

MMP name: **HealthSpring / Cigna**

MMP self-reported data, subject to audit

State Fiscal Year: **2018**

Program: **MMP Dual Demo - Integrated Care Program (STAR+PLUS+Medicare)**

Texas Financial Alignment Demonstration

Submission Date: **8/30/2019**

County: **Hidalgo (McAllen, Edinburg, Pharr, Mission)**

template version 2.0

Submission Type: **Yr-End 334-Day**

Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

Managed Care contract revenues & 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	SFY YTD
1 Member Months (per Medicaid)		1,234	1,227	2,038	1,862	1,993	1,972	2,006	1,987	1,967	1,938	1,941	1,962	22,127
2 additional / (fewer) Mbr-Mos in Medicare		(1)	(2)	2	(11)	(2)	(11)	(19)	(7)	0	(9)	(5)	(8)	(73)
3 Average Monthly Member Months														1,844
<b>Revenues:</b>														
<i>CMS Medicare Premiums:</i>														
4 Monthly Capitation Received - Medical		1,269,770	1,264,693	2,525,716	2,177,076	2,364,065	2,277,261	2,343,183	2,277,921	2,247,236	2,167,952	2,533,296	2,307,000	25,755,168
5 Monthly Capitation Withheld - Medical		27,323	30,308	57,046	47,894	77,623	73,461	72,282	70,566	67,596	73,391	(269,691)	98,154	425,954
6 Gross Total (before withhold) - Medical		1,297,093	1,295,001	2,582,762	2,224,970	2,441,688	2,350,722	2,415,465	2,348,487	2,314,832	2,241,343	2,263,605	2,405,154	26,181,122
7 Gross Total (no withholding) - Pharmacy		475,549	472,842	800,968	722,748	741,024	728,220	738,238	733,477	727,105	712,678	714,512	724,745	8,292,106
8 Sub-total: Medicare Capitation		1,772,642	1,767,843	3,383,730	2,947,718	3,182,712	3,078,942	3,153,703	3,081,964	3,041,937	2,954,021	2,978,117	3,129,899	34,473,228
<i>Medicaid Premiums:</i>														
9 Monthly Capitation Received - Medical		1,305,873	1,298,607	2,457,777	2,271,649	2,350,675	2,240,512	2,282,273	2,240,425	2,209,305	2,161,251	2,125,268	2,171,527	25,115,142
10 Monthly Capitation Received - Pharmacy		3,206	3,201	5,258	4,801	4,982	4,958	5,047	5,000	4,952	4,897	4,911	4,939	56,152
11 Monthly Capitation Withheld - Medical		26,650	26,502	50,159	46,361	47,927	45,679	46,531	45,676	45,042	44,062	43,327	44,271	512,187
12 Monthly Capitation Withheld - Pharmacy		66	65	107	98	148	147	149	149	147	145	146	146	1,513
13 Gross Total (before withhold) - Medical		1,332,523	1,325,109	2,507,936	2,318,010	2,398,602	2,286,191	2,328,804	2,286,101	2,254,347	2,205,313	2,168,595	2,215,798	25,627,329
14 Gross Total (before withhold) - Pharmacy		3,272	3,266	5,365	4,899	5,130	5,105	5,196	5,149	5,099	5,042	5,057	5,085	57,665
15 Sub-total: Medicaid Capitation		1,335,795	1,328,375	2,513,301	2,322,909	2,403,732	2,291,296	2,334,000	2,291,250	2,259,446	2,210,355	2,173,652	2,220,883	25,684,994
16 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Total Gross Revenues		3,108,437	3,096,218	5,897,031	5,270,627	5,586,444	5,370,238	5,487,703	5,373,214	5,301,383	5,164,376	5,151,769	5,350,782	60,158,222
19 Premium Taxes (on Medicaid)		22,909	22,782	43,103	39,838	41,224	39,296	40,028	39,295	38,750	37,908	37,278	38,088	440,498
20 Maintenance Taxes		524	521	985	911	942	898	915	898	886	866	852	871	10,069
21 Net Revenues		3,085,004	3,072,916	5,852,943	5,229,879	5,544,278	5,330,044	5,446,760	5,333,021	5,261,748	5,125,602	5,113,639	5,311,823	59,707,656
