

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR KIDS**
 Submission Date: **8/30/2019** Service Area: **Travis / Austin**
 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		3,809	3,781	3,789	3,720	3,704	3,707	3,647	3,656	3,632	3,600	3,623	3,603	44,271
2 Average Monthly Member Months														3,689
Revenues:														
3 Medical Premiums		4,626,189	4,566,848	4,584,293	4,482,671	4,445,761	4,452,204	4,388,067	4,404,781	4,326,698	4,264,590	4,297,743	4,270,595	53,110,440
4 Pharmacy Premiums		1,344,559	1,335,811	1,339,808	1,313,186	1,302,664	1,301,890	1,283,865	1,289,782	1,273,484	1,263,652	1,272,030	1,272,104	15,592,835
5 Investment Income		3,804	3,678	4,033	7,038	4,562	4,834	5,230	4,988	5,124	6,281	5,805	5,377	60,755
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		5,974,552	5,906,337	5,928,134	5,802,895	5,752,987	5,758,928	5,677,162	5,699,551	5,605,306	5,534,523	5,575,578	5,548,076	68,764,030
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Premium Taxes		104,488	103,297	103,672	101,427	100,597	100,697	99,259	99,655	98,003	96,744	97,471	96,997	1,202,307
11 Maintenance Taxes		229	227	227	223	222	222	219	219	218	216	217	216	2,656
12 Net Revenues		5,869,835	5,802,814	5,824,235	5,701,244	5,652,167	5,658,009	5,577,684	5,599,677	5,507,085	5,437,563	5,477,890	5,450,863	67,559,065
Medical Expenses:														
13 Fee-For-Service		3,341,968	3,447,637	3,953,800	2,809,199	3,640,187	2,830,968	3,185,070	3,787,681	3,248,377	2,752,406	3,867,465	2,937,774	39,802,532
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		152	151	(75,048)	149	148	148	146	146	145	144	145	144	(73,430)
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Quality Improvement		254,176	284,221	292,755	414,002	300,517	320,104	319,736	324,397	318,568	447,706	315,160	314,023	3,905,365
19 Other Medical Expenses		(22,184)	(29,801)	(27,287)	(25,584)	(30,329)	(27,421)	(34,637)	(30,152)	(35,155)	(20,161)	(27,940)	(28,247)	(338,898)
20 Total Medical Expenses		3,574,112	3,702,208	4,144,220	3,197,766	3,910,523	3,123,799	3,470,315	4,082,072	3,531,935	3,180,095	4,154,830	3,223,694	43,295,569
21 Prescription Expenses (excluding PBM Admin)		1,391,015	1,487,553	1,545,645	1,417,805	1,711,188	1,551,071	1,410,158	1,326,039	1,675,010	1,394,957	1,331,135	1,649,137	17,890,713
22 Total Medical and Prescription Expenses		4,965,127	5,189,761	5,689,865	4,615,571	5,621,711	4,674,870	4,880,473	5,408,111	5,206,945	4,575,052	5,485,965	4,872,831	61,186,282
23 Administrative Expenses		322,594	343,425	349,603	297,092	335,269	310,965	312,662	315,087	334,108	263,074	329,117	346,671	3,859,668
24 Total Expenses		5,287,722	5,533,186	6,039,468	4,912,663	5,956,980	4,985,835	5,193,135	5,723,197	5,541,053	4,838,126	5,815,082	5,219,502	65,045,949
25 Net Income Before Taxes		582,113	269,628	(215,233)	788,581	(304,813)	672,174	384,549	(123,520)	(33,968)	599,437	(337,192)	231,361	2,513,116
26 % Medical Exp to Net Revenues		60.9%	63.8%	71.2%	56.1%	69.2%	55.2%	62.2%	72.9%	64.1%	58.5%	75.8%	59.1%	64.1%
27 % Prescription Exp to Net Revenues		23.7%	25.6%	26.5%	24.9%	30.3%	27.4%	25.3%	23.7%	30.4%	25.7%	24.3%	30.3%	26.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		84.6%	89.4%	97.7%	81.0%	99.5%	82.6%	87.5%	96.6%	94.5%	84.1%	100.1%	89.4%	90.6%
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		9.9%	4.6%	-3.7%	13.8%	-5.4%	11.9%	6.9%	-2.2%	-0.6%	11.0%	-6.2%	4.2%	3.7%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.1%	7.7%	7.8%	6.8%	7.7%	7.1%	7.3%	7.3%	7.9%	6.3%	7.8%	8.3%	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.