

HHS FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Children's Medical Center / CMC**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Dallas**
 Submission Type: **Yr-End 334-Day** 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	9,610	9,597	9,575	9,507	9,484	9,450	9,347	9,366	9,295	9,222	9,234	9,155	112,842
2 Average Monthly Member Months													9,404
Revenues:													
3 Medical Premiums	18,579,104	18,699,731	18,612,358	18,499,033	18,346,167	18,242,944	18,109,155	18,012,022	17,950,784	17,817,339	17,939,169	17,748,625	218,556,431
4 Pharmacy Premiums	3,973,076	3,976,449	3,963,156	3,937,279	3,919,453	3,903,272	3,871,612	3,865,434	3,845,646	3,820,826	3,831,033	2,909,719	45,816,955
5 Investment Income	1,518	0	3,192	1,847	2,041	1,918	2,419	2,630	0	2,783	7,921	2,909,719	29,385
6 Health Insurance Providers Fee Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Other Revenue	3	8	7	8	13	27	12	0	0	0	0	0	78
8 Total Gross Revenues	22,553,701	22,676,188	22,578,713	22,438,167	22,267,674	22,148,161	21,983,198	21,880,086	21,796,430	21,640,948	21,778,123	20,661,460	264,402,849
9 Health Insurance Providers Fee & Related Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes	390,726	396,833	395,071	392,635	389,648	387,559	384,663	382,855	381,438	378,668	380,979	361,521	4,622,596
11 Maintenance Taxes	553	552	551	547	545	543	537	539	534	530	531	526	6,488
12 Net Revenues	22,162,422	22,278,803	22,183,091	22,044,985	21,877,481	21,760,059	21,597,998	21,496,692	21,414,458	21,261,750	21,396,613	20,299,413	259,773,765
Medical Expenses:													
13 Fee-For-Service	18,004,195	20,575,844	18,855,868	17,922,397	19,186,280	18,185,410	18,166,491	19,077,135	19,188,886	18,698,924	20,116,512	19,567,175	227,545,117
14 Capitated Services	14,159	14,197	14,395	14,137	14,148	14,017	13,974	13,767	13,776	13,777	13,779	13,719	167,845
15 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost	88,607	125,374	(2,309)	30,835	(97,220)	(53,677)	96,785	(17,301)	118,560	21,143	(439,798)	(379,794)	(508,795)
17 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement	1,512,554	903,004	852,598	862,440	815,134	832,835	839,681	870,254	941,329	864,831	837,166	799,706	10,931,332
19 Other Medical Expenses	(128,844)	(254,644)	(50,053)	(55,965)	(28,558)	(294,551)	(181,951)	(291,031)	(543,473)	(260,803)	(314,655)	(268,929)	(2,671,457)
20 Total Medical Expenses	19,490,671	21,363,775	19,670,499	18,773,844	19,891,784	18,683,834	18,934,980	19,652,824	19,719,078	19,337,872	20,213,004	19,731,877	235,464,042
21 Prescription Expenses (excluding PBM Admin)	2,960,923	3,330,981	3,376,260	3,431,905	4,018,716	3,555,246	4,125,245	3,488,316	3,483,856	3,416,741	3,557,773	3,749,510	42,495,472
22 Total Medical and Prescription Expenses	22,451,594	24,694,756	23,046,759	22,205,749	23,910,500	22,239,080	23,060,225	23,141,140	23,202,934	22,754,613	23,770,777	23,481,387	277,959,514
23 Administrative Expenses	2,076,681	1,911,791	1,346,211	1,401,173	1,242,565	1,342,391	1,542,071	1,539,194	1,563,894	1,477,503	1,509,852	1,545,775	18,499,101
24 Total Expenses	24,528,275	26,606,547	24,392,970	23,606,922	25,153,065	23,581,471	24,602,296	24,680,334	24,766,828	24,232,116	25,280,629	25,027,162	296,458,615
25 Net Income Before Taxes	(2,365,853)	(4,327,744)	(2,209,879)	(1,561,937)	(3,275,584)	(1,821,412)	(3,004,298)	(3,183,642)	(3,352,370)	(2,970,366)	(3,884,016)	(4,727,749)	(36,684,850)
26 % Medical Exp to Net Revenues	87.9%	95.9%	88.7%	85.2%	90.9%	85.9%	87.7%	91.4%	92.1%	91.0%	94.5%	97.2%	90.6%
27 % Prescription Exp to Net Revenues	13.4%	15.0%	15.2%	15.6%	18.4%	16.3%	19.1%	16.2%	16.3%	16.1%	16.6%	18.5%	16.4%
28 % Total Medical and Prescription to Net Rev. (MLR)	101.3%	110.8%	103.9%	100.7%	109.3%	102.2%	106.8%	107.6%	108.4%	107.0%	111.1%	115.7%	107.0%
29 % Admin Exp to Net Revenues	9.4%	8.6%	6.1%	6.4%	5.7%	6.2%	7.1%	7.2%	7.3%	6.9%	7.1%	7.6%	7.1%
30 % Net Income to Net Revenues	-10.7%	-19.4%	-10.0%	-7.1%	-15.0%	-8.4%	-13.3%	-14.8%	-15.7%	-14.0%	-18.2%	-23.3%	-14.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	11.4%	10.4%	7.4%	7.7%	6.9%	7.5%	8.7%	8.7%	8.9%	8.5%	8.6%	8.9%	8.6%

Post-income items:

32 Performance Assessment

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.