

**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>Corpus / Nueces</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		1,483	1,572	1,593	1,622	1,668	1,660	1,697	1,671	1,619	1,545	1,547	1,548	19,225
2 <b>Average Monthly Member Months</b>														<b>1,602</b>
<b>Revenues:</b>														
3 Medical Premiums		187,201	194,622	198,186	204,426	214,033	208,811	214,087	210,997	206,628	198,502	198,634	199,585	2,435,712
4 Delivery Supplemental Payments		0	0	3,100	0	6,200	0	0	0	3,100	0	0	0	12,400
5 Pharmacy Premiums		64,361	67,725	68,884	70,814	73,331	72,573	74,170	73,192	71,133	67,694	67,611	67,760	839,248
6 Investment Income		1,481	1,529	1,696	3,069	2,054	2,165	2,434	2,280	2,284	2,696	2,479	2,310	26,476
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		253,043	263,876	271,866	278,309	295,618	283,549	290,691	286,469	283,145	268,892	268,724	269,655	3,313,836
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		4,402	4,591	4,728	4,817	5,137	4,924	5,044	4,973	4,915	4,658	4,659	4,679	57,529
12 Maintenance Taxes		89	94	96	97	100	100	102	100	97	93	93	93	1,154
13 <b>Net Revenues</b>		<b>248,552</b>	<b>259,191</b>	<b>267,042</b>	<b>273,395</b>	<b>290,381</b>	<b>278,525</b>	<b>285,545</b>	<b>281,395</b>	<b>278,133</b>	<b>264,141</b>	<b>263,972</b>	<b>264,884</b>	<b>3,255,155</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		139,621	136,142	131,968	129,674	204,160	138,616	126,295	147,566	149,125	115,696	129,222	219,549	1,767,635
15 Capitated Services		4,463	4,757	4,813	4,880	4,468	4,471	4,568	4,495	4,342	4,139	4,147	4,143	53,688
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		59	63	64	65	67	66	68	67	65	62	62	62	769
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		1,962	2,086	2,170	2,555	2,537	2,526	2,596	2,526	2,465	2,667	2,385	2,416	28,891
20 Total Medical Expenses		146,106	143,048	139,015	137,174	211,232	145,680	133,527	154,654	155,997	122,564	135,816	226,170	1,850,983
21 Prescription Expenses (excluding PBM Admin)		58,212	50,755	50,988	60,568	67,978	53,349	44,273	58,987	40,241	38,111	68,433	73,439	665,334
22 <b>Total Medical and Prescription Expenses</b>		<b>204,318</b>	<b>193,803</b>	<b>190,003</b>	<b>197,742</b>	<b>279,210</b>	<b>199,029</b>	<b>177,800</b>	<b>213,641</b>	<b>196,238</b>	<b>160,675</b>	<b>204,249</b>	<b>299,609</b>	<b>2,516,317</b>
23 <b>Administrative Expenses</b>		<b>13,663</b>	<b>15,343</b>	<b>16,033</b>	<b>14,249</b>	<b>17,228</b>	<b>15,311</b>	<b>16,009</b>	<b>15,837</b>	<b>16,877</b>	<b>12,781</b>	<b>15,862</b>	<b>16,849</b>	<b>186,043</b>
24 <b>Total Expenses</b>		<b>217,981</b>	<b>209,147</b>	<b>206,036</b>	<b>211,990</b>	<b>296,438</b>	<b>214,340</b>	<b>193,810</b>	<b>229,478</b>	<b>213,115</b>	<b>173,456</b>	<b>220,112</b>	<b>316,458</b>	<b>2,702,361</b>
25 <b>Net Income Before Taxes</b>		<b>30,571</b>	<b>50,044</b>	<b>61,006</b>	<b>61,405</b>	<b>(6,057)</b>	<b>64,185</b>	<b>91,735</b>	<b>51,917</b>	<b>65,018</b>	<b>90,685</b>	<b>43,860</b>	<b>(51,574)</b>	<b>552,794</b>
26 % Medical Exp to Net Revenues		58.8%	55.2%	52.1%	50.2%	72.7%	52.3%	46.8%	55.0%	56.1%	46.4%	51.5%	85.4%	56.9%
27 % Prescription Exp to Net Revenues		23.4%	19.6%	19.1%	22.2%	23.4%	19.2%	15.5%	21.0%	14.5%	14.4%	25.9%	27.7%	20.4%
28 % Total Medical and Prescription to Net Rev. (MLR)		82.2%	74.8%	71.2%	72.3%	96.2%	71.5%	62.3%	75.9%	70.6%	60.8%	77.4%	113.1%	77.3%
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>12.3%</b>	<b>19.3%</b>	<b>22.8%</b>	<b>22.5%</b>	<b>-2.1%</b>	<b>23.0%</b>	<b>32.1%</b>	<b>18.4%</b>	<b>23.4%</b>	<b>34.3%</b>	<b>16.6%</b>	<b>-19.5%</b>	<b>17.0%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.4%	8.0%	8.1%	7.0%	7.9%	7.4%	7.6%	7.6%	8.2%	6.5%	8.1%	8.5%	7.7%

**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.