

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	Seton Health Plan / Ascension Health		
State Fiscal Year:	2018	Program:	CHIP
Submission Date:	9/3/2019	Service Area:	Travis / Austin
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		7,303	7,268	7,224	7,243	7,214	7,208	7,256	7,193	8,047	7,966	7,965	8,099	89,986
2 Average Monthly Member Months														7,499
Revenues:														
3 Medical Premiums		972,063	966,092	955,552	961,994	966,423	967,917	987,005	999,438	1,149,333	1,139,900	1,138,943	1,152,946	12,357,606
4 Delivery Supplemental Payments		0	0	0	0	3,100	0	0	0	3,100	0	3,100	0	9,300
5 Pharmacy Premiums		217,764	216,983	214,991	215,782	214,924	214,461	215,991	213,890	240,119	237,258	237,531	241,335	2,681,029
6 Investment Income		1,547	1,912	2,197	2,744	1,854	1,241	1,671	3,243	6,123	1,917	5,147	7,511	37,107
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		1,191,374	1,184,987	1,172,740	1,180,520	1,186,301	1,183,619	1,204,667	1,216,571	1,398,675	1,379,075	1,384,721	1,401,792	15,085,042
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		20,822	20,704	20,485	20,611	20,674	20,692	21,052	21,233	24,315	24,100	24,088	24,400	263,175
12 Maintenance Taxes		475	472	470	471	469	469	472	468	523	518	518	526	5,849
13 Net Revenues		1,170,077	1,163,811	1,151,786	1,159,438	1,165,159	1,162,459	1,183,143	1,194,870	1,373,837	1,354,457	1,360,115	1,376,866	14,816,018
Medical Expenses:														
14 Fee-For-Service		531,788	483,176	483,842	495,996	595,341	784,243	487,380	585,783	766,971	632,993	574,940	650,159	7,072,609
15 Capitated Services		8,471	8,431	8,397	8,410	8,360	8,337	8,356	8,226	9,108	9,010	9,007	9,171	103,274
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		12,780	12,719	12,642	12,675	8,657	8,650	8,707	8,633	9,655	9,559	9,558	9,719	123,954
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		25,650	26,973	25,380	27,738	26,220	26,174	27,598	23,296	20,642	26,766	24,229	24,475	305,141
20 Total Medical Expenses		578,689	531,299	530,261	544,819	638,568	827,403	532,041	625,937	806,376	678,328	617,734	693,523	7,604,978
21 Prescription Expenses (excluding PBM Admin)		168,004	176,799	189,519	180,525	258,945	210,933	185,244	196,364	208,196	160,976	197,267	196,308	2,329,080
22 Total Medical and Prescription Expenses		746,693	708,098	719,780	725,344	897,513	1,038,336	717,285	822,301	1,014,572	839,304	815,001	889,831	9,934,058
23 Administrative Expenses		129,989	156,432	136,705	143,054	146,532	145,756	162,415	175,989	159,915	152,788	181,986	224,766	1,916,329
24 Total Expenses		876,683	864,530	856,485	868,398	1,044,044	1,184,093	879,701	998,290	1,174,488	992,092	996,987	1,114,597	11,850,388
25 Net Income Before Taxes		293,394	299,281	295,301	291,040	121,115	(21,634)	303,442	196,580	199,349	362,365	363,128	262,269	2,965,630
26 % Medical Exp to Net Revenues		49.5%	45.7%	46.0%	47.0%	54.8%	71.2%	45.0%	52.4%	58.7%	50.1%	45.4%	50.4%	51.3%
27 % Prescription Exp to Net Revenues		14.4%	15.2%	16.5%	15.6%	22.2%	18.1%	15.7%	16.4%	15.2%	11.9%	14.5%	14.3%	15.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		63.8%	60.8%	62.5%	62.6%	77.0%	89.3%	60.6%	68.8%	73.8%	62.0%	59.9%	64.6%	67.0%
29 % Admin Exp to Net Revenues		11.1%	13.4%	11.9%	12.3%	12.6%	12.5%	13.7%	14.7%	11.6%	11.3%	13.4%	16.3%	12.9%
30 % Net Income to Net Revenues		25.1%	25.7%	25.6%	25.1%	10.4%	-1.9%	25.6%	16.5%	14.5%	26.8%	26.7%	19.0%	20.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.6%	16.5%	14.6%	15.2%	15.4%	15.4%	16.8%	17.9%	14.1%	13.7%	16.2%	19.8%	15.8%
Post-income items:														
32 Performance Assessment														

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.