal executive offices including zip code)

(702) 242-7000

TD> **Three Months Ended**

**September 30,**

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**Nine Months Ended**

**September 30,**

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**2005**

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**2004**

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**2005**

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**2004**

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Medical premiums

\$327,084 \$288,485 \$958,834 \$834,584

Military contract revenues

11 85,983 16,322 354,312

Professional fees

11,133 8,705 31,102 26,268

Investment and other revenues

9,215 10,117 25,071 27,641

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Total Revenues

347,443 393,290 1,031,329 1,242,805

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Medical expenses

259,591 224,132 755,779 650,435

Medical Care Ratio

76.8% 75.4% 76.3% 75.6%

(Medical expenses/premiums and professional fees)

Military contract expenses

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(108) 75,830 2,265 313,047

General and administrative expenses

43,451 44,593 127,082 126,914

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Operating Income From Continuing Operations

44,509 48,735 146,203 152,409

Interest expense

(1,991) (1,221) (7,971) (3,561)

Other income (expense), net

427 (49 ) 828 41

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(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition**

On October 24, 2005, Sierra Health Services, Inc. issued a press release announcing operating results for the quarter ended September 30, 2005. A copy of the press release is furnished as Exhibit 99.1 to this Current Report. This exhibit shall not be deemed to be "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended.

Statements in the press release referred to above that are not historical facts are forward-looking and based on management's projections, assumptions and estimates; actual results may vary materially. Forward-looking statements are subject to certain risks and uncertainties, which include but are not limited to: 1) potential adverse changes in government regulations, contracts and programs including the Medicare Advantage program, the Medicare Prescription Drug Plan, Medicaid and legislative proposals to eliminate or reduce ERISA pre-emption of state laws that would increase potential managed care litigation exposure; 2) competitive forces that may affect pricing, enrollment, renewals and benefit levels; 3) unpredictable medical costs, malpractice exposure, reinsurance costs and inflation; 4) impact of economic conditions; 5) changes in healthcare reserves; and 6) the amount of actual proceeds to be realized from the note receivable related to the sale of the workers' compensation insurance operation. Further factors concerning financial risks and results are contained in our Annual Report on Form 10-K for the year ended December 31, 2004. Such statements are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and identify important risk factors that could cause our actual results to differ materially from those expressed in any projected, estimated or forward-looking statements relating to Sierra.

Consequently, all of the forward-looking statements made in the press release referred to above are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Sierra will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Sierra or its business or operations. Sierra assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits

<u>Exhibits*</u>	<u>Description</u>
99.1	<u>Press Release, dated as of October 24, 2005.</u>

\* Also provided in PDF format as a courtesy.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIERRA HEALTH SERVICES, INC.  
(Registrant)

Date: October 24, 2005

/S/ PAUL H. PALMER

Paul H. Palmer

Income From Continuing Operations Before Income Taxes

42,945 47,465 139,060 148,889

Provision for income taxes

(14,503) (16,738) (47,377) (53,430)

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Income From Continuing Operations

28,442 30,727 91,683 95,459

Loss from discontinued operations

(682)

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Net Income

\$28,442 \$30,727 \$91,683 \$94,777

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Earnings Per Common Share:

Income from continuing operations

\$1.00 \$1.16 \$3.34 \$3.57

Loss from discontinued operations

(0.03)

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Net Income

\$1.00 \$1.16 \$3.34 \$3.54

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Earnings Per Common Share Assuming Dilution:

Income from continuing operations

\$0.87 \$0.90 \$2.75 \$2.76

Loss from discontinued operations

(0.02)

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Net Income

\$0.87 \$0.90 \$2.75 \$2.74

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Weighted average common shares outstanding

28,385 26,498 27,409 26,767

Weighted average common shares outstanding assuming dilution

33,122 Senior Vice President  
Chief Financial Officer and Treasurer  
(Chief Accounting Officer)