

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name:	<b>Superior / Bankers / Centene</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2018</b>	Service Area:	<b>C-RSA</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		70,654	70,645	71,034	70,919	70,817	71,039	71,869	71,084	71,144	70,533	69,927	70,083	<b>849,748</b>
2 <b>Average Monthly Member Months</b>														<b>70,812</b>
<b>Revenues:</b>														
3 Medical Premiums		7,306,553	7,276,590	7,246,604	7,137,085	7,109,355	7,099,913	7,198,657	7,138,362	7,161,633	7,108,098	7,074,689	7,105,904	85,963,443
4 Delivery Supplemental Payments		9,300	24,800	21,700	12,400	21,700	12,400	24,800	6,200	31,000	15,500	15,500	34,100	229,400
5 Pharmacy Premiums		2,479,753	2,475,193	2,480,560	2,466,701	2,461,398	2,468,568	2,498,748	2,471,152	2,473,823	2,448,857	2,428,048	2,435,351	29,588,152
6 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
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		9,795,606	9,776,583	9,748,864	9,616,186	9,592,453	9,580,881	9,722,205	9,615,714	9,666,456	9,572,455	9,518,237	9,575,355	115,780,995
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		171,423	171,090	170,605	168,283	167,868	167,665	170,139	168,275	169,163	167,518	166,569	167,569	2,026,167
12 Maintenance Taxes		3,918	3,911	3,900	3,846	3,837	3,832	3,889	3,846	3,867	3,829	3,807	3,830	46,312
13 <b>Net Revenues</b>		<b>9,620,265</b>	<b>9,601,582</b>	<b>9,574,359</b>	<b>9,444,056</b>	<b>9,420,748</b>	<b>9,409,383</b>	<b>9,548,178</b>	<b>9,443,593</b>	<b>9,493,426</b>	<b>9,401,108</b>	<b>9,347,861</b>	<b>9,403,956</b>	<b>113,708,515</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		5,470,423	5,516,425	5,661,589	6,273,686	6,165,877	5,832,366	5,425,501	5,753,637	5,308,734	4,895,465	4,796,226	5,420,325	66,520,253
15 Capitated Services		207,083	207,282	208,940	209,379	188,908	189,735	255,101	251,903	252,355	249,851	247,483	248,388	2,716,407
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		2,826	2,826	2,841	2,837	2,833	2,842	2,875	2,843	2,846	2,821	2,797	2,803	33,990
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		75,941	77,299	77,820	88,286	82,323	85,349	86,809	84,797	84,143	94,952	84,473	85,801	1,007,993
20 Total Medical Expenses		5,756,273	5,803,832	5,951,190	6,574,187	6,439,940	6,110,292	5,770,286	6,093,180	5,648,078	5,243,089	5,130,979	5,757,317	70,278,643
21 Prescription Expenses (excluding PBM Admin)		1,955,136	2,138,082	2,248,681	2,282,354	2,721,983	2,414,932	2,002,140	1,963,708	1,879,731	1,615,280	1,612,653	1,980,230	24,814,911
22 <b>Total Medical and Prescription Expenses</b>		<b>7,711,409</b>	<b>7,941,914</b>	<b>8,199,871</b>	<b>8,856,541</b>	<b>9,161,923</b>	<b>8,525,224</b>	<b>7,772,426</b>	<b>8,056,888</b>	<b>7,527,809</b>	<b>6,858,369</b>	<b>6,743,632</b>	<b>7,737,547</b>	<b>95,093,554</b>
23 <b>Administrative Expenses</b>		<b>528,911</b>	<b>568,461</b>	<b>574,925</b>	<b>492,321</b>	<b>559,023</b>	<b>517,339</b>	<b>535,438</b>	<b>531,583</b>	<b>576,176</b>	<b>455,011</b>	<b>561,846</b>	<b>598,314</b>	<b>6,499,349</b>
24 <b>Total Expenses</b>		<b>8,240,320</b>	<b>8,510,375</b>	<b>8,774,796</b>	<b>9,348,863</b>	<b>9,720,947</b>	<b>9,042,563</b>	<b>8,307,864</b>	<b>8,588,471</b>	<b>8,103,985</b>	<b>7,313,380</b>	<b>7,305,478</b>	<b>8,335,861</b>	<b>101,592,903</b>
25 <b>Net Income Before Taxes</b>		<b>1,379,945</b>	<b>1,091,207</b>	<b>799,563</b>	<b>95,193</b>	<b>(300,199)</b>	<b>366,820</b>	<b>1,240,314</b>	<b>855,122</b>	<b>1,389,441</b>	<b>2,087,728</b>	<b>2,042,383</b>	<b>1,068,095</b>	<b>12,115,612</b>
26 % Medical Exp to Net Revenues		59.8%	60.4%	62.2%	69.6%	68.4%	64.9%	60.4%	64.5%	59.5%	55.8%	54.9%	61.2%	61.8%
27 % Prescription Exp to Net Revenues		20.3%	22.3%	23.5%	24.2%	28.9%	25.7%	21.0%	20.8%	19.8%	17.2%	17.3%	21.1%	21.8%
28 % Total Medical and Prescription to Net Rev. (MLR)		80.2%	82.7%	85.6%	93.8%	97.3%	90.6%	81.4%	85.3%	79.3%	73.0%	72.1%	82.3%	83.6%
29 % Admin Exp to Net Revenues		5.5%	5.9%	6.0%	5.2%	5.9%	5.5%	5.6%	5.6%	6.1%	4.8%	6.0%	6.4%	5.7%
30 <b>% Net Income to Net Revenues</b>		<b>14.3%</b>	<b>11.4%</b>	<b>8.4%</b>	<b>1.0%</b>	<b>-3.2%</b>	<b>3.9%</b>	<b>13.0%</b>	<b>9.1%</b>	<b>14.6%</b>	<b>22.2%</b>	<b>21.8%</b>	<b>11.4%</b>	<b>10.7%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.4%	8.0%	8.1%	7.1%	8.0%	7.5%	7.6%	7.6%	8.2%	6.5%	8.1%	8.6%	7.7%
<b>Post-income items:</b>														
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.