

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Driscoll Children's Health Plan**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **9/16/2019** Service Area: **Hidalgo**
 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		6,680	6,644	6,586	6,521	6,507	6,484	6,397	6,426	6,485	6,478	6,497	6,471	78,176
2 Average Monthly Member Months														6,515
Revenues:														
3 Medical Premiums		6,634,618	6,552,493	6,540,548	6,437,540	6,391,329	6,381,479	6,281,841	6,345,263	6,429,918	6,414,398	6,473,853	6,462,214	77,345,494
4 Pharmacy Premiums		1,543,425	1,527,166	1,519,364	1,503,563	1,496,814	1,489,921	1,466,589	1,475,342	1,491,675	1,489,275	1,495,774	1,490,135	17,989,043
5 Investment Income		22,470	27,908	29,027	33,758	35,590	34,721	32,016	55,059	28,301	27,931	28,730	28,864	384,374
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		8,200,513	8,107,567	8,088,939	7,974,861	7,923,733	7,906,121	7,780,446	7,875,664	7,949,894	7,931,604	7,998,357	7,981,213	95,718,911
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		143,116	141,394	141,048	138,969	138,043	137,750	135,598	136,861	138,628	138,314	139,468	139,166	1,668,354
11 Maintenance Taxes		346	344	341	337	337	335	331	332	335	335	336	335	4,044
12 Net Revenues		8,057,052	7,965,829	7,947,550	7,835,554	7,785,354	7,768,036	7,644,518	7,738,471	7,810,931	7,792,955	7,858,552	7,841,712	94,046,514
Medical Expenses:														
13 Fee-For-Service		4,489,590	5,162,077	4,359,096	4,581,970	4,186,173	4,173,251	4,423,550	4,544,738	6,946,012	4,375,825	5,439,719	5,815,340	58,497,341
14 Capitated Services		17,731	18,162	18,066	18,139	18,167	17,854	17,366	17,739	17,733	18,053	18,219	17,905	215,134
15 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		13,894	13,820	13,699	13,564	13,535	13,487	13,306	13,366	13,489	65,557	65,750	65,487	318,954
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		772,341	762,138	753,574	783,797	782,837	722,059	795,564	778,951	765,504	811,837	798,377	823,671	9,350,649
19 Other Medical Expenses		55,780	44,154	39,538	39,632	16,401	18,460	21,973	20,220	21,621	24,109	26,524	20,178	348,590
20 Total Medical Expenses		5,349,336	6,000,351	5,183,973	5,437,102	5,017,113	4,945,111	5,271,759	5,375,014	7,764,359	5,295,381	6,348,589	6,742,581	68,730,668
21 Prescription Expenses (excluding PBM Admin)		1,670,763	2,227,974	1,745,595	2,071,398	2,247,426	1,653,082	2,050,201	1,619,386	1,789,524	1,498,993	1,826,534	2,279,530	22,680,406
22 Total Medical and Prescription Expenses		7,020,099	8,228,326	6,929,568	7,508,500	7,264,539	6,598,193	7,321,959	6,994,400	9,553,883	6,794,374	8,175,123	9,022,110	91,411,074
23 Administrative Expenses		542,428	606,296	564,480	689,075	588,406	574,720	622,106	630,467	529,804	524,579	705,688	919,185	7,499,234
24 Total Expenses		7,562,527	8,834,622	7,494,048	8,197,575	7,852,944	7,172,913	7,944,066	7,624,866	10,083,687	7,318,952	8,880,811	9,941,296	98,910,307
25 Net Income Before Taxes		494,525	(870,793)	453,502	(362,021)	(67,590)	595,123	(299,548)	113,605	(2,272,756)	474,003	(1,022,259)	(2,099,584)	(4,863,793)
26 % Medical Exp to Net Revenues		66.4%	75.3%	65.2%	69.4%	64.4%	63.7%	69.0%	69.5%	99.4%	68.0%	80.8%	86.0%	73.1%
27 % Prescription Exp to Net Revenues		20.7%	28.0%	22.0%	26.4%	28.9%	21.3%	26.8%	20.9%	22.9%	19.2%	23.2%	29.1%	24.1%
28 % Total Medical and Prescription to Net Rev. (MLR)		87.1%	103.3%	87.2%	95.8%	93.3%	84.9%	95.8%	90.4%	122.3%	87.2%	104.0%	115.1%	97.2%
29 % Admin Exp to Net Revenues		6.7%	7.6%	7.1%	8.8%	7.6%	7.4%	8.1%	8.1%	6.8%	6.7%	9.0%	11.7%	8.0%
30 % Net Income to Net Revenues		6.1%	-10.9%	5.7%	-4.6%	-0.9%	7.7%	-3.9%	1.5%	-29.1%	6.1%	-13.0%	-26.8%	-5.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.3%	9.4%	8.8%	10.9%	9.4%	9.2%	10.1%	10.1%	8.4%	8.3%	11.1%	14.5%	9.9%

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.