

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Blue Cross Blue Shield of Texas / Health Care Service Corporation**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Travis / Austin**
 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		3,586	3,605	3,621	3,647	3,665	3,696	3,670	3,712	3,744	3,729	3,729	3,714	44,118
2 Average Monthly Member Months														3,676
Revenues:														
3 Medical Premiums		5,501,122	5,515,337	5,543,792	5,611,004	5,594,721	5,612,703	5,547,069	5,607,354	5,667,012	5,660,117	5,669,528	5,651,518	67,181,277
4 Pharmacy Premiums		1,496,510	1,502,543	1,507,225	1,522,839	1,519,382	1,524,821	1,509,569	1,524,395	1,536,579	1,537,672	1,536,267	1,531,252	18,249,054
5 Investment Income		60,409	67,627	66,585	83,003	59,175	53,410	62,453	69,794	60,673	74,643	55,887	70,482	784,140
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		7,058,041	7,085,507	7,117,602	7,216,846	7,173,278	7,190,934	7,119,091	7,201,543	7,264,264	7,272,432	7,261,682	7,253,252	86,214,471
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		122,459	122,813	123,393	124,842	124,497	124,907	123,491	124,806	126,063	125,961	126,101	125,698	1,495,031
11 Maintenance Taxes		448	451	453	456	458	462	459	464	468	466	466	464	5,515
12 Net Revenues		6,935,134	6,962,243	6,993,757	7,091,548	7,048,323	7,065,565	6,995,141	7,076,273	7,137,733	7,146,005	7,135,114	7,127,089	84,713,926
Medical Expenses:														
13 Fee-For-Service		5,333,989	5,535,499	4,937,720	5,191,457	5,894,383	5,057,390	5,445,245	6,854,295	6,156,920	5,283,179	5,575,274	5,671,360	66,936,711
14 Capitated Services		508,393	511,086	513,355	517,041	519,593	523,987	520,301	526,256	530,792	484,830	484,830	482,879	6,123,343
15 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		177,064	201,771	208,371	201,231	201,968	209,646	234,055	221,312	225,965	221,952	256,693	250,668	2,610,696
19 Other Medical Expenses		(672,193)	(859,361)	(857,131)	(633,457)	(865,570)	(735,787)	(885,609)	(843,318)	(962,203)	(926,794)	(936,698)	(903,358)	(10,082,479)
20 Total Medical Expenses		5,347,253	5,388,995	4,802,315	5,276,272	5,750,374	5,055,236	5,312,992	6,758,545	5,951,474	5,083,167	5,380,099	5,501,549	65,588,271
21 Prescription Expenses (excluding PBM Admin)		1,088,276	1,076,312	1,227,728	1,241,642	1,428,198	1,476,656	1,117,259	1,313,755	1,136,269	1,187,641	1,325,520	1,390,648	15,007,903
22 Total Medical and Prescription Expenses		6,435,529	6,465,307	6,030,043	6,517,914	7,176,572	6,531,892	6,430,251	8,072,300	7,087,743	6,250,808	6,705,619	6,892,197	80,596,174
23 Administrative Expenses		1,029,432	1,202,636	1,197,821	1,276,670	1,194,650	1,166,815	1,357,068	1,298,739	1,290,907	1,349,250	1,353,307	1,369,710	15,087,005
24 Total Expenses		7,464,960	7,667,943	7,227,864	7,794,584	8,371,222	7,698,708	7,787,319	9,371,038	8,378,650	7,600,058	8,058,926	8,261,908	95,683,180
25 Net Income Before Taxes		(529,826)	(705,700)	(234,107)	(703,036)	(1,322,899)	(633,143)	(792,178)	(2,294,765)	(1,240,917)	(454,053)	(923,812)	(1,134,819)	(10,969,254)
26 % Medical Exp to Net Revenues		77.1%	77.4%	68.7%	74.4%	81.6%	71.5%	76.0%	95.5%	83.4%	70.9%	75.4%	77.2%	77.4%
27 % Prescription Exp to Net Revenues		15.7%	15.5%	17.6%	17.5%	20.2%	20.9%	16.0%	18.6%	15.9%	16.6%	18.6%	19.5%	17.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		92.8%	92.9%	86.2%	91.9%	101.8%	92.4%	91.9%	114.1%	99.3%	87.5%	94.0%	96.7%	95.1%
29 % Admin Exp to Net Revenues		14.8%	17.3%	17.1%	18.0%	16.9%	16.5%	19.4%	18.4%	18.1%	18.9%	19.0%	19.2%	17.8%
30 % Net Income to Net Revenues		-7.6%	-10.1%	-3.3%	-9.9%	-18.8%	-9.0%	-11.3%	-32.4%	-17.4%	-6.4%	-12.9%	-15.9%	-12.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		18.9%	22.0%	21.8%	22.9%	21.6%	21.1%	24.7%	23.4%	23.0%	24.1%	24.2%	24.5%	22.7%
Post-income items:														
32 Performance Assessment														32,775

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.