

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Superior / Bankers / Centene**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **8/30/2019** Service Area: **Dallas**  
 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		25,896	25,918	26,118	26,102	25,791	25,771	25,701	25,520	25,804	25,888	25,947	25,932	310,388
2 <b>Average Monthly Member Months</b>														<b>25,866</b>
<b>Revenues:</b>														
3 Medical Premiums		30,789,756	30,805,841	31,035,944	31,089,901	30,741,114	30,615,562	33,437,565	33,222,581	33,789,494	33,987,787	34,162,358	34,225,312	387,903,215
4 Pharmacy Premiums		5,866,038	5,859,657	5,870,966	5,863,786	5,862,125	5,867,279	5,858,730	5,846,257	5,872,403	5,868,241	5,873,093	5,866,756	70,375,331
5 Investment Income		25,862	25,210	27,799	49,386	31,767	33,609	36,856	34,817	36,405	45,166	41,573	38,703	427,153
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		36,681,656	36,690,708	36,934,709	37,003,073	36,635,006	36,516,450	39,333,151	39,103,655	39,698,302	39,901,194	40,077,024	40,130,771	458,705,699
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)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		641,476	641,646	645,871	646,690	640,557	638,450	687,685	683,705	694,083	697,480	700,620	701,611	8,019,875
12 Maintenance Taxes		1,554	1,555	1,567	1,566	1,547	1,546	1,542	1,531	1,548	1,553	1,557	1,556	18,623
13 <b>Net Revenues</b>		<b>36,038,626</b>	<b>36,047,507</b>	<b>36,287,271</b>	<b>36,354,817</b>	<b>35,992,902</b>	<b>35,876,454</b>	<b>38,643,924</b>	<b>38,418,419</b>	<b>39,002,671</b>	<b>39,202,160</b>	<b>39,374,847</b>	<b>39,427,604</b>	<b>450,667,201</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		23,835,077	24,440,312	23,509,041	24,104,876	25,203,653	21,752,541	26,111,220	26,839,712	27,091,161	26,215,070	28,153,018	27,961,951	305,217,632
15 Capitated Services		230,158	232,537	232,072	233,225	238,929	238,832	241,754	236,000	236,759	231,504	229,032	226,340	2,807,139
16 Net Reinsurance cost		584	584	584	583	583	582	582	580	582	581	582	581	6,989
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		1,158,823	1,230,271	1,227,072	1,656,668	1,227,814	1,271,030	1,353,863	1,354,470	1,333,912	1,853,103	1,397,997	1,409,509	16,474,532
20 Quality Incentive Payment Program (QIPP)		1,341,956	1,343,205	1,352,572	1,356,318	1,329,467	1,306,362	1,286,383	1,282,538	1,313,993	1,332,818	1,346,623	1,349,133	15,921,368
21 Other Medical Expenses		(86,377)	(100,988)	(35,173)	(50,808)	(71,506)	(76,768)	361,305	(66,092)	310,231	500,513	12,683	224,977	921,997
22 Total Medical Expenses		26,480,221	27,145,921	26,286,168	27,300,862	27,928,940	24,492,580	29,355,107	29,627,208	30,286,638	30,133,589	31,139,935	31,172,491	341,349,657
23 Prescription Expenses (excluding PBM Admin)		4,966,654	5,423,397	5,318,457	5,107,245	5,757,092	5,224,618	5,810,684	5,687,702	5,887,651	5,579,646	5,967,318	6,234,981	66,965,444
24 <b>Total Medical and Prescription Expenses</b>		<b>31,446,875</b>	<b>32,569,318</b>	<b>31,604,625</b>	<b>32,408,108</b>	<b>33,686,032</b>	<b>29,717,197</b>	<b>35,165,790</b>	<b>35,314,909</b>	<b>36,174,289</b>	<b>35,713,235</b>	<b>37,107,253</b>	<b>37,407,471</b>	<b>408,315,101</b>
25 <b>Administrative Expenses</b>		<b>1,980,616</b>	<b>2,133,386</b>	<b>2,178,172</b>	<b>1,894,452</b>	<b>2,134,992</b>	<b>1,971,780</b>	<b>2,186,223</b>	<b>2,161,756</b>	<b>2,366,247</b>	<b>1,896,638</b>	<b>2,365,680</b>	<b>2,507,565</b>	<b>25,757,508</b>
26 <b>Total Expenses</b>		<b>33,427,491</b>	<b>34,702,704</b>	<b>33,782,797</b>	<b>34,302,560</b>	<b>35,821,024</b>	<b>31,688,978</b>	<b>37,332,013</b>	<b>37,476,666</b>	<b>38,540,536</b>	<b>37,609,872</b>	<b>39,472,933</b>	<b>39,915,036</b>	<b>434,072,610</b>
27 <b>Net Income Before Taxes</b>		<b>2,611,135</b>	<b>1,344,803</b>	<b>2,504,474</b>	<b>2,052,257</b>	<b>171,878</b>	<b>4,187,476</b>	<b>1,311,911</b>	<b>941,753</b>	<b>462,135</b>	<b>1,592,288</b>	<b>(98,086)</b>	<b>(487,432)</b>	<b>16,594,591</b>
28 % Medical Exp to Net Revenues		73.5%	75.3%	72.4%	75.1%	77.6%	68.3%	76.0%	77.1%	77.7%	76.9%	79.1%	79.1%	75.7%
29 % Prescription Exp to Net Revenues		13.8%	15.0%	14.7%	14.0%	16.0%	14.6%	15.0%	14.8%	15.1%	14.2%	15.2%	15.8%	14.9%
30 % Total Medical and Prescription to Net Rev. (MLR)		87.3%	90.4%	87.1%	89.1%	93.6%	82.8%	91.0%	91.9%	92.7%	91.1%	94.2%	94.9%	90.6%
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>7.2%</b>	<b>3.7%</b>	<b>6.9%</b>	<b>5.6%</b>	<b>0.5%</b>	<b>11.7%</b>	<b>3.4%</b>	<b>2.5%</b>	<b>1.2%</b>	<b>4.1%</b>	<b>-0.2%</b>	<b>-1.2%</b>	<b>3.7%</b>
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%	7.1%	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.

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