

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	Community Health Choice / Harris County Hosp. Distr.		
State Fiscal Year:	2018	Program:	CHIP
Submission Date:	8/30/2019	Service Area:	Harris / Houston
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		31,859	33,726	34,238	34,669	34,213	33,962	33,857	33,028	31,916	30,259	29,940	29,766	391,433
2 Average Monthly Member Months														32,619
Revenues:														
3 Medical Premiums		5,167,190	5,339,278	5,334,979	5,284,578	5,184,572	5,113,457	5,141,614	5,068,135	4,960,321	4,779,422	4,722,177	4,719,877	60,815,600
4 Delivery Supplemental Payments		12,400	27,900	31,000	9,300	9,300	15,500	6,200	3,100	12,400	15,500	18,600	21,700	182,900
5 Pharmacy Premiums		995,960	1,034,381	1,039,312	1,037,780	1,021,199	1,009,974	1,010,990	991,833	964,945	925,462	915,695	912,847	11,860,378
6 Investment Income		6,920	7,115	7,059	7,020	8,300	9,723	8,541	10,863	11,269	11,911	12,507	9,130	110,358
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		6,182,470	6,408,674	6,412,350	6,338,678	6,223,371	6,148,654	6,167,345	6,073,931	5,948,935	5,732,295	5,668,979	5,663,554	72,969,236
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		108,072	112,027	112,093	110,804	108,764	107,431	107,779	106,104	103,909	100,107	98,988	98,952	1,275,030
12 Maintenance Taxes		2,063	2,184	2,217	2,245	2,215	2,199	2,192	2,139	2,067	1,959	1,939	1,927	25,345
13 Net Revenues		6,072,335	6,294,463	6,298,040	6,225,629	6,112,392	6,039,024	6,057,374	5,965,689	5,842,959	5,630,229	5,568,052	5,562,674	71,668,860
Medical Expenses:														
14 Fee-For-Service		4,271,306	5,264,487	4,444,395	4,221,640	4,235,672	4,011,921	4,464,283	4,046,030	3,977,961	3,828,278	3,689,445	4,275,454	50,730,872
15 Capitated Services		141,170	146,787	155,491	129,135	125,634	122,933	120,141	94,668	87,615	80,791	81,188	75,939	1,361,491
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		18,817	20,567	21,024	21,498	21,273	21,169	9,422	9,191	8,879	8,261	8,152	8,120	176,372
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		48,525	41,268	37,893	40,423	29,762	39,528	46,305	38,319	32,509	27,947	28,562	27,843	438,884
20 Total Medical Expenses		4,479,818	5,473,109	4,658,803	4,412,696	4,412,341	4,195,550	4,640,151	4,188,208	4,106,964	3,945,277	3,807,347	4,387,355	52,707,619
21 Prescription Expenses (excluding PBM Admin)		933,978	1,045,480	1,014,717	992,673	948,270	903,950	881,593	961,833	887,142	842,551	718,669	860,363	10,991,220
22 Total Medical and Prescription Expenses		5,413,796	6,518,589	5,673,520	5,405,369	5,360,611	5,099,500	5,521,744	5,150,041	4,994,106	4,787,828	4,526,016	5,247,718	63,698,839
23 Administrative Expenses		506,992	528,539	519,330	583,119	473,827	475,810	445,798	429,136	427,607	400,392	392,734	410,513	5,593,798
24 Total Expenses		5,920,789	7,047,129	6,192,850	5,988,488	5,834,438	5,575,310	5,967,542	5,579,177	5,421,713	5,188,220	4,918,750	5,658,232	69,292,638
25 Net Income Before Taxes		151,546	(752,666)	105,190	237,141	277,954	463,714	89,832	386,512	421,246	442,009	649,302	(95,558)	2,376,222
26 % Medical Exp to Net Revenues		73.8%	87.0%	74.0%	70.9%	72.2%	69.5%	76.6%	70.2%	70.3%	70.1%	68.4%	78.9%	73.5%
27 % Prescription Exp to Net Revenues		15.4%	16.6%	16.1%	15.9%	15.5%	15.0%	14.6%	16.1%	15.2%	15.0%	12.9%	15.5%	15.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		89.2%	103.6%	90.1%	86.8%	87.7%	84.4%	91.2%	86.3%	85.5%	85.0%	81.3%	94.3%	88.9%
29 % Admin Exp to Net Revenues		8.3%	8.4%	8.2%	9.4%	7.8%	7.9%	7.4%	7.2%	7.3%	7.1%	7.1%	7.4%	7.8%
30 % Net Income to Net Revenues		2.5%	-12.0%	1.7%	3.8%	4.5%	7.7%	1.5%	6.5%	7.2%	7.9%	11.7%	-1.7%	3.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		10.0%	10.0%	9.9%	11.2%	9.3%	9.5%	8.8%	8.6%	8.8%	8.5%	8.4%	8.8%	9.4%
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.