

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **HealthSpring / Cigna**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **8/30/2019** Service Area: **Hidalgo**  
 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		17,824	17,808	17,096	17,218	17,054	17,128	17,112	17,097	17,188	17,209	17,208	17,209	207,151
2 <b>Average Monthly Member Months</b>														<b>17,263</b>
<b>Revenues:</b>														
3 Medical Premiums		27,219,401	27,193,395	25,956,322	26,094,354	25,858,779	26,029,891	26,436,575	26,433,261	26,599,982	26,740,280	26,775,207	26,781,865	318,119,112
4 Pharmacy Premiums		2,752,197	2,756,235	2,755,549	2,766,106	2,758,697	2,764,116	2,758,197	2,752,490	2,756,265	2,749,298	2,747,545	2,733,401	33,050,096
5 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
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		29,971,598	29,949,630	28,711,871	28,860,460	28,617,476	28,793,807	29,194,772	29,185,751	29,356,247	29,489,578	29,522,752	29,515,266	351,169,208
9 Health Insurance Providers Fee & Related Costs														0
10 Health Insurance Providers Fee (NAIP)														0
11 Premium Taxes		524,503	524,119	502,458	505,058	500,806	503,892	510,909	510,751	513,734	516,068	516,648	516,517	6,145,461
12 Maintenance Taxes		11,989	11,980	11,485	11,544	11,447	11,518	11,678	11,674	11,742	11,796	11,809	11,806	140,468
13 <b>Net Revenues</b>		<b>29,435,106</b>	<b>29,413,532</b>	<b>28,197,929</b>	<b>28,343,858</b>	<b>28,105,223</b>	<b>28,278,398</b>	<b>28,672,186</b>	<b>28,663,326</b>	<b>28,830,770</b>	<b>28,961,715</b>	<b>28,994,295</b>	<b>28,986,943</b>	<b>344,883,279</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		22,475,913	23,335,186	21,420,033	21,980,554	22,711,723	20,873,400	23,327,571	22,569,805	23,223,408	22,197,409	23,618,749	23,983,149	271,716,900
15 Capitated Services		13,627	13,499	13,366	13,446	12,963	12,893	13,063	12,967	13,142	13,038	13,214	13,180	158,398
16 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		973,250	998,746	1,398,319	989,371	1,008,149	1,024,842	994,801	1,008,749	1,406,505	998,885	984,394	974,574	12,760,585
20 Quality Incentive Payment Program (QIPP)		412,908	409,013	297,297	353,921	345,574	262,658	366,059	359,332	253,136	373,346	378,392	299,873	4,111,509
21 Other Medical Expenses		0	0	0	0	26,060	26,390	93,853	93,903	93,914	94,114	94,209	94,214	616,657
22 Total Medical Expenses		23,875,698	24,756,444	23,129,015	23,337,292	24,104,469	22,200,183	24,795,347	24,044,756	24,980,105	23,676,792	25,088,958	25,364,990	289,364,049
23 Prescription Expenses (excluding PBM Admin)		2,507,691	2,763,734	2,602,708	2,471,688	2,856,281	2,461,546	2,661,670	2,716,744	2,629,552	2,486,292	2,585,545	2,714,067	31,457,517
24 <b>Total Medical and Prescription Expenses</b>		<b>26,383,389</b>	<b>27,520,178</b>	<b>25,731,722</b>	<b>25,808,981</b>	<b>26,960,750</b>	<b>24,661,729</b>	<b>27,457,017</b>	<b>26,761,500</b>	<b>27,619,657</b>	<b>26,163,084</b>	<b>27,674,503</b>	<b>28,079,057</b>	<b>320,821,567</b>
25 <b>Administrative Expenses</b>		<b>1,215,675</b>	<b>1,202,746</b>	<b>1,545,375</b>	<b>1,093,218</b>	<b>1,123,044</b>	<b>1,142,497</b>	<b>999,905</b>	<b>926,864</b>	<b>1,433,192</b>	<b>1,134,577</b>	<b>1,178,567</b>	<b>1,228,955</b>	<b>14,224,616</b>
26 <b>Total Expenses</b>		<b>27,599,064</b>	<b>28,722,925</b>	<b>27,277,097</b>	<b>26,902,199</b>	<b>28,083,794</b>	<b>25,804,226</b>	<b>28,456,922</b>	<b>27,688,364</b>	<b>29,052,849</b>	<b>27,297,661</b>	<b>28,853,070</b>	<b>29,308,012</b>	<b>335,046,183</b>
27 <b>Net Income Before Taxes</b>		<b>1,836,042</b>	<b>690,607</b>	<b>920,832</b>	<b>1,441,659</b>	<b>21,429</b>	<b>2,474,172</b>	<b>215,264</b>	<b>974,962</b>	<b>(222,079)</b>	<b>1,664,054</b>	<b>141,225</b>	<b>(321,069)</b>	<b>9,837,096</b>
28 % Medical Exp to Net Revenues		81.1%	84.2%	82.0%	82.3%	85.8%	78.5%	86.5%	83.9%	86.7%	81.8%	86.5%	87.5%	83.9%
29 % Prescription Exp to Net Revenues		8.5%	9.4%	9.2%	8.7%	10.2%	8.7%	9.3%	9.5%	9.1%	8.6%	8.9%	9.4%	9.1%
30 % Total Medical and Prescription to Net Rev. (MLR)		89.6%	93.6%	91.3%	91.1%	95.9%	87.2%	95.8%	93.4%	95.8%	90.3%	95.4%	96.9%	93.0%
31 % Admin Exp to Net Revenues		4.1%	4.1%	5.5%	3.9%	4.0%	4.0%	3.5%	3.2%	5.0%	3.9%	4.1%	4.2%	4.1%
32 <b>% Net Income to Net Revenues</b>		<b>6.2%</b>	<b>2.3%</b>	<b>3.3%</b>	<b>5.1%</b>	<b>0.1%</b>	<b>8.7%</b>	<b>0.8%</b>	<b>3.4%</b>	<b>-0.8%</b>	<b>5.7%</b>	<b>0.5%</b>	<b>-1.1%</b>	<b>2.9%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		4.6%	4.5%	6.1%	4.3%	4.4%	4.5%	3.9%	3.6%	5.5%	4.3%	4.5%	4.7%	4.6%
<b>Post-income items:</b>														
34 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.

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