

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Cook Children's Health Plan**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Ft. Worth / Tarrant**
 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		8,984	9,107	9,279	9,245	9,323	9,369	9,332	9,442	9,483	9,454	9,488	9,402	111,908
2 Average Monthly Member Months														9,326
Revenues:														
3 Medical Premiums		14,581,838	14,732,056	14,861,035	14,762,471	14,803,798	14,805,332	14,732,837	14,868,764	14,895,264	14,839,125	14,819,981	14,637,814	177,340,315
4 Pharmacy Premiums		3,270,439	3,305,812	3,351,124	3,335,776	3,358,127	3,360,858	3,347,141	3,380,102	3,391,104	3,376,223	3,381,159	3,347,551	40,205,416
5 Investment Income		3,176	3,550	3,553	3,727	16,914	24,050	27,451	32,238	37,752	41,991	45,348	46,209	285,958
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		17,855,453	18,041,418	18,215,712	18,101,974	18,178,839	18,190,240	18,107,429	18,281,104	18,324,120	18,257,339	18,246,488	18,031,574	217,831,689
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		312,415	315,663	318,713	316,719	317,834	317,908	316,400	319,355	320,011	318,769	318,520	314,744	3,807,050
11 Maintenance Taxes		545	553	563	561	565	568	566	573	575	573	575	570	6,788
12 Net Revenues		17,542,493	17,725,203	17,896,436	17,784,694	17,860,440	17,871,763	17,790,463	17,961,176	18,003,533	17,937,997	17,927,393	17,716,260	214,017,652
Medical Expenses:														
13 Fee-For-Service		12,239,414	12,999,620	13,454,766	11,957,458	13,578,154	12,008,147	12,617,536	13,070,958	13,166,049	13,616,414	13,207,032	13,691,075	155,606,623
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		16,788	26,730	85,831	85,516	86,238	86,663	86,321	87,339	87,718	87,450	(41,204)	86,630	782,020
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		1,230,646	1,045,471	1,085,131	1,027,656	1,327,811	863,905	1,283,429	1,093,028	1,432,671	953,649	1,112,263	1,265,504	13,721,164
19 Other Medical Expenses		(74,527)	(90,614)	(84,943)	(55,498)	(108,635)	(66,053)	(21,075)	(14,327)	(15,967)	(2,661)	6,260	(215,111)	(743,151)
20 Total Medical Expenses		13,412,321	13,981,207	14,540,785	13,015,132	14,883,568	12,892,662	13,966,211	14,236,998	14,670,471	14,654,852	14,284,351	14,828,098	169,366,656
21 Prescription Expenses (excluding PBM Admin)		2,769,997	2,998,476	3,143,473	2,913,201	3,449,529	3,029,837	2,991,312	2,857,066	2,648,018	2,540,122	2,746,786	2,826,465	34,914,283
22 Total Medical and Prescription Expenses		16,182,318	16,979,683	17,684,258	15,928,333	18,333,097	15,922,499	16,957,523	17,094,064	17,318,489	17,194,974	17,031,137	17,654,563	204,280,939
23 Administrative Expenses		1,077,300	1,232,814	1,161,196	1,101,481	1,253,920	955,862	1,196,871	1,171,994	1,265,925	1,090,937	1,267,289	1,165,625	13,941,415
24 Total Expenses		17,259,617	18,212,497	18,845,455	17,029,814	19,587,017	16,878,361	18,154,395	18,266,058	18,584,415	18,285,910	18,298,427	18,820,389	218,222,355
25 Net Income Before Taxes		282,876	(487,294)	(949,019)	754,880	(1,726,577)	993,402	(363,932)	(304,882)	(580,882)	(347,913)	(371,034)	(1,104,129)	(4,204,603)
26 % Medical Exp to Net Revenues		76.5%	78.9%	81.2%	73.2%	83.3%	72.1%	78.5%	79.3%	81.5%	81.7%	79.7%	83.7%	79.1%
27 % Prescription Exp to Net Revenues		15.8%	16.9%	17.6%	16.4%	19.3%	17.0%	16.8%	15.9%	14.7%	14.2%	15.3%	16.0%	16.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		92.2%	95.8%	98.8%	89.6%	102.6%	89.1%	95.3%	95.2%	96.2%	95.9%	95.0%	99.7%	95.5%
29 % Admin Exp to Net Revenues		6.1%	7.0%	6.5%	6.2%	7.0%	5.3%	6.7%	6.5%	7.0%	6.1%	7.1%	6.6%	6.5%
30 % Net Income to Net Revenues		1.6%	-2.7%	-5.3%	4.2%	-9.7%	5.6%	-2.0%	-1.7%	-3.2%	-1.9%	-2.1%	-6.2%	-2.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.5%	8.5%	8.0%	7.6%	8.6%	6.6%	8.3%	8.0%	8.7%	7.5%	8.7%	8.1%	8.0%
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.