

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	Superior / Bankers / Centene	Program:	CHIP
State Fiscal Year:	2018	Service Area:	Travis / Austin
Submission Date:	8/30/2019	Rptg Period End Date:	8/31/2018
Submission Type:	Yr-End 334-Day		

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		11,859	11,959	11,951	12,011	12,073	12,107	12,024	11,961	13,226	12,984	12,796	12,783	147,734
2 Average Monthly Member Months														12,311
Revenues:														
3 Medical Premiums		1,585,538	1,593,949	1,589,374	1,580,813	1,592,913	1,599,134	1,584,067	1,604,439	1,824,113	1,798,350	1,755,668	1,755,714	19,864,072
4 Delivery Supplemental Payments		3,100	3,100	0	3,100	0	0	6,200	3,100	6,200	6,200	3,100	3,100	37,200
5 Pharmacy Premiums		312,156	314,477	314,064	315,380	317,144	318,226	315,674	315,228	349,770	343,199	338,127	338,095	3,891,540
6 Investment Income		11,844	11,632	12,720	22,725	14,870	15,789	17,243	16,318	18,659	22,653	20,502	19,078	204,035
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		1,912,638	1,923,158	1,916,158	1,922,018	1,924,927	1,933,149	1,923,184	1,939,085	2,198,742	2,170,402	2,117,397	2,115,987	23,996,847
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		33,264	33,452	33,310	33,238	33,426	33,554	33,354	33,648	38,151	37,586	36,696	36,696	416,374
12 Maintenance Taxes		712	718	717	721	724	726	721	718	794	779	768	767	8,864
13 Net Revenues		1,878,663	1,888,989	1,882,131	1,888,060	1,890,777	1,898,869	1,889,109	1,904,719	2,159,797	2,132,037	2,079,934	2,078,524	23,571,607
Medical Expenses:														
14 Fee-For-Service		1,041,922	1,012,803	1,036,684	1,183,107	1,180,143	1,219,274	1,019,070	1,236,229	1,146,253	775,333	932,296	1,173,929	12,957,043
15 Capitated Services		43,203	43,605	43,598	43,916	40,330	40,432	103,127	102,410	113,006	110,853	109,321	109,240	903,042
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		474	478	478	480	483	484	481	478	529	519	512	511	5,909
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		14,828	15,206	15,296	17,646	16,520	17,221	17,172	17,100	19,139	21,529	18,792	18,961	209,410
20 Total Medical Expenses		1,100,427	1,072,093	1,096,056	1,245,150	1,237,476	1,277,411	1,139,850	1,356,218	1,278,927	908,234	1,060,921	1,302,642	14,075,405
21 Prescription Expenses (excluding PBM Admin)		302,529	289,897	316,777	317,218	370,505	415,915	296,592	440,301	325,823	248,832	298,592	372,899	3,995,881
22 Total Medical and Prescription Expenses		1,402,956	1,361,990	1,412,833	1,562,368	1,607,981	1,693,326	1,436,442	1,796,519	1,604,750	1,157,066	1,359,513	1,675,541	18,071,286
23 Administrative Expenses		103,272	111,822	113,003	98,402	112,180	104,384	105,917	107,198	131,058	103,166	124,986	132,217	1,347,606
24 Total Expenses		1,506,229	1,473,812	1,525,835	1,660,770	1,720,160	1,797,710	1,542,359	1,903,717	1,735,808	1,260,233	1,484,500	1,807,758	19,418,891
25 Net Income Before Taxes		372,434	415,177	356,296	227,290	170,617	101,159	346,750	1,002	423,989	871,804	595,434	270,766	4,152,716
26 % Medical Exp to Net Revenues		58.6%	56.8%	58.2%	65.9%	65.4%	67.3%	60.3%	71.2%	59.2%	42.6%	51.0%	62.7%	59.7%
27 % Prescription Exp to Net Revenues		16.1%	15.3%	16.8%	16.8%	19.6%	21.9%	15.7%	23.1%	15.1%	11.7%	14.4%	17.9%	17.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		74.7%	72.1%	75.1%	82.7%	85.0%	89.2%	76.0%	94.3%	74.3%	54.3%	65.4%	80.6%	76.7%
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 % Net Income to Net Revenues		19.8%	22.0%	18.9%	12.0%	9.0%	5.3%	18.4%	0.1%	19.6%	40.9%	28.6%	13.0%	17.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.6%	7.1%	7.2%	6.3%	7.1%	6.6%	6.7%	6.7%	7.2%	5.8%	7.2%	7.6%	6.8%
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.