

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name:	<b>Driscoll Children's Health Plan</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2018</b>	Service Area:	<b>Corpus / Nueces</b>
Submission Date:	<b>9/16/2019</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		7,365	7,810	7,964	8,182	8,312	8,225	8,134	7,873	7,687	7,255	7,147	7,148	<b>93,102</b>
2 <b>Average Monthly Member Months</b>														<b>7,759</b>
<b>Revenues:</b>														
3 Medical Premiums		1,172,124	1,238,989	1,261,776	1,290,679	1,319,329	1,306,936	1,291,742	1,249,687	1,219,728	1,153,446	1,132,826	1,131,711	14,768,973
4 Delivery Supplemental Payments		3,100	0	0	0	3,100	3,100	3,100	0	0	0	0	6,200	18,600
5 Pharmacy Premiums		265,061	279,118	283,763	290,387	295,635	292,783	289,260	279,985	272,995	256,934	251,967	252,800	3,310,688
6 Investment Income		3,228	4,010	4,170	4,850	5,113	4,988	6,213	10,684	5,492	5,420	5,575	5,601	65,343
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		1,443,513	1,522,117	1,549,709	1,585,916	1,623,177	1,607,807	1,590,315	1,540,356	1,498,215	1,415,800	1,390,368	1,396,312	18,163,604
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		25,205	26,567	27,047	27,669	28,316	28,049	27,722	26,769	26,123	24,682	24,234	24,337	316,720
12 Maintenance Taxes		476	505	515	529	537	532	526	509	497	469	462	462	6,020
13 <b>Net Revenues</b>		<b>1,417,832</b>	<b>1,495,045</b>	<b>1,522,147</b>	<b>1,557,718</b>	<b>1,594,323</b>	<b>1,579,226</b>	<b>1,562,067</b>	<b>1,513,078</b>	<b>1,471,595</b>	<b>1,390,649</b>	<b>1,365,672</b>	<b>1,371,512</b>	<b>17,840,865</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		777,619	786,837	875,684	904,992	731,364	980,847	1,039,054	993,448	903,668	747,065	911,700	779,348	10,431,626
15 Capitated Services		70,425	71,105	83,138	81,564	94,079	94,144	92,213	88,763	86,792	83,505	78,160	79,650	1,003,538
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		3,830	4,061	4,141	4,255	4,322	4,277	4,230	4,094	3,997	3,773	3,716	3,717	48,413
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		12,073	9,448	8,605	9,683	9,487	9,477	9,863	10,868	8,967	10,002	10,617	13,187	122,275
20 Total Medical Expenses		863,947	871,451	971,569	1,000,493	839,252	1,088,745	1,145,359	1,097,173	1,003,424	844,344	1,004,194	875,902	11,605,853
21 Prescription Expenses (excluding PBM Admin)		281,445	312,976	310,943	303,249	338,180	310,289	304,853	253,637	217,841	169,837	204,297	267,236	3,274,783
22 <b>Total Medical and Prescription Expenses</b>		<b>1,145,392</b>	<b>1,184,427</b>	<b>1,282,512</b>	<b>1,303,742</b>	<b>1,177,432</b>	<b>1,399,034</b>	<b>1,450,212</b>	<b>1,350,810</b>	<b>1,221,265</b>	<b>1,014,181</b>	<b>1,208,491</b>	<b>1,143,138</b>	<b>14,880,636</b>
23 <b>Administrative Expenses</b>		<b>95,482</b>	<b>114,202</b>	<b>108,145</b>	<b>137,032</b>	<b>120,535</b>	<b>116,876</b>	<b>127,158</b>	<b>123,309</b>	<b>99,845</b>	<b>93,638</b>	<b>122,671</b>	<b>160,811</b>	<b>1,419,706</b>
24 <b>Total Expenses</b>		<b>1,240,875</b>	<b>1,298,629</b>	<b>1,390,657</b>	<b>1,440,774</b>	<b>1,297,967</b>	<b>1,515,910</b>	<b>1,577,370</b>	<b>1,474,119</b>	<b>1,321,111</b>	<b>1,107,819</b>	<b>1,331,162</b>	<b>1,303,949</b>	<b>16,300,342</b>
25 <b>Net Income Before Taxes</b>		<b>176,957</b>	<b>196,416</b>	<b>131,490</b>	<b>116,944</b>	<b>296,356</b>	<b>63,316</b>	<b>(15,303)</b>	<b>38,959</b>	<b>150,484</b>	<b>282,830</b>	<b>34,510</b>	<b>67,563</b>	<b>1,540,523</b>
26 % Medical Exp to Net Revenues		60.9%	58.3%	63.8%	64.2%	52.6%	68.9%	73.3%	72.5%	68.2%	60.7%	73.5%	63.9%	65.1%
27 % Prescription Exp to Net Revenues		19.9%	20.9%	20.4%	19.5%	21.2%	19.6%	19.5%	16.8%	14.8%	12.2%	15.0%	19.5%	18.4%
28 % Total Medical and Prescription to Net Rev. (MLR)		80.8%	79.2%	84.3%	83.7%	73.9%	88.6%	92.8%	89.3%	83.0%	72.9%	88.5%	83.3%	83.4%
29 % Admin Exp to Net Revenues		6.7%	7.6%	7.1%	8.8%	7.6%	7.4%	8.1%	8.1%	6.8%	6.7%	9.0%	11.7%	8.0%
30 <b>% Net Income to Net Revenues</b>		<b>12.5%</b>	<b>13.1%</b>	<b>8.6%</b>	<b>7.5%</b>	<b>18.6%</b>	<b>4.0%</b>	<b>-1.0%</b>	<b>2.6%</b>	<b>10.2%</b>	<b>20.3%</b>	<b>2.5%</b>	<b>4.9%</b>	<b>8.6%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.3%	9.4%	8.7%	10.8%	9.3%	9.1%	10.0%	10.0%	8.3%	8.3%	11.0%	14.4%	9.8%
<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.