

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **10/8/2019** Service Area: **Harris / Houston**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

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		8,976	8,963	8,898	8,796	8,784	8,658	8,510	8,446	8,358	8,210	8,141	8,063	102,803
2 Average Monthly Member Months														8,567
Revenues:														
3 Medical Premiums		9,628,676	9,575,782	9,514,852	9,288,644	9,158,308	9,047,609	8,789,540	8,719,961	8,592,364	8,403,002	8,302,617	8,143,717	107,165,072
4 Pharmacy Premiums		1,990,630	1,984,706	1,971,694	1,941,584	1,929,206	1,901,957	1,864,383	1,850,478	1,828,951	1,793,655	1,776,120	1,754,436	22,587,800
5 Investment Income		40,648	88,997	86,186	87,325	91,426	80,950	81,815	84,496	70,995	70,286	76,263	72,688	932,077
6 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		11,659,954	11,649,485	11,572,732	11,317,553	11,178,940	11,030,516	10,735,738	10,654,935	10,492,310	10,266,943	10,155,000	9,970,841	130,684,949
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		199,400	202,309	201,015	196,529	194,031	191,617	186,444	184,983	182,373	178,441	176,378	173,218	2,266,738
11 Maintenance Taxes		583	583	578	572	571	563	553	549	543	534	529	524	6,682
12 Net Revenues		11,459,970	11,446,594	11,371,139	11,120,452	10,984,338	10,838,336	10,548,741	10,469,403	10,309,394	10,087,968	9,978,093	9,797,099	128,411,527
Medical Expenses:														
13 Fee-For-Service		6,303,732	6,582,529	6,294,826	6,245,616	5,911,815	8,235,668	5,560,001	5,458,420	5,709,829	5,420,269	6,023,782	5,659,489	73,405,976
14 Capitated Services		8,707	8,694	8,631	8,532	8,520	8,398	8,255	8,193	8,107	7,964	7,897	7,821	99,719
15 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		359	359	356	352	351	346	340	338	334	328	0	0	3,463
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		370,784	236,998	359,737	346,118	365,107	343,338	362,446	332,008	348,494	323,717	314,587	349,852	4,053,186
19 Other Medical Expenses		(41,717)	(51,206)	(64,525)	(80,140)	(73,230)	(90,129)	(89,368)	(96,253)	(90,214)	(79,969)	(20,027)	(83,067)	(839,845)
20 Total Medical Expenses		6,841,865	6,777,374	6,599,025	6,540,478	6,212,563	8,497,621	5,841,674	5,702,706	5,976,550	5,672,309	6,326,239	5,934,095	76,722,499
21 Prescription Expenses (excluding PBM Admin)		1,773,177	2,290,483	2,197,287	1,993,151	2,254,163	2,064,248	1,914,022	1,765,430	2,021,543	1,734,045	1,772,490	1,518,219	23,298,257
22 Total Medical and Prescription Expenses		8,415,042	9,067,857	8,796,312	8,533,629	8,466,726	10,561,869	7,755,696	7,468,136	7,998,093	7,406,354	8,098,729	7,452,314	100,020,756
23 Administrative Expenses		493,689	570,260	525,669	569,316	530,798	486,980	477,505	500,909	485,369	489,846	469,805	503,257	6,103,404
24 Total Expenses		8,908,731	9,638,117	9,321,981	9,102,945	8,997,524	11,048,849	8,233,201	7,969,044	8,483,463	7,896,200	8,568,534	7,955,571	106,124,160
25 Net Income Before Taxes		2,551,239	1,808,477	2,049,158	2,017,507	1,986,814	(210,513)	2,315,540	2,500,359	1,825,931	2,191,768	1,409,559	1,841,528	22,287,367
26 % Medical Exp to Net Revenues		58.0%	59.2%	58.0%	58.8%	56.6%	78.4%	55.4%	54.5%	58.0%	56.2%	63.4%	60.6%	59.7%
27 % Prescription Exp to Net Revenues		15.5%	20.0%	19.3%	17.9%	20.5%	19.0%	18.1%	16.9%	19.6%	17.2%	17.8%	15.5%	18.1%
28 % Total Medical and Prescription to Net Rev. (MLR)		73.4%	79.2%	77.4%	76.7%	77.1%	97.4%	73.5%	71.3%	77.6%	73.4%	81.2%	76.1%	77.9%
29 % Admin Exp to Net Revenues		4.3%	5.0%	4.6%	5.1%	4.8%	4.5%	4.5%	4.8%	4.7%	4.9%	4.7%	5.1%	4.8%
30 % Net Income to Net Revenues		22.3%	15.8%	18.0%	18.1%	18.1%	-1.9%	22.0%	23.9%	17.7%	21.7%	14.1%	18.8%	17.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.2%	6.0%	5.6%	6.2%	5.9%	5.4%	5.5%	5.8%	5.7%	5.9%	5.7%	6.3%	5.8%

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.