

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 West**
 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		20,257	20,278	20,343	20,326	20,252	20,219	20,160	20,126	20,171	20,214	20,221	19,953	242,520
2 Average Monthly Member Months														20,210
Revenues:														
3 Medical Premiums		24,213,396	24,315,740	24,808,110	24,550,460	24,478,444	24,386,169	25,869,283	25,789,615	25,842,268	25,939,812	25,994,408	25,812,370	301,800,075
4 Pharmacy Premiums		4,250,605	4,255,295	4,261,278	4,267,451	4,234,930	4,240,191	4,237,359	4,242,303	4,263,461	4,272,318	4,264,383	4,136,450	50,926,044
5 Investment Income		20,231	19,724	21,653	38,458	24,944	26,368	28,910	27,458	28,458	35,267	32,399	29,779	333,648
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		28,484,232	28,590,759	28,891,041	28,856,369	28,738,318	28,652,728	30,135,552	30,059,376	30,134,207	30,247,397	30,291,190	29,978,599	353,059,767
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)		4,293	4,294	4,296	4,297	0	0	0	0	0	0	0	0	17,179
11 Premium Taxes		498,120	499,993	505,214	504,313	502,484	500,961	526,866	525,559	526,851	528,712	529,529	524,104	6,172,707
12 Maintenance Taxes		1,215	1,217	1,221	1,220	1,215	1,213	1,210	1,208	1,210	1,213	1,213	1,197	14,551
13 Net Revenues		27,980,604	28,085,256	28,380,310	28,346,539	28,234,619	28,150,554	29,607,476	29,532,610	29,606,146	29,717,472	29,760,448	29,453,297	346,855,331
Medical Expenses:														
14 Fee-For-Service		18,345,934	18,820,164	18,674,692	18,579,318	19,303,661	16,787,800	20,565,940	19,921,340	21,218,325	20,155,046	21,415,381	19,896,299	233,683,900
15 Capitated Services		148,631	148,652	151,201	151,337	148,019	148,039	147,497	148,509	149,056	142,530	140,397	137,165	1,761,032
16 Net Reinsurance cost		361	361	362	362	359	359	358	358	360	360	359	348	4,307
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		899,855	958,673	959,839	1,291,931	963,158	997,317	1,037,278	1,041,195	1,012,547	1,404,758	1,056,640	1,052,936	12,676,127
20 Quality Incentive Payment Program (QIPP)		2,194,020	2,208,750	2,257,034	2,243,121	2,242,303	2,226,754	2,225,879	2,208,548	2,207,722	2,215,150	2,220,102	2,240,735	26,690,118
21 Other Medical Expenses		53,252	30,121	37,948	10,650	(35,567)	7,483	77,144	255,199	34,743	149,581	92,581	394,690	1,107,825
22 Total Medical Expenses		21,642,053	22,166,721	22,081,076	22,276,719	22,621,933	20,167,752	24,054,096	23,575,149	24,622,753	24,067,425	24,925,460	23,722,173	275,923,309
23 Prescription Expenses (excluding PBM Admin)		3,647,593	3,856,748	3,801,716	3,685,884	3,980,448	3,634,249	4,033,807	4,059,723	4,271,511	3,867,089	4,234,167	4,093,268	47,166,204
24 Total Medical and Prescription Expenses		25,289,647	26,023,469	25,882,792	25,962,603	26,602,381	23,802,000	28,087,903	27,634,872	28,894,264	27,934,514	29,159,627	27,815,441	323,089,514
25 Administrative Expenses		1,537,998	1,662,414	1,703,808	1,477,364	1,674,794	1,547,163	1,659,677	1,661,764	1,796,172	1,437,760	1,788,038	1,873,208	19,820,160
26 Total Expenses		26,827,645	27,685,883	27,586,600	27,439,967	28,277,175	25,349,163	29,747,580	29,296,636	30,690,436	29,372,275	30,947,665	29,688,649	342,909,674
27 Net Income Before Taxes		1,152,959	399,373	793,710	906,572	(42,556)	2,801,391	(140,104)	235,974	(1,084,290)	345,197	(1,187,217)	(235,352)	3,945,657
28 % Medical Exp to Net Revenues		77.3%	78.9%	77.8%	78.6%	80.1%	71.6%	81.2%	79.8%	83.2%	81.0%	83.8%	80.5%	79.5%
29 % Prescription Exp to Net Revenues		13.0%	13.7%	13.4%	13.0%	14.1%	12.9%	13.6%	13.7%	14.4%	13.0%	14.2%	13.9%	13.6%
30 % Total Medical and Prescription to Net Rev. (MLR)		90.4%	92.7%	91.2%	91.6%	94.2%	84.6%	94.9%	93.6%	97.6%	94.0%	98.0%	94.4%	93.1%
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		4.1%	1.4%	2.8%	3.2%	-0.2%	10.0%	-0.5%	0.8%	-3.7%	1.2%	-4.0%	-0.8%	1.1%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		6.5%	7.0%	7.1%	6.1%	7.0%	6.5%	6.5%	6.6%	7.1%	5.7%	7.0%	7.4%	6.7%

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.