

HHS FINANCIAL STATISTICAL REPORT (FSR)

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

Part 1: **Summary Income Statement**

	Incurred Months:												YTD
	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	
HHS Managed Care contract costs													
1 Member Months	1,672	1,648	1,621	1,613	1,620	1,607	1,569	1,553	1,541	1,487	1,470	1,436	18,837
2 Average Monthly Member Months													1,570
Revenues:													
3 Medical Premiums	1,689,545	1,660,880	1,630,084	1,607,024	1,591,198	1,587,619	1,548,261	1,514,870	1,512,169	1,464,003	1,450,475	1,443,966	18,700,094
4 Pharmacy Premiums	484,210	476,579	467,351	462,626	462,934	459,706	449,603	442,568	439,001	423,852	418,445	411,110	5,397,985
5 Investment Income	1,620	1,577	1,747	3,097	2,021	2,152	2,325	2,233	2,314	2,863	2,608	2,437	26,994
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	2,175,375	2,139,036	2,099,182	2,072,747	2,056,153	2,049,477	2,000,189	1,959,671	1,953,484	1,890,718	1,871,528	1,857,513	24,125,073
9 Health Insurance Providers Fee & Related Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes	38,041	37,406	36,705	36,219	35,947	35,828	34,963	34,255	34,145	33,037	32,706	32,464	421,716
11 Maintenance Taxes	100	99	97	97	97	96	94	93	92	89	88	86	1,130
12 Net Revenues	2,137,234	2,101,532	2,062,380	2,036,431	2,020,108	2,013,552	1,965,132	1,925,323	1,919,246	1,857,591	1,838,734	1,824,963	23,702,226
Medical Expenses:													
13 Fee-For-Service	1,500,705	1,743,325	1,466,681	1,340,536	1,505,559	1,354,893	1,668,680	1,697,849	1,408,049	1,271,316	1,472,723	1,452,867	17,883,183
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	67	66	65	65	65	64	63	62	62	59	59	57	754
17 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement	92,547	102,933	103,666	147,878	107,407	113,918	112,650	111,537	111,023	152,946	105,788	105,136	1,367,429
19 Other Medical Expenses	(1,390)	(6,726)	751	(265)	1,638	(581)	2,843	(2,699)	523	(1,164)	(10,384)	2,965	(14,489)
20 Total Medical Expenses	1,591,929	1,839,598	1,571,163	1,488,214	1,614,669	1,468,294	1,784,236	1,806,749	1,519,657	1,423,157	1,568,186	1,561,025	19,236,877
21 Prescription Expenses (excluding PBM Admin)	349,363	327,633	330,977	266,866	333,558	297,635	300,201	304,290	296,603	295,376	281,200	364,212	3,747,915
22 Total Medical and Prescription Expenses	1,941,292	2,167,231	1,902,140	1,755,080	1,948,227	1,765,929	2,084,437	2,111,039	1,816,260	1,718,533	1,849,386	1,925,237	22,984,792
Administrative Expenses	117,459	124,375	123,796	106,119	119,827	110,666	110,158	108,336	116,439	89,872	110,473	116,066	1,353,586
24 Total Expenses	2,058,751	2,291,605	2,025,936	1,861,199	2,068,055	1,876,594	2,194,595	2,219,375	1,932,699	1,808,405	1,959,859	2,041,304	24,338,377
25 Net Income Before Taxes	78,483	(190,073)	36,444	175,232	(47,947)	136,958	(229,463)	(294,052)	(13,453)	49,186	(121,125)	(216,341)	(636,161)
26 % Medical Exp to Net Revenues	74.5%	87.5%	76.2%	73.1%	79.9%	72.9%	90.8%	93.8%	79.2%	76.6%	85.3%	85.5%	81.2%
27 % Prescription Exp to Net Revenues	16.3%	15.6%	16.0%	13.1%	16.5%	14.8%	15.3%	15.8%	15.5%	15.9%	15.3%	20.0%	15.8%
28 % Total Medical and Prescription to Net Rev. (MLR)	90.8%	103.1%	92.2%	86.2%	96.4%	87.7%	106.1%	109.6%	94.6%	92.5%	100.6%	105.5%	97.0%
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	3.7%	-9.0%	1.8%	8.6%	-2.4%	6.8%	-11.7%	-15.3%	-0.7%	2.6%	-6.6%	-11.9%	-2.7%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	7.1%	7.7%	7.8%	6.7%	7.7%	7.1%	7.3%	7.3%	7.9%	6.3%	7.8%	8.2%	7.4%

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.