

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: **MRSA Central**
 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		4,081	4,096	4,133	4,129	4,154	4,177	4,185	4,207	4,198	4,165	4,187	4,206	49,918
2 Average Monthly Member Months														4,160
Revenues:														
3 Medical Premiums		4,192,784	4,154,175	4,245,853	4,241,599	4,270,529	4,304,528	4,253,975	4,239,833	4,269,745	4,226,783	4,257,253	4,243,314	50,900,371
4 Pharmacy Premiums		1,049,676	1,048,349	1,058,375	1,056,219	1,062,079	1,068,364	1,065,496	1,067,645	1,067,937	1,057,354	1,063,771	1,065,859	12,731,124
5 Investment Income		45,257	50,133	50,089	61,641	44,356	40,205	47,079	51,941	44,957	54,798	41,269	52,097	583,823
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		5,287,717	5,252,657	5,354,317	5,359,459	5,376,964	5,413,097	5,368,550	5,359,419	5,382,639	5,338,935	5,362,293	5,361,270	64,215,318
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		91,743	91,044	92,824	92,712	93,321	94,026	93,091	92,881	93,409	92,472	93,118	92,911	1,113,551
11 Maintenance Taxes		510	512	517	516	519	522	523	526	525	521	523	526	6,240
12 Net Revenues		5,195,464	5,161,101	5,260,976	5,266,231	5,283,124	5,318,549	5,272,936	5,266,012	5,288,705	5,245,942	5,268,652	5,267,834	63,095,526
Medical Expenses:														
13 Fee-For-Service		3,858,641	3,551,676	3,654,833	3,414,442	4,498,328	3,528,687	4,079,856	4,480,045	4,002,708	3,951,186	4,177,416	4,127,083	47,324,901
14 Capitated Services		578,569	580,696	585,942	585,375	588,919	592,180	593,314	596,433	595,157	541,517	544,377	546,847	6,929,326
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		132,652	149,578	156,750	149,441	151,392	157,814	176,437	164,701	167,435	162,943	189,551	185,282	1,943,976
19 Other Medical Expenses		(390,954)	(426,577)	(422,396)	(353,943)	(449,285)	(395,018)	(425,128)	(434,711)	(471,894)	(433,328)	(454,242)	(430,068)	(5,117,542)
20 Total Medical Expenses		4,178,908	3,855,373	3,975,129	3,765,315	4,789,354	3,883,363	4,424,481	4,806,468	4,293,406	4,222,318	4,457,102	4,429,144	51,080,661
21 Prescription Expenses (excluding PBM Admin)		910,133	846,479	974,012	984,535	1,088,303	884,350	998,050	904,485	858,931	1,002,585	996,112	986,829	11,414,803
22 Total Medical and Prescription Expenses		5,089,041	4,701,852	4,949,141	4,749,850	5,877,657	4,748,013	5,422,531	5,710,953	5,152,337	5,224,903	5,453,214	5,415,973	62,495,464
23 Administrative Expenses		771,226	891,543	901,078	948,096	895,489	878,340	1,022,992	966,527	956,530	990,529	999,331	1,012,427	11,234,108
24 Total Expenses		5,860,266	5,593,396	5,850,219	5,697,945	6,773,146	5,626,353	6,445,523	6,677,480	6,108,868	6,215,432	6,452,545	6,428,400	73,729,573
25 Net Income Before Taxes		(664,802)	(432,295)	(589,243)	(431,714)	(1,490,022)	(307,804)	(1,172,587)	(1,411,468)	(820,163)	(969,490)	(1,183,893)	(1,160,566)	(10,634,047)
26 % Medical Exp to Net Revenues		80.4%	74.7%	75.6%	71.5%	90.7%	73.0%	83.9%	91.3%	81.2%	80.5%	84.6%	84.1%	81.0%
27 % Prescription Exp to Net Revenues		17.5%	16.4%	18.5%	18.7%	20.6%	16.3%	18.9%	17.2%	16.2%	19.1%	18.9%	18.7%	18.1%
28 % Total Medical and Prescription to Net Rev. (MLR)		98.0%	91.1%	94.1%	90.2%	111.3%	89.3%	102.8%	108.4%	97.4%	99.6%	103.5%	102.8%	99.0%
29 % Admin Exp to Net Revenues		14.8%	17.3%	17.1%	18.0%	16.9%	15.5%	19.4%	18.4%	18.1%	18.9%	19.0%	19.2%	17.8%
30 % Net Income to Net Revenues		-12.8%	-8.4%	-11.2%	-8.2%	-28.2%	-5.8%	-22.2%	-26.8%	-15.5%	-18.5%	-22.5%	-22.0%	-16.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		18.6%	21.7%	21.4%	22.5%	21.2%	20.7%	24.3%	23.0%	22.7%	23.6%	23.8%	24.1%	22.3%
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.