

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Bexar/San Antonio**
 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		6,908	6,946	6,930	6,862	6,862	6,817	6,708	6,669	6,687	6,645	6,663	6,606	81,303
2 Average Monthly Member Months														6,775
Revenues:														
3 Medical Premiums		8,303,623	8,291,953	8,237,343	8,160,195	8,092,079	8,021,843	7,908,429	7,875,556	7,875,623	7,882,259	7,943,560	7,932,402	96,524,865
4 Pharmacy Premiums		1,857,994	1,863,827	1,855,338	1,838,341	1,831,206	1,818,583	1,789,787	1,781,205	1,785,493	1,777,506	1,784,796	1,773,785	21,757,861
5 Investment Income		6,899	6,756	7,376	12,983	8,452	8,890	9,620	9,098	9,434	11,593	10,676	9,859	111,637
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		10,168,516	10,162,536	10,100,057	10,011,519	9,931,737	9,849,316	9,707,836	9,665,859	9,670,550	9,671,358	9,739,032	9,716,046	118,394,363
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		177,828	177,726	176,622	174,974	173,657	172,207	169,719	168,993	169,070	169,046	170,246	169,858	2,069,948
11 Maintenance Taxes		414	417	416	412	412	409	402	400	401	399	400	396	4,878
12 Net Revenues		9,990,273	9,984,393	9,923,019	9,836,133	9,757,668	9,676,700	9,537,715	9,496,466	9,501,079	9,501,913	9,568,386	9,545,791	116,319,536
Medical Expenses:														
13 Fee-For-Service		6,654,670	6,009,493	6,689,372	6,315,856	6,216,705	6,939,673	6,148,414	5,677,681	6,106,803	6,080,819	6,715,886	6,445,595	76,000,967
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		276	278	277	274	274	273	268	267	267	266	267	264	3,251
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		432,600	489,035	498,781	714,262	518,801	547,464	546,742	550,145	549,609	782,348	550,499	549,931	6,730,217
19 Other Medical Expenses		(4,449)	(13,984)	(8,336)	(12,449)	(1,606)	(9,207)	(8,203)	(9,409)	(26,420)	(21,057)	(12,914)	1,235	(126,799)
20 Total Medical Expenses		7,083,097	6,484,822	7,180,094	7,017,943	6,734,174	7,478,203	6,687,221	6,218,684	6,630,259	6,842,376	7,253,738	6,997,025	82,607,636
21 Prescription Expenses (excluding PBM Admin)		2,028,340	1,715,620	1,889,471	1,938,270	2,012,204	1,881,531	1,852,356	2,114,016	1,921,630	1,456,351	1,668,747	1,926,198	22,404,735
22 Total Medical and Prescription Expenses		9,111,437	8,200,442	9,069,565	8,956,213	8,746,378	9,359,734	8,539,577	8,332,700	8,551,889	8,298,727	8,922,485	8,923,223	105,012,371
23 Administrative Expenses		549,046	590,902	595,637	512,961	578,796	531,834	534,647	534,355	576,420	459,712	574,879	607,106	6,645,894
24 Total Expenses		9,660,483	8,791,344	9,665,202	9,468,775	9,325,174	9,891,568	9,074,224	8,867,055	9,128,309	8,758,439	9,497,364	9,530,328	111,658,265
25 Net Income Before Taxes		329,790	1,193,049	257,817	367,358	432,494	(214,868)	463,491	629,411	372,770	743,474	71,022	15,463	4,661,271
26 % Medical Exp to Net Revenues		70.9%	64.9%	72.4%	71.3%	69.0%	77.3%	70.1%	65.5%	69.8%	72.0%	75.8%	73.3%	71.0%
27 % Prescription Exp to Net Revenues		20.3%	17.2%	19.0%	19.7%	20.6%	19.4%	19.4%	22.3%	20.2%	15.3%	17.4%	20.2%	19.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		91.2%	82.1%	91.4%	91.1%	89.6%	96.7%	89.5%	87.7%	90.0%	87.3%	93.2%	93.5%	90.3%
29 % Admin Exp to Net Revenues		5.5%	5.9%	6.0%	5.2%	5.9%	5.5%	5.6%	5.6%	6.1%	4.8%	6.0%	6.4%	5.7%
30 % Net Income to Net Revenues		3.3%	11.9%	2.6%	3.7%	4.4%	-2.2%	4.9%	6.6%	3.9%	7.8%	0.7%	0.2%	4.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.8%	7.3%	7.4%	6.4%	7.3%	6.8%	6.9%	6.9%	7.5%	6.0%	7.4%	7.8%	7.0%

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.