

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **FirstCare Health Plans / SHA**  
 State Fiscal Year: **2018** Program: **CHIP**  
 Submission Date: **8/31/2019** Service Area: **Lubbock**  
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

	Incurring 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
<b>HHSC Managed Care contract costs</b>														
1	Member Months	5,271	5,269	5,354	5,333	5,343	5,323	5,315	5,292	5,215	5,119	5,115	5,115	63,064
2	<b>Average Monthly Member Months</b>													<b>5,255</b>
<b>Revenues:</b>														
3	Medical Premiums	515,950	511,850	516,760	511,877	515,028	510,143	510,560	507,283	499,259	490,281	490,309	494,183	6,073,483
4	Delivery Supplemental Payments	3,100	0	0	6,200	0	0	3,100	0	0	3,100	0	0	15,500
5	Pharmacy Premiums	160,774	159,629	161,899	160,569	161,018	161,029	161,165	160,355	157,778	154,634	154,669	154,670	1,908,189
6	Investment Income	9,312	2,241	1,229	1,258	3,088	1,186	1,199	1,879	1,200	1,164	2,856	1,123	27,734
7	Health Insurance Providers Fee Reimbursement	207,468												207,468
8	Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
9	<b>Total Gross Revenues</b>	<b>896,604</b>	<b>673,720</b>	<b>679,888</b>	<b>679,904</b>	<b>679,134</b>	<b>672,358</b>	<b>676,024</b>	<b>669,517</b>	<b>658,237</b>	<b>649,179</b>	<b>647,834</b>	<b>649,976</b>	<b>8,232,374</b>
10	Health Insurance Providers Fee & Related Costs	207,468												207,468
11	Premium Taxes	14,522	14,376	14,502	14,501	14,456	14,371	14,434	14,309	14,123	13,965	13,912	13,980	171,450
12	Maintenance Taxes	241	241	241	241	313	313	313	313	313	313	313	313	3,468
13	<b>Net Revenues</b>	<b>674,373</b>	<b>659,103</b>	<b>665,146</b>	<b>665,162</b>	<b>664,365</b>	<b>657,674</b>	<b>661,276</b>	<b>654,895</b>	<b>643,801</b>	<b>634,901</b>	<b>633,609</b>	<b>635,683</b>	<b>7,849,988</b>
<b>Medical Expenses:</b>														
14	Fee-For-Service	457,699	428,405	348,172	659,087	472,742	437,024	586,531	375,135	446,010	317,732	396,797	469,714	5,395,046
15	Capitated Services	4,744	4,742	4,819	4,800	4,809	4,791	4,784	4,763	4,902	4,812	4,808	4,808	57,582
16	Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Net Reinsurance Cost	14,917	14,911	15,152	15,092	15,121	15,064	15,041	14,976	14,758	14,487	14,475	14,475	178,471
18	IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Quality Improvement	10,174	11,957	10,153	9,707	9,350	9,477	9,036	8,424	8,081	8,109	7,951	8,039	110,458
20	<b>Total Medical Expenses</b>	<b>487,534</b>	<b>460,015</b>	<b>378,296</b>	<b>688,686</b>	<b>502,022</b>	<b>466,356</b>	<b>615,392</b>	<b>403,298</b>	<b>473,751</b>	<b>345,140</b>	<b>424,031</b>	<b>497,036</b>	<b>5,741,557</b>
21	Prescription Expenses (excluding PBM Admin)	129,811	135,815	134,336	157,194	197,946	153,793	125,565	151,541	136,013	113,533	115,207	205,871	1,756,625
22	<b>Total Medical and Prescription Expenses</b>	<b>617,345</b>	<b>595,830</b>	<b>512,632</b>	<b>845,880</b>	<b>699,968</b>	<b>620,149</b>	<b>740,957</b>	<b>554,839</b>	<b>609,764</b>	<b>458,673</b>	<b>539,238</b>	<b>702,907</b>	<b>7,498,182</b>
23	<b>Administrative Expenses</b>	<b>55,087</b>	<b>70,030</b>	<b>59,753</b>	<b>61,109</b>	<b>61,634</b>	<b>55,927</b>	<b>58,965</b>	<b>63,535</b>	<b>57,199</b>	<b>52,921</b>	<b>57,416</b>	<b>59,621</b>	<b>713,196</b>
24	<b>Total Expenses</b>	<b>672,432</b>	<b>665,860</b>	<b>572,385</b>	<b>906,989</b>	<b>761,602</b>	<b>676,076</b>	<b>799,922</b>	<b>618,374</b>	<b>666,963</b>	<b>511,594</b>	<b>596,653</b>	<b>762,528</b>	<b>8,211,378</b>
25	<b>Net Income Before Taxes</b>	<b>1,941</b>	<b>(6,757)</b>	<b>92,761</b>	<b>(241,827)</b>	<b>(97,237)</b>	<b>(18,402)</b>	<b>(138,646)</b>	<b>36,521</b>	<b>(23,162)</b>	<b>123,307</b>	<b>36,956</b>	<b>(126,845)</b>	<b>(361,390)</b>
26	% Medical Exp to Net Revenues	72.3%	69.8%	56.9%	103.5%	75.6%	70.9%	93.1%	61.6%	73.6%	54.4%	66.9%	78.2%	73.1%
27	% Prescription Exp to Net Revenues	19.2%	20.6%	20.2%	23.6%	29.8%	23.4%	19.0%	23.1%	21.1%	17.9%	18.2%	32.4%	22.4%
28	% Total Medical and Prescription to Net Rev. (MLR)	91.5%	90.4%	77.1%	127.2%	105.4%	94.3%	112.0%	84.7%	94.7%	72.2%	85.1%	110.6%	95.5%
29	% Admin Exp to Net Revenues	8.2%	10.6%	9.0%	9.2%	9.3%	8.5%	8.9%	9.7%	8.9%	8.3%	9.1%	9.4%	9.1%
30	<b>% Net Income to Net Revenues</b>	<b>0.3%</b>	<b>-1.0%</b>	<b>13.9%</b>	<b>-36.4%</b>	<b>-14.6%</b>	<b>-2.8%</b>	<b>-21.0%</b>	<b>5.6%</b>	<b>-3.6%</b>	<b>19.4%</b>	<b>5.8%</b>	<b>-20.0%</b>	<b>-4.6%</b>
31	% Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	10.7%	14.0%	11.9%	12.1%	12.2%	11.3%	11.8%	12.8%	11.8%	11.0%	12.0%	12.4%	12.0%
<b>Post-income items:</b>														
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.