

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: **Corpus / Nueces**
 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		3,818	3,851	3,886	3,861	3,884	3,948	3,904	3,909	3,915	3,925	3,946	3,916	46,763
2 Average Monthly Member Months														3,897
Revenues:														
3 Medical Premiums		3,639,926	3,680,898	3,678,470	3,637,637	3,676,641	3,731,776	3,681,395	3,684,663	3,692,437	3,720,414	3,789,790	3,744,013	44,358,060
4 Pharmacy Premiums		1,068,380	1,077,603	1,083,593	1,074,631	1,080,686	1,098,177	1,085,524	1,086,971	1,087,474	1,091,201	1,100,637	1,088,318	13,023,195
5 Investment Income		10,744	13,344	13,879	16,141	17,017	16,602	19,032	32,729	16,823	16,603	17,079	17,158	207,151
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		4,719,050	4,771,845	4,775,942	4,728,409	4,774,344	4,846,555	4,785,951	4,804,363	4,796,734	4,828,218	4,907,506	4,849,489	57,588,406
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		82,395	83,274	83,336	82,465	83,253	84,524	83,421	83,504	83,648	84,203	85,582	84,566	1,004,172
11 Maintenance Taxes		215	217	219	217	219	222	220	220	222	221	221	221	2,634
12 Net Revenues		4,636,440	4,688,354	4,692,387	4,645,727	4,690,872	4,761,808	4,702,310	4,720,639	4,712,865	4,743,794	4,821,701	4,764,703	56,581,600
Medical Expenses:														
13 Fee-For-Service		3,201,390	3,751,474	3,366,739	3,009,636	3,116,341	3,664,396	3,178,461	3,211,605	3,706,827	2,856,231	3,441,054	3,020,351	39,524,505
14 Capitated Services		54,084	59,198	61,737	114,082	65,226	65,917	64,559	65,360	70,811	73,301	101,293	76,268	871,836
15 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		7,941	8,010	(16,819)	8,031	8,079	8,212	8,120	8,131	8,143	39,721	39,934	39,630	167,133
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		444,450	448,569	444,932	464,725	471,688	442,632	489,371	475,181	461,883	494,191	489,856	500,473	5,627,949
19 Other Medical Expenses		222,390	259,367	225,340	236,133	228,403	219,386	244,148	211,879	260,804	252,908	245,942	244,118	2,850,818
20 Total Medical Expenses		3,930,255	4,526,618	4,081,929	3,832,607	3,889,737	4,400,543	3,984,659	3,972,156	4,508,468	3,716,352	4,318,079	3,880,840	49,042,241
21 Prescription Expenses (excluding PBM Admin)		1,210,229	1,084,742	1,203,952	1,018,448	1,328,210	1,261,723	1,137,041	1,149,831	1,223,202	957,129	961,547	1,345,451	13,881,506
22 Total Medical and Prescription Expenses		5,140,484	5,611,361	5,285,881	4,851,054	5,217,947	5,662,265	5,121,700	5,121,987	5,731,669	4,673,481	5,279,626	5,226,291	62,923,747
23 Administrative Expenses		312,145	358,023	333,285	408,962	354,536	352,311	382,673	384,601	319,668	319,328	432,985	558,509	4,516,627
24 Total Expenses		5,452,628	5,969,384	5,619,166	5,259,617	5,572,484	6,014,576	5,504,374	5,506,588	6,051,337	4,992,809	5,712,611	5,784,800	67,440,374
25 Net Income Before Taxes		(816,188)	(1,281,030)	(926,779)	(613,890)	(881,612)	(1,252,768)	(802,064)	(785,949)	(1,338,472)	(249,015)	(890,910)	(1,020,097)	(10,858,774)
26 % Medical Exp to Net Revenues		84.8%	96.6%	87.0%	82.5%	82.9%	92.4%	84.7%	84.1%	95.7%	78.3%	89.6%	81.4%	86.7%
27 % Prescription Exp to Net Revenues		26.1%	23.1%	25.7%	21.9%	28.3%	26.5%	24.2%	24.4%	26.0%	20.2%	19.9%	28.2%	24.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		110.9%	119.7%	112.6%	104.4%	111.2%	118.9%	108.9%	108.5%	121.6%	98.5%	109.5%	109.7%	111.2%
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		-17.6%	-27.3%	-19.8%	-13.2%	-18.8%	-26.3%	-17.1%	-16.6%	-28.4%	-5.2%	-18.5%	-21.4%	-19.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.7%	9.9%	9.2%	11.4%	9.8%	9.6%	10.6%	10.6%	8.8%	8.7%	11.6%	15.2%	10.4%

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.