

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: **Jefferson**
 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		2,049	2,184	2,224	2,251	2,211	2,234	2,287	2,184	2,145	1,974	1,945	1,925	25,613
2 Average Monthly Member Months														2,134
Revenues:														
3 Medical Premiums		260,048	271,786	273,006	275,957	267,613	264,813	272,606	258,486	256,342	234,213	228,290	227,631	3,090,791
4 Delivery Supplemental Payments		0	0	0	0	0	0	0	0	3,100	3,100	0	0	6,200
5 Pharmacy Premiums		79,704	83,647	84,944	85,843	83,913	84,908	87,437	82,997	81,717	74,758	73,887	73,238	976,993
6 Investment Income		381	395	395	401	469	554	499	612	647	650	668	486	6,157
7 Health Insurance Providers Fee Reimbursement		0												0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		340,133	355,828	358,345	362,201	351,995	350,275	360,542	342,095	341,806	312,721	302,845	301,355	4,080,141
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		5,946	6,220	6,264	6,332	6,152	6,120	6,301	5,976	5,970	5,461	5,288	5,265	71,295
12 Maintenance Taxes		133	141	144	146	143	145	148	141	139	128	126	125	1,658
13 Net Revenues		334,055	349,467	351,937	355,724	345,700	344,010	354,093	335,978	335,697	307,132	297,431	295,965	4,007,188
Medical Expenses:														
14 Fee-For-Service		224,076	228,118	297,428	234,425	174,252	170,257	219,307	304,172	234,155	147,463	153,849	130,610	2,518,112
15 Capitated Services		3,690	3,919	4,201	4,112	3,940	3,881	3,929	2,199	1,993	1,945	1,919	1,603	37,329
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		1,284	1,399	1,430	1,450	1,429	1,451	1,481	1,417	1,388	1,281	1,264	1,248	16,523
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		2,670	2,291	2,118	2,310	1,683	2,252	2,707	2,158	1,868	1,525	1,526	1,481	24,589
20 Total Medical Expenses		231,720	235,727	305,177	242,298	181,304	177,841	227,425	309,946	239,404	152,213	158,558	134,941	2,596,554
21 Prescription Expenses (excluding PBM Admin)		62,659	91,591	88,577	78,513	92,710	91,921	81,601	84,701	66,236	47,774	51,010	47,081	884,372
22 Total Medical and Prescription Expenses		294,379	327,318	393,754	320,811	274,014	269,762	309,026	394,647	305,640	199,987	209,568	182,022	3,480,926
23 Administrative Expenses		27,893	29,346	29,022	33,320	26,800	27,106	26,061	24,170	24,569	21,843	20,980	21,843	312,953
24 Total Expenses		322,272	356,664	422,776	354,131	300,814	296,868	335,087	418,816	330,209	221,830	230,548	203,865	3,793,880
25 Net Income Before Taxes		11,783	(7,197)	(70,839)	1,593	44,886	47,142	19,006	(82,838)	5,488	85,302	66,883	92,100	213,308
26 % Medical Exp to Net Revenues		69.4%	67.5%	86.7%	68.1%	52.4%	51.7%	64.2%	92.3%	71.3%	49.6%	53.3%	45.6%	64.8%
27 % Prescription Exp to Net Revenues		18.8%	26.2%	25.2%	22.1%	26.8%	26.7%	23.0%	25.2%	19.7%	15.6%	17.2%	15.9%	22.1%
28 % Total Medical and Prescription to Net Rev. (MLR)		88.1%	93.7%	111.9%	90.2%	79.3%	78.4%	87.3%	117.5%	91.0%	65.1%	70.5%	61.5%	86.9%
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		3.5%	-2.1%	-20.1%	0.4%	13.0%	13.7%	5.4%	-24.7%	1.6%	27.8%	22.5%	31.1%	5.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.0%	11.0%	10.9%	12.3%	10.2%	10.5%	9.8%	9.6%	9.7%	9.4%	9.4%	9.8%	10.3%
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.