<b>Expenses:</b>														
<i>Medicare Expenses:</i>														
22 Fee-For-Service		624,584	720,183	1,916,737	1,525,438	1,649,383	1,278,634	1,735,203	1,693,829	1,471,193	1,753,769	1,781,725	1,429,065	17,579,743
23 Capitated Services		262,187	283,814	319,863	313,470	340,295	353,033	365,116	382,672	332,195	356,486	340,542	376,673	4,026,346
24 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
25 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
26 Other Medicare Medical Expenses		7,050	7,600	3,250	3,500	4,500	3,000	53,225	18,200	23,100	23,275	24,325	4,900	175,925
27 Total Medicare Medical Expenses		893,821	1,011,597	2,239,850	1,842,408	1,994,178	1,634,667	2,153,544	2,094,701	1,826,488	2,133,530	2,146,592	1,810,638	21,782,014
28 Medicare Gross Rx Exp (excl PBM Admin)		368,753	286,507	770,322	653,032	664,247	607,902	674,280	732,607	747,174	679,354	755,126	789,678	7,728,982
29 Medicare Rx Rebates		0	0	0	0	0	0	0	0	0	0	0	0	0
30 Sub-total: Medicare Medical & Rx Expenses		1,262,574	1,298,104	3,010,172	2,495,440	2,658,425	2,242,569	2,827,824	2,827,308	2,573,662	2,812,884	2,901,718	2,600,316	29,510,996
<i>Medicaid Expenses:</i>														
31 Fee-For-Service		904,364	961,015	1,885,567	1,750,769	1,861,765	1,609,740	1,785,776	1,672,098	1,722,794	1,591,708	1,625,524	1,681,543	19,052,663
32 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
33 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
34 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
35 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
36 Quality Incentive Payment Program (QIPP):		27,824	26,155	57,651	73,455	75,681	48,399	65,108	62,326	40,254	55,648	51,196	43,626	627,323
37 Other Medicaid Medical Expenses		79,271	79,195	113,612	79,510	80,349	80,238	86,586	91,183	130,280	90,763	92,125	91,101	1,094,213
38 Total Medicaid Medical Expenses		1,011,459	1,066,365	2,056,830	1,903,734	2,017,795	1,738,377	1,937,470	1,825,607	1,893,328	1,738,119	1,768,845	1,816,270	20,774,199
39 Medicaid Prescription Exp (excl PBM Admin)		1,950	1,827	2,553	3,747	2,427	3,186	2,886	2,574	2,453	1,916	2,545	3,609	31,674
40 Sub-total: Medicaid Medical & Rx Expenses		1,013,409	1,068,192	2,059,383	1,907,481	2,020,222	1,741,563	1,940,356	1,828,181	1,895,781	1,740,035	1,771,390	1,819,879	20,805,873
41 Total Medical & Prescription Expenses		2,275,983	2,366,296	5,069,555	4,402,921	4,678,648	3,984,132	4,768,180	4,655,489	4,469,443	4,552,920	4,673,108	4,420,195	50,316,869
42 Administrative Expenses		358,560	382,750	526,775	380,373	510,835	412,593	421,967	420,934	602,693	443,781	443,553	438,198	5,343,013
43 Total Expenses		2,634,543	2,749,046	5,596,330	4,783,294	5,189,483	4,396,725	5,190,147	5,076,423	5,072,136	4,996,701	5,116,661	4,858,393	55,659,882
44 Total Net Income Before Taxes		450,461	323,870	256,613	446,585	354,795	933,319	256,613	256,598	189,612	128,901	(3,022)	453,430	4,047,774
45 Net Income EXCL Medicare RX		345,719	139,536	229,717	380,262	281,955	816,419	196,296	259,364	213,482	98,919	41,177	521,956	3,524,801

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Submission Type: **Yr-End 334-Day**

Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

Key Ratios:	Incurred Months:	Managed Care contract revenues & costs												SFY YTD
		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	
46 % total Medical Exp to Net Revenues	61.8%	67.6%	73.4%	71.6%	72.4%	63.3%	75.1%	73.5%	70.7%	75.5%	76.6%	68.3%	71.3%	
47 % total Prescription Exp to Net Revenues	12.0%	9.4%	13.2%	12.6%	12.0%	11.5%	12.4%	13.8%	14.2%	13.3%	14.8%	14.9%	13.0%	
48 % Total Medical & Rx to Net Rev. (MLR)	73.8%	77.0%	86.6%	84.2%	84.4%	74.7%	87.5%	87.3%	84.9%	88.8%	91.4%	83.2%	<b>84.3%</b>	
49 % Admin Exp to Net Revenues	11.6%	12.5%	9.0%	7.3%	9.2%	7.7%	7.7%	7.9%	11.5%	8.7%	8.7%	8.2%	8.9%	
50 % Total Net Income to Net Revenues	<b>14.6%</b>	<b>10.5%</b>	<b>4.4%</b>	<b>8.5%</b>	<b>6.4%</b>	<b>17.5%</b>	<b>4.7%</b>	<b>4.8%</b>	<b>3.6%</b>	<b>2.5%</b>	<b>-0.1%</b>	<b>8.5%</b>	<b>6.8%</b>	
51 % Adj. Admin to Adj. Net Revenues (excludes Taxes & Prescription pass-through)	13.7%	14.7%	10.4%	8.4%	10.6%	8.9%	8.9%	9.1%	13.2%	10.0%	10.0%	9.5%	10.3%	
52 % Net Income EXCL Medicare Rx	13.2%	5.4%	4.5%	8.4%	5.9%	17.7%	4.2%	5.6%	4.7%	2.2%	0.9%	11.4%	<b>6.9%</b>	
<b>Memo: QWP withholdings and recoupments</b>														
53 Total Medicare Capitation Withheld	27,323	30,308	57,046	47,894	77,623	73,461	72,282	70,566	67,596	73,391	(269,691)	98,154	425,954	
54 Total Medicaid Capitation Withheld	26,716	26,568	50,266	46,459	48,075	45,826	46,680	45,825	45,189	44,207	43,473	44,417	513,700	
55 Medicare Payments against Withholding													0	
56 Medicaid Payments against Withholding													0	
57 <b>Net Amount Not Received by MMP</b>	<b>54,039</b>	<b>56,876</b>	<b>107,312</b>	<b>94,353</b>	<b>125,698</b>	<b>119,288</b>	<b>118,962</b>	<b>116,391</b>	<b>112,785</b>	<b>117,598</b>	<b>(226,219)</b>	<b>142,571</b>	<b>939,654</b>	
<b>Additional memo items:</b>														
58 total Net Revenues (from Line 21)	3,085,004	3,072,916	5,852,943	5,229,879	5,544,278	5,330,044	5,446,760	5,333,021	5,261,748	5,125,602	5,113,639	5,311,823	59,707,656	
59 Medicare portion (incls interest income)	1,772,642	1,767,843	3,383,730	2,947,718	3,182,712	3,078,942	3,153,703	3,081,964	3,041,937	2,954,021	2,978,117	3,129,899	34,473,228	
60 Medicaid portion (excls Prem tax; incls interest inc)	1,312,362	1,305,073	2,469,213	2,282,161	2,361,566	2,251,102	2,293,057	2,251,057	2,219,811	2,171,581	2,135,522	2,181,924	25,234,428	
61 add-check	0	0	0	0	0	0	0	0	0	0	0	0	0	
62 total Net Income (from Line 43)	450,461	323,870	256,613	446,585	354,795	933,319	256,613	256,598	189,612	128,901	(3,022)	453,430	4,047,774	
63 Medicare portion	325,544	272,859	102,110	255,938	260,906	623,529	108,129	37,438	157,944	(87,633)	(152,372)	303,549	2,207,943	
64 Medicaid portion	124,917	51,010	154,503	190,647	93,888	309,790	148,484	219,160	31,667	216,534	149,350	149,881	1,839,831	
65 add-check	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	(0)	0	0	(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). With each new FSR submission, all prior quarters' data must be updated to reflect, in the column pertaining to the appropriate past month, the most recent revised IBNR estimates, the most recent Medicare capitation premium adjustments, and the most recent Medicare and Medicaid payment file data.

## 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.