

**HHS FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Superior / Bankers / Centene**  
 State Fiscal Year: **2018** Program: **STAR KIDS**  
 Submission Date: **8/30/2019** Service Area: **El Paso**  
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

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
<b>HHS Managed Care contract costs</b>													
1 Member Months	3,516	3,573	3,587	3,576	3,609	3,634	3,592	3,665	3,665	3,634	3,656	3,598	<b>43,305</b>
2 <b>Average Monthly Member Months</b>													<b>3,609</b>
<b>Revenues:</b>													
3 Medical Premiums	4,728,033	4,796,191	4,808,844	4,758,612	4,782,301	4,836,043	4,783,278	4,860,582	4,858,555	4,793,901	4,829,560	4,757,843	57,593,743
4 Pharmacy Premiums	1,309,207	1,329,343	1,333,712	1,326,285	1,335,071	1,345,521	1,329,927	1,353,907	1,355,436	1,342,252	1,348,961	1,331,550	16,041,172
5 Investment Income	7,860	7,614	8,351	14,879	9,718	10,335	11,309	10,854	11,278	13,943	12,864	11,980	130,986
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	6,045,100	6,133,148	6,150,907	6,099,776	6,127,090	6,191,899	6,124,514	6,225,343	6,225,269	6,150,096	6,191,385	6,101,373	73,765,901
9 Health Insurance Providers Fee & Related Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes	105,652	107,197	107,495	106,486	107,054	108,177	106,981	108,754	108,745	107,383	108,124	106,564	1,288,611
11 Maintenance Taxes	211	214	215	215	217	218	216	220	220	218	219	216	2,598
12 <b>Net Revenues</b>	<b>5,939,237</b>	<b>6,025,737</b>	<b>6,043,197</b>	<b>5,993,076</b>	<b>6,019,819</b>	<b>6,083,504</b>	<b>6,017,317</b>	<b>6,116,370</b>	<b>6,116,304</b>	<b>6,042,495</b>	<b>6,083,042</b>	<b>5,994,593</b>	<b>72,474,691</b>
<b>Medical Expenses:</b>													
13 Fee-For-Service	3,082,547	3,335,265	3,169,194	3,213,952	3,339,733	3,438,776	3,801,600	3,451,569	3,640,244	3,601,791	4,247,803	3,880,838	42,203,312
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	141	143	143	143	144	145	144	147	147	145	146	144	1,732
17 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement	257,177	295,135	303,756	435,183	320,059	344,170	344,931	354,323	353,802	497,501	349,968	345,340	4,201,345
19 Other Medical Expenses	9,159	12,156	16,955	9,574	13,077	14,434	24,230	12,399	10,436	8,807	15,836	9,185	156,248
20 Total Medical Expenses	3,349,024	3,642,699	3,490,048	3,658,852	3,673,013	3,797,525	4,170,905	3,818,438	4,004,629	4,108,244	4,613,753	4,235,507	<b>46,562,637</b>
21 Prescription Expenses (excluding PBM Admin)	1,211,508	1,352,128	1,491,148	1,292,236	1,531,051	1,236,862	1,428,448	1,534,729	1,530,901	1,135,099	1,310,544	1,577,900	<b>16,632,557</b>
22 <b>Total Medical and Prescription Expenses</b>	<b>4,560,532</b>	<b>4,994,827</b>	<b>4,981,196</b>	<b>4,951,088</b>	<b>5,204,064</b>	<b>5,034,387</b>	<b>5,599,353</b>	<b>5,353,167</b>	<b>5,535,530</b>	<b>5,243,343</b>	<b>5,924,297</b>	<b>5,813,407</b>	<b>63,195,194</b>
23 <b>Administrative Expenses</b>	<b>326,404</b>	<b>356,613</b>	<b>362,741</b>	<b>312,291</b>	<b>357,071</b>	<b>334,344</b>	<b>337,300</b>	<b>344,154</b>	<b>371,062</b>	<b>292,335</b>	<b>365,467</b>	<b>381,243</b>	<b>4,141,024</b>
24 <b>Total Expenses</b>	<b>4,886,936</b>	<b>5,351,440</b>	<b>5,343,937</b>	<b>5,263,379</b>	<b>5,561,135</b>	<b>5,368,731</b>	<b>5,936,653</b>	<b>5,697,321</b>	<b>5,906,592</b>	<b>5,535,678</b>	<b>6,289,764</b>	<b>6,194,651</b>	<b>67,336,217</b>
25 <b>Net Income Before Taxes</b>	<b>1,052,301</b>	<b>674,297</b>	<b>699,260</b>	<b>729,697</b>	<b>458,684</b>	<b>714,773</b>	<b>80,664</b>	<b>419,049</b>	<b>209,712</b>	<b>506,817</b>	<b>(206,722)</b>	<b>(200,058)</b>	<b>5,138,474</b>
26 % Medical Exp to Net Revenues	56.4%	60.5%	57.8%	61.1%	61.0%	62.4%	69.3%	62.4%	65.5%	68.0%	75.8%	70.7%	64.2%
27 % Prescription Exp to Net Revenues	20.4%	22.4%	24.7%	21.6%	25.4%	20.3%	23.7%	25.1%	25.0%	18.8%	21.5%	26.3%	22.9%
28 % Total Medical and Prescription to Net Rev. (MLR)	76.8%	82.9%	82.4%	82.6%	86.4%	82.8%	93.1%	87.5%	90.5%	86.8%	97.4%	97.0%	87.2%
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 <b>% Net Income to Net Revenues</b>	<b>17.7%</b>	<b>11.2%</b>	<b>11.6%</b>	<b>12.2%</b>	<b>7.6%</b>	<b>11.7%</b>	<b>1.3%</b>	<b>6.9%</b>	<b>3.4%</b>	<b>8.4%</b>	<b>-3.4%</b>	<b>-3.3%</b>	<b>7.1%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	7.0%	7.6%	7.7%	6.7%	7.6%	7.1%	7.2%	7.2%	7.8%	6.2%	7.7%	8.2%	7.3%

**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.