

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Aetna Health	Program: CHIP
State Fiscal Year: 2018	Service Area: Bexar/San Antonio
Submission Date: 8/30/2019	Rptg Period End Date: 8/31/2018
Submission Type: Yr-End 334-Day	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	YTD
1 Member Months		3,438	3,423	3,349	3,319	3,304	3,325	3,322	3,261	3,208	3,158	3,116	3,132	39,355
2 Average Monthly Member Months														3,280
Revenues:														
3 Medical Premiums		308,145	299,831	290,739	291,897	303,096	309,002	309,351	304,114	297,050	290,511	285,759	283,276	3,572,771
4 Delivery Supplemental Payments		0	0	0	0	0	0	0	3,100	0	0	0	0	3,100
5 Pharmacy Premiums		94,159	93,478	91,320	90,518	90,927	91,997	92,357	90,779	88,972	87,892	86,383	86,587	1,085,369
6 Investment Income		3,534	4,003	3,809	3,298	3,510	3,794	3,514	3,050	2,822	2,635	2,757	2,960	39,686
7 Health Insurance Providers Fee Reimbursement		122,402												122,402
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		528,240	397,312	385,868	385,713	397,533	404,793	405,222	401,043	388,844	381,038	374,899	372,823	4,823,328
10 Health Insurance Providers Fee & Related Costs		120,260												120,260
11 Premium Taxes		9,182	6,883	6,686	6,692	6,895	7,017	7,030	6,965	6,755	6,622	6,512	6,473	83,714
12 Maintenance Taxes		115	112	109	109	113	115	115	114	110	108	106	106	1,332
13 Net Revenues		398,683	390,317	379,073	378,911	390,525	397,661	398,077	393,964	381,978	374,308	368,280	366,245	4,618,022
Medical Expenses:														
14 Fee-For-Service		178,097	243,167	190,366	179,041	218,203	208,444	215,499	212,984	235,234	185,825	188,847	221,209	2,476,915
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		584	572	556	556	400	406	408	401	392	385	378	376	5,414
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		13,188	14,821	13,276	14,041	15,162	15,217	14,304	14,424	14,412	12,596	13,430	14,147	169,019
20 Total Medical Expenses		191,869	258,559	204,198	193,639	233,765	224,068	230,211	227,809	250,038	198,806	202,654	235,732	2,651,348
21 Prescription Expenses (excluding PBM Admin)		103,731	47,995	143,237	102,524	172,998	128,709	113,165	124,551	108,447	157,454	163,161	112,260	1,478,232
22 Total Medical and Prescription Expenses		295,600	306,554	347,435	296,163	406,763	352,777	343,376	352,360	358,485	356,260	365,815	347,992	4,129,580
23 Administrative Expenses		26,934	26,585	28,302	26,641	28,958	25,816	25,596	24,955	26,347	23,986	21,396	27,259	312,775
24 Total Expenses		322,534	333,140	375,737	322,804	435,721	378,593	368,972	377,315	384,831	380,245	387,211	375,252	4,442,355
25 Net Income Before Taxes		76,149	57,177	3,336	56,107	(45,196)	19,068	29,105	16,649	(2,853)	(5,937)	(18,931)	(9,007)	175,667
26 % Medical Exp to Net Revenues		48.1%	66.2%	53.9%	51.1%	59.9%	56.3%	57.8%	57.8%	65.5%	53.1%	55.0%	64.4%	57.4%
27 % Prescription Exp to Net Revenues		26.0%	12.3%	37.8%	27.1%	44.3%	32.4%	28.4%	31.6%	28.4%	42.1%	44.3%	30.7%	32.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		74.1%	78.5%	91.7%	78.2%	104.2%	88.7%	86.3%	89.4%	93.8%	95.2%	99.3%	95.0%	89.4%
29 % Admin Exp to Net Revenues		6.8%	6.8%	7.5%	7.0%	7.4%	6.5%	6.4%	6.3%	6.9%	6.4%	5.8%	7.4%	6.8%
30 % Net Income to Net Revenues		19.1%	14.6%	0.9%	14.8%	-11.6%	4.8%	7.3%	4.2%	-0.7%	-1.6%	-5.1%	-2.5%	3.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.8%	9.0%	9.8%	9.2%	9.7%	8.4%	8.4%	8.2%	9.0%	8.4%	7.6%	9.7%	8.9%
Post-income items:														
32 Performance Assessment														0

Note: Except where stated otherwise, reporting is on an incurred basis (that is, reported in the period corresponding to dates of service, rather than to date paid). All prior quarters' data must be updated to reflect the most recent revised IBNR estimates.

TERMS USED IN FINANCIAL STATISTICAL REPORTS (FSRs)

Total Member Months - Number of members enrolled in each month. YTD is the sum of the individual month's membership.

Revenues:

- **Premiums** – Capitation payments paid to MCOs (Managed Care Organization) by HHSC.
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP MCOs.
- **Pharmacy Premiums** - Pharmacy capitation payments paid to MCOs by HHSC
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Revenue** – Any and all income generated from other sources.
- **Premium Taxes** – Premium taxes incurred by MCOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by MCOs for premiums applicable to the reported period.

Medical Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Capitated Services** – Includes PCPs and Hospitals capitation payments which are amounts paid to providers that do not pay claims to other providers from the capitation payments and also the capitation paid to subcontractors in which the capitation is the funding source for paying claims for healthcare services performed in each Texas service area.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the MCO net of reinsurance recoveries.
- **IBNR Accrual** – Incurred But Not Reported (IBNR) accrual medical expenses are an estimate of the expected healthcare expenses incurred, but not paid, based on claims lag schedules and completion factors, as well as any counts of services rendered but not billed, e.g., pre-authorized hospital days.

Administrative Expenses – includes those expenses that are directly or indirectly in support of the Texas Medicaid/CHIP operations of the MCO. Administrative expenses include Salaries, Wages and other benefits, Payroll taxes, Utilities and Maintenance, Auditing and other consulting expenses etc.

Performance Assessment – Amount of at-risk premium recouped by HHSC for failure to meet the performance expectation for which the MCO is at risk.

Quality Challenge Award – Amount awarded to the MCO for superior clinical quality, service delivery, access to care or member satisfaction.

Liquidated Damages - Amount assessed by HHSC as penalty for non-compliance with contract requirements.