

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Blue Cross Blue Shield of Texas / Health Care Service Corporation**
 State Fiscal Year: **2018** Program: **CHIP**
 Submission Date: **8/30/2019** Service Area: **Travis / Austin**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

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		6,318	6,239	6,176	6,044	6,013	6,024	6,032	5,930	6,761	6,678	6,625	6,632	75,472
2 Average Monthly Member Months														6,289
Revenues:														
3 Medical Premiums		932,550	916,482	886,955	863,236	861,296	863,499	885,826	886,450	1,025,758	1,015,314	1,006,441	996,711	11,140,518
4 Delivery Supplemental Payments		3,100	0	0	3,100	3,100	6,200	0	3,100	0	6,200	6,200	0	31,000
5 Pharmacy Premiums		158,454	156,240	154,437	151,082	150,620	150,938	151,675	149,356	170,744	168,426	167,072	166,776	1,895,820
6 Investment Income		10,582	9,768	10,400	12,196	8,427	7,139	9,256	10,733	10,631	12,529	9,619	12,849	124,130
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		1,104,686	1,082,490	1,051,792	1,029,614	1,023,443	1,027,776	1,046,757	1,049,639	1,207,133	1,202,469	1,189,332	1,176,336	13,191,468
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		19,147	18,773	18,224	17,805	17,763	17,861	18,156	18,181	20,939	20,824	20,645	20,361	228,678
12 Maintenance Taxes		790	780	772	755	752	753	754	741	845	835	828	829	9,434
13 Net Revenues		1,084,749	1,062,937	1,032,796	1,011,054	1,004,929	1,009,162	1,027,847	1,030,717	1,185,349	1,180,810	1,167,859	1,155,146	12,953,355
Medical Expenses:														
14 Fee-For-Service		692,459	768,058	673,084	651,564	686,340	580,794	655,843	800,689	867,137	715,770	714,632	879,772	8,686,142
15 Capitated Services		125,839	124,335	123,298	120,700	120,034	120,239	120,155	117,964	134,340	125,772	124,785	125,042	1,482,503
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		0	0	0	0	0	0	0	0	0	0	0	0	0
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		28,652	28,009	43,728	26,101	29,732	35,403	34,616	35,302	32,198	38,150	36,798	37,985	406,674
20 Total Medical Expenses		846,950	920,402	840,110	798,365	836,106	736,436	810,614	953,955	1,033,675	879,692	876,215	1,042,799	10,575,319
21 Prescription Expenses (excluding PBM Admin)		135,699	160,861	184,518	175,067	273,023	203,780	166,478	150,440	139,915	124,278	130,807	171,465	2,016,330
22 Total Medical and Prescription Expenses		982,649	1,081,263	1,024,628	973,432	1,109,129	940,216	977,092	1,104,395	1,173,590	1,003,970	1,007,022	1,214,264	12,591,649
23 Administrative Expenses		161,121	183,733	177,006	182,140	170,446	166,769	199,537	189,294	214,515	223,093	221,647	222,140	2,311,442
24 Total Expenses		1,143,770	1,264,996	1,201,634	1,155,572	1,279,575	1,106,985	1,176,629	1,293,689	1,388,105	1,227,063	1,228,669	1,436,404	14,903,091
25 Net Income Before Taxes		(59,021)	(202,059)	(168,838)	(144,518)	(274,646)	(97,823)	(148,782)	(262,972)	(202,756)	(46,253)	(60,810)	(281,258)	(1,949,736)
26 % Medical Exp to Net Revenues		78.1%	86.6%	81.3%	79.0%	83.2%	73.0%	78.9%	92.6%	87.2%	74.5%	75.0%	90.3%	81.6%
27 % Prescription Exp to Net Revenues		12.5%	15.1%	17.9%	17.3%	27.2%	20.2%	16.2%	14.6%	11.8%	10.5%	11.2%	14.8%	15.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		90.6%	101.7%	99.2%	96.3%	110.4%	93.2%	95.1%	107.1%	99.0%	85.0%	86.2%	105.1%	97.2%
29 % Admin Exp to Net Revenues		14.9%	17.3%	17.1%	18.0%	17.0%	16.5%	19.4%	18.4%	18.1%	18.9%	19.0%	19.2%	17.8%
30 % Net Income to Net Revenues		-5.4%	-19.0%	-16.3%	-14.3%	-27.3%	-9.7%	-14.5%	-25.5%	-17.1%	-3.9%	-5.2%	-24.3%	-15.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		17.4%	20.3%	20.2%	21.2%	20.0%	19.4%	22.8%	21.5%	21.1%	22.0%	22.1%	22.5%	20.9%
Post-income items:														
32 Performance Assessment														19,250

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.