

HHS FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Aetna Better Health**
 State Fiscal Year: **2018**
 Submission Date: **8/30/2019**
 Submission Type: **Yr-End 334-Day**
 Program: **STAR KIDS**
 Service Area: **Ft. Worth / Tarrant**
 Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

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
HHS Managed Care contract costs													
1 Member Months	5,041	5,014	4,972	4,928	4,962	4,985	4,911	4,950	4,897	4,808	4,842	4,811	59,121
2 Average Monthly Member Months													4,927
Revenues:													
3 Medical Premiums	4,884,187	4,802,351	4,756,152	4,654,552	4,683,126	4,683,310	4,599,709	4,640,052	4,591,389	4,549,341	4,659,705	4,571,591	56,075,465
4 Pharmacy Premiums	1,283,973	1,272,179	1,259,339	1,246,327	1,250,997	1,254,424	1,234,106	1,244,376	1,232,612	1,212,615	1,225,450	1,212,883	14,929,281
5 Investment Income	53,792	60,237	58,287	52,416	57,809	52,968	49,567	44,667	41,594	41,712	42,361	42,906	598,315
6 Health Insurance Providers Fee Reimbursement	1,412,790												1,412,790
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	7,634,742	6,134,767	6,073,778	5,963,295	5,991,932	5,990,702	5,883,382	5,929,095	5,865,595	5,803,668	5,927,516	5,827,380	73,015,851
9 Health Insurance Providers Fee & Related Costs	1,388,066												1,388,066
10 Premium Taxes	132,667	106,304	105,271	103,265	103,847	103,910	102,092	102,977	101,920	100,834	102,990	101,228	1,267,307
11 Maintenance Taxes	1,762	1,736	1,719	1,686	1,696	1,697	1,667	1,681	1,664	1,646	1,682	1,653	20,288
12 Net Revenues	6,112,247	6,026,727	5,966,788	5,848,344	5,886,389	5,885,095	5,779,623	5,824,436	5,762,011	5,701,187	5,822,844	5,724,499	70,340,191
Medical Expenses:													
13 Fee-For-Service	3,059,183	3,084,220	3,083,326	2,585,340	3,500,849	2,916,115	4,362,186	3,443,170	3,149,688	3,354,028	3,250,650	3,496,478	39,285,233
14 Capitated Services	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost	14,367	14,290	14,170	14,045	11,115	11,166	11,001	11,088	10,969	10,770	10,846	10,777	144,604
17 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement	294,592	291,999	304,848	269,997	277,319	239,669	252,212	250,107	283,289	280,270	293,220	306,196	3,343,718
19 Other Medical Expenses	(1,114)	0	(781)	(317)	(1,243)	(2,452)	(1,093)	(1,922)	(1,088)	(1,651)	(956)	(2,327)	(14,944)
20 Total Medical Expenses	3,367,028	3,390,509	3,401,563	2,869,065	3,788,040	3,164,498	4,624,306	3,702,443	3,442,858	3,643,417	3,553,760	3,811,124	42,758,611
21 Prescription Expenses (excluding PBM Admin)	906,096	880,356	939,972	930,723	1,123,361	990,143	991,829	986,269	1,040,203	854,820	913,672	994,100	11,551,544
22 Total Medical and Prescription Expenses	4,273,124	4,270,864	4,341,535	3,799,788	4,911,401	4,154,641	5,616,135	4,688,712	4,483,062	4,498,237	4,467,433	4,805,223	54,310,156
Administrative Expenses	389,279	410,497	445,493	411,185	436,477	382,057	371,624	368,941	397,434	365,329	338,292	426,077	4,742,686
24 Total Expenses	4,662,404	4,681,362	4,787,028	4,210,973	5,347,878	4,536,698	5,987,759	5,057,653	4,880,495	4,863,566	4,805,724	5,231,300	59,052,840
25 Net Income Before Taxes	1,449,843	1,345,365	1,179,760	1,637,371	538,511	1,348,397	(208,136)	766,783	881,516	837,621	1,017,120	493,199	11,287,351
26 % Medical Exp to Net Revenues	55.1%	56.3%	57.0%	49.1%	64.4%	53.8%	80.0%	63.6%	59.8%	63.9%	61.0%	66.6%	60.8%
27 % Prescription Exp to Net Revenues	14.8%	14.6%	15.8%	15.9%	19.1%	16.8%	17.2%	16.9%	18.1%	15.0%	15.7%	17.4%	16.4%
28 % Total Medical and Prescription to Net Rev. (MLR)	69.9%	70.9%	72.8%	65.0%	83.4%	70.6%	97.2%	80.5%	77.8%	78.9%	76.7%	83.9%	77.2%
29 % Admin Exp to Net Revenues	6.4%	6.8%	7.5%	7.0%	7.4%	6.5%	6.4%	6.3%	6.9%	6.4%	5.8%	7.4%	6.7%
30 % Net Income to Net Revenues	23.7%	22.3%	19.8%	28.0%	9.1%	22.9%	-3.6%	13.2%	15.3%	14.7%	17.5%	8.6%	16.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	8.1%	8.6%	9.5%	8.9%	9.4%	8.3%	8.2%	8.1%	8.8%	8.1%	7.4%	9.4%	8.6%

Post-income items:

32 Performance Assessment													0
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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.