

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Superior / Bankers / Centene**  
 State Fiscal Year: **2018** Program: **STAR KIDS**  
 Submission Date: **8/30/2019** Service Area: **Lubbock**  
 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		1,622	1,621	1,641	1,637	1,641	1,650	1,621	1,637	1,640	1,641	1,628	1,633	19,612
2 <b>Average Monthly Member Months</b>														<b>1,634</b>
<b>Revenues:</b>														
3 Medical Premiums		1,906,172	1,898,359	1,919,642	1,902,412	1,905,349	1,912,534	1,879,767	1,913,924	1,917,454	1,907,563	1,873,738	1,872,907	22,809,821
4 Pharmacy Premiums		544,157	543,377	548,957	547,104	546,980	548,273	538,856	543,215	543,917	543,950	537,513	537,894	6,524,193
5 Investment Income		1,670	1,603	1,725	3,952	1,995	2,096	2,250	2,119	2,174	2,594	2,355	2,143	25,777
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		2,451,999	2,443,339	2,470,324	2,452,568	2,454,324	2,462,903	2,420,873	2,459,258	2,463,545	2,454,107	2,413,606	2,412,944	29,359,791
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		42,881	42,730	43,200	42,867	42,916	43,064	42,326	43,000	43,074	42,901	42,197	42,189	513,345
11 Maintenance Taxes		97	97	98	98	98	99	97	98	98	98	98	98	1,177
12 <b>Net Revenues</b>		<b>2,409,021</b>	<b>2,400,511</b>	<b>2,427,025</b>	<b>2,409,603</b>	<b>2,411,310</b>	<b>2,419,740</b>	<b>2,378,450</b>	<b>2,416,160</b>	<b>2,420,373</b>	<b>2,411,107</b>	<b>2,371,311</b>	<b>2,370,657</b>	<b>28,845,268</b>
<b>Medical Expenses:</b>														
13 Fee-For-Service		1,703,780	1,805,969	1,679,607	1,492,758	1,781,069	1,553,410	1,610,058	1,481,135	1,667,432	1,584,426	1,644,515	1,947,885	19,952,044
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		65	65	66	65	66	66	65	65	66	66	65	65	785
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		104,316	117,577	121,994	174,976	128,206	136,898	136,343	139,972	140,011	198,521	136,429	136,573	1,671,816
19 Other Medical Expenses		(56)	(6,352)	(1,868)	(7,331)	(5,333)	(2,433)	(2,982)	(6,495)	842	(4,366)	1,298	828	(34,228)
20 Total Medical Expenses		1,808,105	1,917,259	1,799,799	1,660,468	1,904,008	1,687,941	1,743,504	1,614,677	1,808,351	1,778,647	1,782,307	2,085,351	21,590,417
21 Prescription Expenses (excluding PBM Admin)		382,253	408,832	464,570	352,553	493,264	421,329	499,328	399,696	367,878	372,341	425,302	455,591	5,042,937
22 <b>Total Medical and Prescription Expenses</b>		<b>2,190,358</b>	<b>2,326,091</b>	<b>2,264,369</b>	<b>2,013,021</b>	<b>2,397,272</b>	<b>2,109,270</b>	<b>2,242,832</b>	<b>2,014,373</b>	<b>2,176,229</b>	<b>2,150,988</b>	<b>2,207,609</b>	<b>2,540,942</b>	<b>26,633,354</b>
<b>Administrative Expenses</b>														
23		132,395	142,068	145,684	125,565	143,032	132,989	133,326	135,954	146,841	116,652	142,471	150,772	1,647,751
24 <b>Total Expenses</b>		<b>2,322,753</b>	<b>2,468,159</b>	<b>2,410,053</b>	<b>2,138,586</b>	<b>2,540,303</b>	<b>2,242,259</b>	<b>2,376,159</b>	<b>2,150,327</b>	<b>2,323,071</b>	<b>2,267,640</b>	<b>2,350,080</b>	<b>2,691,714</b>	<b>28,281,104</b>
25 <b>Net Income Before Taxes</b>		<b>86,268</b>	<b>(67,648)</b>	<b>16,972</b>	<b>271,017</b>	<b>(128,993)</b>	<b>177,481</b>	<b>2,291</b>	<b>265,833</b>	<b>97,302</b>	<b>143,467</b>	<b>21,231</b>	<b>(321,057)</b>	<b>564,164</b>
26 % Medical Exp to Net Revenues		75.1%	79.9%	74.2%	68.9%	79.0%	69.8%	73.3%	66.8%	74.7%	73.8%	75.2%	88.0%	74.8%
27 % Prescription Exp to Net Revenues		15.9%	17.0%	19.1%	14.6%	20.5%	17.4%	21.0%	16.5%	15.2%	15.4%	17.9%	19.2%	17.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		90.9%	96.9%	93.3%	83.5%	99.4%	87.2%	94.3%	83.4%	89.9%	89.2%	93.1%	107.2%	92.3%
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 <b>% Net Income to Net Revenues</b>		<b>3.6%</b>	<b>-2.8%</b>	<b>0.7%</b>	<b>11.2%</b>	<b>-5.3%</b>	<b>7.3%</b>	<b>0.1%</b>	<b>11.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>0.9%</b>	<b>-13.5%</b>	<b>2.0%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.1%	7.6%	7.8%	6.7%	7.7%	7.1%	7.2%	7.3%	7.8%	6.2%	7.8%	8.2%	7.4%

**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.