

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **10/8/2019** Service Area: **Lubbock**
 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		1,671	1,671	1,679	1,655	1,665	1,677	1,661	1,669	1,675	1,670	1,673	1,664	20,030
2 Average Monthly Member Months														1,669
Revenues:														
3 Medical Premiums		2,288,865	2,282,864	2,315,365	2,267,790	2,270,603	2,282,311	2,221,756	2,219,059	2,229,570	2,206,148	2,218,434	2,203,343	27,006,108
4 Pharmacy Premiums		537,790	536,781	540,731	531,997	533,985	537,311	531,398	532,556	533,716	530,086	532,937	528,868	6,408,156
5 Investment Income		13,880	21,291	21,232	22,450	23,013	20,617	21,314	22,202	18,851	18,828	21,804	19,492	244,954
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		2,840,535	2,840,936	2,877,328	2,822,237	2,827,601	2,840,239	2,774,468	2,773,817	2,782,117	2,755,062	2,773,175	2,751,703	33,659,218
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		45,529	49,344	49,982	48,996	49,080	49,343	48,180	48,153	48,358	47,884	48,149	47,814	580,812
11 Maintenance Taxes		109	109	109	108	108	109	108	108	109	109	109	108	1,302
12 Net Revenues		2,794,897	2,791,484	2,827,237	2,773,133	2,778,412	2,790,787	2,726,180	2,725,555	2,733,651	2,707,069	2,724,917	2,703,781	33,077,104
Medical Expenses:														
13 Fee-For-Service		1,982,609	1,989,613	1,928,389	1,676,827	1,728,090	1,496,620	1,667,404	2,712,944	1,944,638	1,794,166	1,640,820	2,041,712	22,603,832
14 Capitated Services		1,621	1,621	1,629	1,605	1,615	1,627	1,611	1,619	1,625	1,620	1,623	1,614	19,430
15 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		67	67	67	66	67	67	66	67	67	67	67	67	668
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		90,328	57,796	89,441	86,311	92,350	88,406	93,668	86,432	92,406	86,868	85,909	96,550	1,046,465
19 Other Medical Expenses		(7,262)	(5,025)	(6,317)	(6,766)	(6,714)	(8,241)	(8,421)	(7,610)	(6,300)	(3,985)	(6,113)	(8,847)	(82,601)
20 Total Medical Expenses		2,067,363	2,044,072	2,013,209	1,758,043	1,815,408	1,578,479	1,753,328	2,793,452	2,032,436	1,878,736	1,722,239	2,131,029	23,587,794
21 Prescription Expenses (excluding PBM Admin)		487,985	575,698	533,687	540,040	626,803	566,793	551,385	518,664	487,678	490,784	529,421	574,590	6,483,529
22 Total Medical and Prescription Expenses		2,555,348	2,619,770	2,546,896	2,298,083	2,442,211	2,145,272	2,304,713	3,312,116	2,520,114	2,369,520	2,251,660	2,705,619	30,071,323
23 Administrative Expenses		120,270	139,068	130,697	141,969	134,260	125,392	123,403	130,402	128,699	131,447	128,297	138,886	1,572,791
24 Total Expenses		2,675,618	2,758,838	2,677,593	2,440,053	2,576,471	2,270,664	2,428,116	3,442,518	2,648,813	2,500,967	2,379,956	2,844,506	31,644,113
25 Net Income Before Taxes		119,279	32,646	149,644	333,080	201,941	520,123	298,064	(716,963)	84,838	206,102	344,961	(140,725)	1,432,991
26 % Medical Exp to Net Revenues		74.0%	73.2%	71.2%	63.4%	65.3%	56.6%	64.3%	102.5%	74.3%	69.4%	63.2%	78.8%	71.3%
27 % Prescription Exp to Net Revenues		17.5%	20.6%	18.9%	19.5%	22.6%	20.3%	20.2%	19.0%	17.8%	18.1%	19.4%	21.3%	19.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		91.4%	93.8%	90.1%	82.9%	87.9%	76.9%	84.5%	121.5%	92.2%	87.5%	82.6%	100.1%	90.9%
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		4.3%	1.2%	5.3%	12.0%	7.3%	18.6%	10.9%	-26.3%	3.1%	7.6%	12.7%	-5.2%	4.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.3%	6.2%	5.7%	6.3%	6.0%	5.6%	5.6%	5.9%	5.9%	6.0%	5.9%	6.4%	5.9%
Post-income items:														
32 Performance Assessment														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). 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.