

**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>Lubbock</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		4,666	4,741	4,801	4,825	4,824	4,849	4,909	4,799	4,782	4,758	4,695	4,655	57,304
2 <b>Average Monthly Member Months</b>														<b>4,775</b>
<b>Revenues:</b>														
3 Medical Premiums		428,531	436,740	439,869	442,665	444,398	449,471	457,841	447,412	451,933	451,748	446,963	438,409	5,335,980
4 Delivery Supplemental Payments		0	0	0	3,100	3,100	0	3,100	0	3,100	6,200	0	0	18,600
5 Pharmacy Premiums		134,032	136,568	137,571	138,327	138,676	139,752	141,840	138,453	138,687	138,478	136,698	134,994	1,654,076
6 Investment Income		4,660	4,612	5,110	9,129	5,942	6,324	7,040	6,547	6,747	8,301	7,523	6,947	78,881
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		567,223	577,920	582,550	593,221	592,116	595,547	609,821	592,412	600,467	604,727	591,184	580,350	7,087,537
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		9,845	10,033	10,105	10,222	10,258	10,311	10,549	10,253	10,390	10,437	10,214	10,035	122,651
12 Maintenance Taxes		280	284	288	290	289	291	295	288	287	285	282	279	3,438
13 <b>Net Revenues</b>		<b>557,098</b>	<b>567,603</b>	<b>572,157</b>	<b>582,710</b>	<b>581,569</b>	<b>584,945</b>	<b>598,978</b>	<b>581,871</b>	<b>589,790</b>	<b>594,004</b>	<b>580,688</b>	<b>570,036</b>	<b>6,961,448</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		367,237	326,405	316,119	315,588	410,287	312,619	340,787	292,845	248,948	312,665	237,011	306,033	3,786,544
15 Capitated Services		14,043	14,258	14,464	14,534	13,004	13,053	13,196	12,901	12,805	12,724	12,547	12,475	160,004
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		187	190	192	193	193	194	196	192	191	190	188	186	2,292
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		4,397	4,569	4,650	5,446	5,082	5,305	5,445	5,224	5,227	5,998	5,247	5,200	61,790
20 Total Medical Expenses		385,864	345,422	335,425	335,761	428,566	331,171	359,624	311,162	267,171	331,577	254,993	323,894	4,010,630
21 Prescription Expenses (excluding PBM Admin)		101,450	119,843	123,181	135,155	190,815	133,739	93,935	120,813	93,636	96,081	91,106	109,751	1,409,505
22 <b>Total Medical and Prescription Expenses</b>		<b>487,314</b>	<b>465,265</b>	<b>458,606</b>	<b>470,916</b>	<b>619,381</b>	<b>464,910</b>	<b>453,559</b>	<b>431,975</b>	<b>360,807</b>	<b>427,658</b>	<b>346,099</b>	<b>433,645</b>	<b>5,420,135</b>
23 <b>Administrative Expenses</b>		<b>30,627</b>	<b>33,603</b>	<b>34,355</b>	<b>30,371</b>	<b>34,507</b>	<b>32,158</b>	<b>33,585</b>	<b>32,750</b>	<b>35,791</b>	<b>28,745</b>	<b>34,897</b>	<b>36,263</b>	<b>397,652</b>
24 <b>Total Expenses</b>		<b>517,941</b>	<b>498,868</b>	<b>492,961</b>	<b>501,287</b>	<b>653,888</b>	<b>497,068</b>	<b>487,144</b>	<b>464,725</b>	<b>396,598</b>	<b>456,402</b>	<b>380,996</b>	<b>469,908</b>	<b>5,817,786</b>
25 <b>Net Income Before Taxes</b>		<b>39,157</b>	<b>68,735</b>	<b>79,196</b>	<b>81,423</b>	<b>(72,319)</b>	<b>87,877</b>	<b>111,834</b>	<b>117,146</b>	<b>193,192</b>	<b>137,602</b>	<b>199,692</b>	<b>100,128</b>	<b>1,143,662</b>
26 % Medical Exp to Net Revenues		69.3%	60.9%	58.6%	57.6%	73.7%	56.6%	60.0%	53.5%	45.3%	55.8%	43.9%	56.8%	57.6%
27 % Prescription Exp to Net Revenues		18.2%	21.1%	21.5%	23.2%	32.8%	22.9%	15.7%	20.8%	15.9%	16.2%	15.7%	19.3%	20.2%
28 % Total Medical and Prescription to Net Rev. (MLR)		87.5%	82.0%	80.2%	80.8%	106.5%	79.5%	75.7%	74.2%	61.2%	72.0%	59.6%	76.1%	77.9%
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>7.0%</b>	<b>12.1%</b>	<b>13.8%</b>	<b>14.0%</b>	<b>-12.4%</b>	<b>15.0%</b>	<b>18.7%</b>	<b>20.1%</b>	<b>32.8%</b>	<b>23.2%</b>	<b>34.4%</b>	<b>17.6%</b>	<b>16.4%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.2%	7.8%	7.9%	6.8%	7.8%	7.2%	7.3%	7.4%	7.9%	6.3%	7.9%	8.3%	7.5%
<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.