

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name:	<b>Cook Children's Health Plan</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2018</b>	Service Area:	<b>Ft. Worth / Tarrant</b>
Submission Date:	<b>8/30/2019</b>	Rptg Period End Date:	<b>8/31/2018</b>
Submission Type:	<b>Yr-End 334-Day</b>		

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		22,886	22,943	23,089	22,986	23,120	23,144	23,434	23,159	23,156	23,000	22,893	22,829	<b>276,639</b>
2 <b>Average Monthly Member Months</b>														<b>23,053</b>
<b>Revenues:</b>														
3 Medical Premiums		2,672,450	2,677,682	2,688,638	2,663,675	2,681,809	2,688,752	2,736,624	2,709,315	2,712,886	2,696,505	2,688,243	2,674,679	32,291,258
4 Delivery Supplemental Payments		12,400	12,400	3,100	6,200	0	0	3,100	3,100	0	6,200	3,100	3,100	52,700
5 Pharmacy Premiums		719,786	719,498	720,762	714,713	718,809	720,370	733,541	725,684	726,747	721,204	717,504	715,645	8,654,263
6 Investment Income		11,622	12,115	11,988	12,332	16,718	18,728	19,468	21,424	23,117	21,371	28,473	26,065	223,422
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		3,416,258	3,421,695	3,424,488	3,396,920	3,417,336	3,427,850	3,492,733	3,459,523	3,462,750	3,445,280	3,437,320	3,419,489	41,221,643
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		59,581	59,668	59,719	59,230	59,511	59,660	60,782	60,167	60,194	59,918	59,655	59,385	717,469
12 Maintenance Taxes		1,417	1,420	1,429	1,423	1,431	1,433	1,450	1,433	1,433	1,424	1,417	1,414	17,125
13 <b>Net Revenues</b>		<b>3,355,260</b>	<b>3,360,607</b>	<b>3,363,340</b>	<b>3,336,267</b>	<b>3,356,394</b>	<b>3,366,758</b>	<b>3,430,501</b>	<b>3,397,923</b>	<b>3,401,123</b>	<b>3,383,938</b>	<b>3,376,248</b>	<b>3,358,690</b>	<b>40,487,048</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		1,926,358	2,287,604	2,220,211	2,081,360	2,336,460	2,612,897	2,050,656	2,081,290	1,984,453	2,160,637	1,716,946	1,843,134	25,302,004
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		18,049	17,672	(8,084)	22,296	22,426	22,450	22,731	22,464	22,461	22,310	22,206	22,144	229,127
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		46,856	55,853	59,747	71,821	84,390	67,610	84,488	67,645	90,276	73,232	72,915	75,937	850,770
20 Total Medical Expenses		1,991,263	2,361,129	2,271,874	2,175,477	2,443,276	2,702,957	2,157,875	2,171,399	2,097,190	2,256,179	1,812,067	1,941,215	26,381,901
21 Prescription Expenses (excluding PBM Admin)		585,223	591,790	660,280	617,551	812,496	718,586	691,838	593,224	581,666	538,020	575,603	675,872	7,642,148
22 <b>Total Medical and Prescription Expenses</b>		<b>2,576,486</b>	<b>2,952,919</b>	<b>2,932,154</b>	<b>2,793,028</b>	<b>3,255,772</b>	<b>3,421,543</b>	<b>2,849,713</b>	<b>2,764,623</b>	<b>2,678,856</b>	<b>2,794,199</b>	<b>2,387,670</b>	<b>2,617,087</b>	<b>34,024,049</b>
23 <b>Administrative Expenses</b>		<b>206,118</b>	<b>233,813</b>	<b>218,301</b>	<b>206,698</b>	<b>235,717</b>	<b>180,127</b>	<b>230,864</b>	<b>221,789</b>	<b>239,225</b>	<b>205,867</b>	<b>238,735</b>	<b>221,086</b>	<b>2,638,339</b>
24 <b>Total Expenses</b>		<b>2,782,605</b>	<b>3,186,732</b>	<b>3,150,454</b>	<b>2,999,726</b>	<b>3,491,489</b>	<b>3,601,670</b>	<b>3,080,577</b>	<b>2,986,412</b>	<b>2,918,081</b>	<b>3,000,066</b>	<b>2,626,405</b>	<b>2,838,173</b>	<b>36,662,390</b>
25 <b>Net Income Before Taxes</b>		<b>572,655</b>	<b>173,875</b>	<b>212,886</b>	<b>336,541</b>	<b>(135,095)</b>	<b>(234,912)</b>	<b>349,924</b>	<b>411,511</b>	<b>483,042</b>	<b>383,872</b>	<b>749,843</b>	<b>520,517</b>	<b>3,824,658</b>
26 % Medical Exp to Net Revenues		59.3%	70.3%	67.5%	65.2%	72.8%	80.3%	62.9%	63.9%	61.7%	66.7%	53.7%	57.8%	65.2%
27 % Prescription Exp to Net Revenues		17.4%	17.6%	19.6%	18.5%	24.2%	21.3%	20.2%	17.5%	17.1%	15.9%	17.0%	20.1%	18.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		76.8%	87.9%	87.2%	83.7%	97.0%	101.6%	83.1%	81.4%	78.8%	82.6%	70.7%	77.9%	84.0%
29 % Admin Exp to Net Revenues		6.1%	7.0%	6.5%	6.2%	7.0%	5.4%	6.7%	6.5%	7.0%	6.1%	7.1%	6.6%	6.5%
30 <b>% Net Income to Net Revenues</b>		<b>17.1%</b>	<b>5.2%</b>	<b>6.3%</b>	<b>10.1%</b>	<b>-4.0%</b>	<b>-7.0%</b>	<b>10.2%</b>	<b>12.1%</b>	<b>14.2%</b>	<b>11.3%</b>	<b>22.2%</b>	<b>15.5%</b>	<b>9.4%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.8%	8.9%	8.3%	7.9%	8.9%	6.8%	8.6%	8.3%	8.9%	7.7%	9.0%	8.4%	8.3%
<b>Post-income items:</b>														
32 Performance Assessment														<b>0</b>

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.