

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **El Paso First Health Plans / EP County Hosp Distr**
 State Fiscal Year: **2018** Program: **CHIP**
 Submission Date: **8/29/2019** Service Area: **El Paso**
 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		10,892	10,900	10,878	10,783	10,681	10,713	10,639	10,469	10,443	10,226	10,148	10,022	126,794
2 Average Monthly Member Months														10,566
Revenues:														
3 Medical Premiums		953,313	949,644	948,748	936,278	930,457	924,902	926,155	918,055	919,824	902,540	899,637	884,109	11,093,662
4 Delivery Supplemental Payments		0	6,200	3,100	3,100	0	0	0	0	3,100	0	3,100	6,200	24,800
5 Pharmacy Premiums		286,885	286,302	285,829	282,433	280,591	279,815	279,503	275,772	276,292	270,880	269,823	265,035	3,339,160
6 Investment Income		535	552	529	444	388	615	753	729	993	935	991	1,248	8,711
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		1,240,733	1,242,698	1,238,206	1,222,255	1,211,436	1,205,332	1,206,411	1,194,556	1,200,209	1,174,355	1,173,551	1,156,592	14,466,333
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		21,703	21,738	21,659	21,382	20,896	21,083	21,099	20,892	20,986	20,535	20,520	20,219	252,711
12 Maintenance Taxes		679	679	679	679	627	627	627	627	627	627	627	627	7,734
13 Net Revenues		1,218,351	1,220,282	1,215,868	1,200,194	1,189,913	1,183,622	1,184,685	1,173,037	1,178,595	1,153,193	1,152,404	1,135,746	14,205,889
Medical Expenses:														
14 Fee-For-Service		764,201	860,077	800,927	711,397	890,038	872,773	875,906	854,602	830,299	772,288	789,448	822,806	9,844,762
15 Capitated Services		14,441	14,485	14,454	14,341	14,188	14,292	14,138	13,873	13,817	13,517	13,384	13,248	168,178
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		9,421	9,435	9,392	9,319	9,225	9,288	9,197	9,045	9,031	8,832	8,757	8,673	109,617
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		19,914	15,682	14,349	14,323	13,536	14,632	15,182	13,977	13,702	13,656	14,123	17,483	180,559
20 Total Medical Expenses		807,977	899,679	839,122	749,380	926,988	910,985	914,423	891,498	866,849	808,293	825,712	862,210	10,303,116
21 Prescription Expenses (excluding PBM Admin)		219,021	207,207	195,093	202,688	312,781	287,125	231,932	245,742	232,044	189,372	243,371	264,316	2,830,691
22 Total Medical and Prescription Expenses		1,026,998	1,106,886	1,034,215	952,068	1,239,769	1,198,110	1,146,355	1,137,240	1,098,893	997,665	1,069,083	1,126,526	13,133,807
23 Administrative Expenses		108,091	98,694	80,711	77,879	78,908	83,354	90,210	84,582	84,274	80,126	80,027	116,819	1,063,673
24 Total Expenses		1,135,089	1,205,580	1,114,926	1,029,947	1,318,677	1,281,464	1,236,564	1,221,821	1,183,167	1,077,790	1,149,110	1,243,344	14,197,479
25 Net Income Before Taxes		83,262	14,702	100,942	170,247	(128,764)	(97,842)	(51,879)	(48,784)	(4,572)	75,403	3,294	(107,598)	8,410
26 % Medical Exp to Net Revenues		66.3%	73.7%	69.0%	62.4%	77.9%	77.0%	77.2%	76.0%	73.5%	70.1%	71.7%	75.9%	72.5%
27 % Prescription Exp to Net Revenues		18.0%	17.0%	16.0%	16.9%	26.3%	24.3%	19.6%	20.9%	19.7%	16.4%	21.1%	23.3%	19.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		84.3%	90.7%	85.1%	79.3%	104.2%	101.2%	96.8%	96.9%	93.2%	86.5%	92.8%	99.2%	92.5%
29 % Admin Exp to Net Revenues		8.9%	8.1%	6.6%	6.5%	6.6%	7.0%	7.6%	7.2%	7.2%	6.9%	6.9%	10.3%	7.5%
30 % Net Income to Net Revenues		6.8%	1.2%	8.3%	14.2%	-10.8%	-8.3%	-4.4%	-4.2%	-0.4%	6.5%	0.3%	-9.5%	0.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.6%	10.6%	8.7%	8.5%	8.7%	9.2%	10.0%	9.4%	9.3%	9.1%	9.1%	13.4%	9.8%
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.