

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **8/30/2019** Service Area: **MRSA Central**
 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		15,623	15,677	15,728	15,724	15,700	15,661	15,620	15,626	15,729	15,720	15,708	15,725	188,241
2 Average Monthly Member Months														15,687
Revenues:														
3 Medical Premiums		19,633,923	19,725,777	19,771,228	19,835,310	19,807,041	19,617,681	21,120,852	21,170,616	21,388,366	21,338,960	21,481,434	21,574,976	246,466,164
4 Pharmacy Premiums		3,767,191	3,787,942	3,784,032	3,768,288	3,775,407	3,776,514	3,753,749	3,757,803	3,780,860	3,770,602	3,759,206	3,745,285	45,226,879
5 Investment Income		15,603	15,249	16,740	29,750	19,338	20,424	22,400	21,318	22,191	27,426	25,168	23,469	259,076
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		23,416,717	23,528,968	23,572,000	23,633,348	23,601,786	23,414,619	24,897,001	24,949,737	25,191,417	25,136,988	25,265,808	25,343,730	291,952,119
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Health Insurance Providers Fee (NAIP)		814	818	818	814	0	0	0	0	0	0	0	0	3,264
11 Premium Taxes		409,519	411,490	412,217	413,063	412,693	409,398	435,306	436,247	440,461	439,417	441,711	443,105	5,104,628
12 Maintenance Taxes		937	941	944	943	942	940	937	938	944	943	942	944	11,294
13 Net Revenues		23,005,446	23,115,719	23,158,021	23,218,527	23,188,151	23,004,281	24,460,758	24,512,552	24,750,012	24,696,627	24,823,154	24,899,682	286,832,932
Medical Expenses:														
14 Fee-For-Service		14,747,386	15,335,876	14,595,831	15,003,200	15,229,368	13,713,984	16,866,671	16,139,789	17,780,981	16,739,497	17,027,143	17,996,395	191,176,121
15 Capitated Services		139,261	141,707	144,248	142,849	141,669	140,102	157,079	156,291	157,855	151,917	150,503	149,164	1,772,646
16 Net Reinsurance cost		334	336	335	334	335	335	332	332	334	334	332	331	4,004
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		739,765	788,947	783,126	1,058,091	791,009	814,994	856,965	864,208	846,463	1,167,419	881,341	890,146	10,482,474
20 Quality Incentive Payment Program (QIPP)		1,234,172	1,238,162	1,245,573	1,256,974	1,251,843	1,228,471	1,222,422	1,227,009	1,243,063	1,241,916	1,261,411	1,276,892	14,927,908
21 Other Medical Expenses		(114,616)	(153,637)	(129,754)	(113,795)	(162,084)	(188,542)	(256,210)	(76,486)	(344,904)	(195,491)	1,117	(180,862)	(1,915,264)
22 Total Medical Expenses		16,746,302	17,351,391	16,639,359	17,347,653	17,252,140	15,709,344	18,847,259	18,311,143	19,683,792	19,105,592	19,321,847	20,132,066	216,447,889
23 Prescription Expenses (excluding PBM Admin)		3,405,689	3,741,131	3,495,812	3,557,041	3,902,232	3,522,547	3,769,317	3,606,190	3,713,603	3,463,357	3,832,593	3,767,107	43,776,619
24 Total Medical and Prescription Expenses		20,151,991	21,092,521	20,135,171	20,904,694	21,154,372	19,231,891	22,616,576	21,917,334	23,397,395	22,568,950	23,154,439	23,899,173	260,224,508
25 Administrative Expenses		1,264,379	1,368,095	1,390,125	1,209,960	1,375,450	1,264,320	1,371,171	1,379,289	1,501,553	1,194,845	1,491,398	1,583,599	16,394,186
26 Total Expenses		21,416,371	22,460,616	21,525,296	22,114,654	22,529,823	20,496,212	23,987,746	23,296,623	24,898,948	23,763,795	24,645,838	25,482,772	276,618,694
27 Net Income Before Taxes		1,589,075	655,103	1,632,725	1,103,873	658,328	2,508,069	473,012	1,215,929	(148,936)	932,832	177,316	(683,090)	10,214,238
28 % Medical Exp to Net Revenues		72.8%	75.1%	71.9%	74.7%	74.4%	68.3%	77.1%	74.7%	79.5%	77.4%	77.8%	80.9%	75.5%
29 % Prescription Exp to Net Revenues		14.8%	16.2%	15.1%	15.3%	16.8%	15.3%	15.4%	14.7%	15.0%	14.0%	15.4%	15.1%	15.3%
30 % Total Medical and Prescription to Net Rev. (MLR)		87.6%	91.2%	86.9%	90.0%	91.2%	83.6%	92.5%	89.4%	94.5%	91.4%	93.3%	96.0%	90.7%
31 % 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%
32 % Net Income to Net Revenues		6.9%	2.8%	7.1%	4.8%	2.8%	10.9%	1.9%	5.0%	-0.6%	3.8%	0.7%	-2.3%	3.6%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.6%	7.1%	7.2%	6.2%	7.1%	6.6%	6.6%	6.6%	7.2%	5.7%	7.1%	7.5%	6.8%

Post-income items:

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.