

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Superior / Bankers / Centene**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **8/30/2019** Service Area: **Bexar/San Antonio**  
 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		28,077	28,155	28,439	28,392	27,942	27,975	28,000	27,867	28,073	28,189	28,267	28,310	337,686
2 <b>Average Monthly Member Months</b>														<b>28,141</b>
<b>Revenues:</b>														
3 Medical Premiums		33,155,538	33,455,082	33,976,373	35,525,024	34,757,796	34,749,373	34,811,411	34,641,648	35,193,302	35,491,147	35,618,672	35,712,202	417,087,568
4 Pharmacy Premiums		8,601,843	8,654,299	8,712,660	8,660,218	8,601,659	8,586,085	8,592,574	8,599,417	8,599,567	8,612,760	8,609,430	8,613,121	103,443,633
5 Investment Income		28,040	27,386	30,270	53,719	34,416	36,483	40,153	38,019	39,606	49,180	45,291	42,252	464,814
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		41,785,421	42,136,767	42,719,303	44,238,961	43,393,871	43,371,941	43,444,138	43,279,084	43,832,475	44,153,087	44,273,393	44,367,575	520,996,015
9 Health Insurance Providers Fee & Related Costs														0
10 Health Insurance Providers Fee (NAIP)		3,147	3,159	3,177	3,159	0	0	0	0	0	0	0	0	12,641
11 Premium Taxes		730,754	736,914	747,058	773,242	758,790	758,371	759,570	756,719	766,375	771,818	773,992	775,693	9,109,296
12 Maintenance Taxes		1,685	1,689	1,706	1,704	1,677	1,679	1,680	1,672	1,684	1,691	1,696	1,699	20,261
13 <b>Net Revenues</b>		<b>41,049,836</b>	<b>41,395,005</b>	<b>41,967,361</b>	<b>43,460,857</b>	<b>42,633,404</b>	<b>42,611,892</b>	<b>42,682,888</b>	<b>42,520,693</b>	<b>43,064,415</b>	<b>43,379,577</b>	<b>43,497,705</b>	<b>43,590,183</b>	<b>511,853,818</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		27,195,462	28,536,097	27,819,499	28,499,734	29,223,970	26,034,527	29,675,160	28,472,435	30,355,384	28,914,811	30,168,650	31,160,134	346,055,863
15 Capitated Services		261,948	264,568	265,311	262,989	262,752	265,086	265,186	264,454	261,070	253,109	252,414	249,947	3,128,834
16 Net Reinsurance cost		646	649	653	649	644	643	643	643	642	643	643	644	7,742
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		1,320,057	1,412,882	1,419,251	1,980,627	1,454,336	1,509,650	1,495,365	1,499,099	1,472,826	2,050,570	1,544,378	1,558,318	18,717,359
20 Quality Incentive Payment Program (QIPP)		1,076,268	1,095,543	1,133,470	1,157,097	1,086,216	1,093,056	1,104,106	1,078,488	1,138,473	1,167,216	1,186,586	1,196,584	13,513,103
21 Other Medical Expenses		22,967	(15,487)	46,852	479,916	383,766	531,630	149,316	178,388	42,145	242,660	132,529	104,353	2,299,035
22 Total Medical Expenses		29,877,348	31,294,252	30,685,036	32,381,012	32,411,684	29,434,592	32,689,776	31,493,507	33,270,540	32,629,009	33,285,200	34,269,980	383,721,936
23 Prescription Expenses (excluding PBM Admin)		7,592,532	8,148,078	8,035,851	7,686,506	8,488,361	7,712,736	8,183,053	8,167,363	8,439,201	8,049,568	8,921,107	9,088,585	98,512,940
24 <b>Total Medical and Prescription Expenses</b>		<b>37,469,879</b>	<b>39,442,330</b>	<b>38,720,887</b>	<b>40,067,518</b>	<b>40,900,044</b>	<b>37,147,328</b>	<b>40,872,829</b>	<b>39,660,870</b>	<b>41,709,741</b>	<b>40,678,577</b>	<b>42,206,307</b>	<b>43,358,566</b>	<b>482,234,876</b>
25 <b>Administrative Expenses</b>		<b>2,256,192</b>	<b>2,450,048</b>	<b>2,519,310</b>	<b>2,264,909</b>	<b>2,528,881</b>	<b>2,341,957</b>	<b>2,392,630</b>	<b>2,392,585</b>	<b>2,612,668</b>	<b>2,098,744</b>	<b>2,613,384</b>	<b>2,772,301</b>	<b>29,243,610</b>
26 <b>Total Expenses</b>		<b>39,726,072</b>	<b>41,892,378</b>	<b>41,240,197</b>	<b>42,332,427</b>	<b>43,428,926</b>	<b>39,489,285</b>	<b>43,265,459</b>	<b>42,053,455</b>	<b>44,322,409</b>	<b>42,777,322</b>	<b>44,819,692</b>	<b>46,130,866</b>	<b>511,478,486</b>
27 <b>Net Income Before Taxes</b>		<b>1,323,764</b>	<b>(497,373)</b>	<b>727,164</b>	<b>1,128,430</b>	<b>(795,522)</b>	<b>3,122,607</b>	<b>(582,571)</b>	<b>467,238</b>	<b>(1,257,994)</b>	<b>602,295</b>	<b>(1,321,987)</b>	<b>(2,540,683)</b>	<b>375,330</b>
28 % Medical Exp to Net Revenues		72.8%	75.6%	73.1%	74.5%	76.0%	69.1%	76.6%	74.1%	77.3%	75.2%	76.5%	78.6%	75.0%
29 % Prescription Exp to Net Revenues		18.5%	19.7%	19.1%	17.7%	19.9%	18.1%	19.2%	19.2%	19.6%	18.6%	20.5%	20.9%	19.2%
30 % Total Medical and Prescription to Net Rev. (MLR)		91.3%	95.3%	92.3%	92.2%	95.9%	87.2%	95.8%	93.3%	96.9%	93.8%	97.0%	99.5%	94.2%
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 <b>% Net Income to Net Revenues</b>		<b>3.2%</b>	<b>-1.2%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>-1.9%</b>	<b>7.3%</b>	<b>-1.4%</b>	<b>1.1%</b>	<b>-2.9%</b>	<b>1.4%</b>	<b>-3.0%</b>	<b>-5.8%</b>	<b>0.1%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.0%	7.5%	7.6%	6.5%	7.4%	6.9%	7.0%	7.1%	7.6%	6.0%	7.5%	7.9%	7.2%
<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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