

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **10/8/2019** Service Area: **Harris / Houston**
 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		104,852	105,053	105,881	105,258	102,542	101,163	99,338	98,443	97,907	97,039	96,787	96,555	1,210,818
2 Average Monthly Member Months														100,902
Revenues:														
3 Medical Premiums		18,435,964	18,402,128	18,459,658	18,242,976	17,812,483	17,623,308	19,696,407	19,563,192	19,515,359	19,342,676	19,283,043	19,211,374	225,588,568
4 Delivery Supplemental Payments		1,333,777	1,210,605	1,291,546	1,200,047	1,284,508	1,059,279	1,119,106	1,031,126	1,143,740	1,157,817	1,136,702	1,277,470	14,245,723
5 Pharmacy Premiums		4,409,754	4,414,165	4,443,994	4,399,073	4,289,174	4,244,110	4,176,221	4,155,597	4,144,070	4,099,863	4,086,869	4,070,032	50,932,922
6 Investment Income		154,921	167,653	158,642	161,060	163,341	150,164	169,570	175,179	149,994	149,915	158,839	149,980	1,909,258
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		24,334,416	24,194,551	24,353,840	24,003,156	23,549,506	23,076,861	25,161,304	24,925,094	24,953,163	24,750,271	24,665,453	24,708,856	292,676,471
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		419,204	420,471	423,416	417,237	409,258	401,217	437,355	433,124	434,055	430,506	428,866	429,780	5,084,489
13 Maintenance Taxes		6,815	6,828	6,882	6,842	6,665	6,576	6,457	6,399	6,364	6,308	6,291	6,276	78,703
14 Net Revenues		23,908,397	23,767,252	23,923,542	23,579,078	23,133,583	22,669,068	24,717,492	24,485,572	24,512,744	24,313,457	24,230,296	24,272,800	287,513,279
Medical Expenses:														
15 Fee-For-Service		15,893,677	17,597,207	16,409,103	17,103,776	16,196,596	15,512,859	18,055,896	17,168,412	18,230,346	17,791,856	18,045,100	18,325,010	206,329,838
16 Capitated Services		150,078	141,352	141,182	140,267	136,844	135,058	131,684	129,733	128,167	126,241	125,482	125,275	1,611,361
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		3,146	3,152	3,176	3,158	3,076	3,035	2,980	2,953	2,937	2,911	0	0	30,524
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		440,518	461,299	461,329	467,695	461,340	443,199	483,152	448,025	454,655	440,310	447,328	458,472	5,467,322
21 Total Medical Expenses		16,487,418	18,203,010	17,014,790	17,714,895	16,797,856	16,094,151	18,673,713	17,749,123	18,816,105	18,361,318	18,617,910	18,908,757	213,439,046
22 Prescription Expenses (excluding PBM Admin)		3,386,426	3,911,266	3,744,966	4,328,424	4,400,719	3,880,116	3,732,544	3,512,679	3,359,633	2,916,125	3,072,889	3,307,449	43,553,239
23 Total Medical and Prescription Expenses		19,873,844	22,114,276	20,759,756	22,043,319	21,198,575	19,974,267	22,406,257	21,261,802	22,175,738	21,277,443	21,690,799	22,216,206	256,992,285
24 Administrative Expenses		1,030,332	1,184,360	1,106,227	1,207,450	1,118,176	1,018,808	1,119,127	1,171,776	1,154,322	1,180,860	1,141,109	1,247,127	13,679,674
25 Total Expenses		20,904,176	23,298,637	21,865,983	23,250,770	22,316,751	20,993,076	23,525,384	22,433,578	23,330,060	22,458,303	22,831,908	23,463,333	270,671,959
26 Net Income Before Taxes		3,004,221	468,615	2,057,559	328,308	816,832	1,675,992	1,192,108	2,051,994	1,182,684	1,855,154	1,398,388	809,467	16,841,320
27 % Medical Exp to Net Revenues		69.0%	76.6%	71.1%	75.1%	72.6%	71.0%	75.5%	72.5%	76.8%	75.5%	76.8%	77.9%	74.2%
28 % Prescription Exp to Net Revenues		14.2%	16.5%	15.7%	18.4%	19.0%	17.1%	15.1%	14.3%	13.7%	12.0%	12.7%	13.6%	15.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		83.1%	93.0%	86.8%	93.5%	91.6%	88.1%	90.6%	86.8%	90.5%	87.5%	89.5%	91.5%	89.4%
30 % Admin Exp to Net Revenues		4.3%	5.0%	4.6%	5.1%	4.8%	4.5%	4.5%	4.8%	4.7%	4.9%	4.7%	5.1%	4.8%
31 % Net Income to Net Revenues		12.6%	2.0%	8.6%	1.4%	3.5%	7.4%	4.8%	8.4%	4.8%	7.6%	5.8%	3.3%	5.9%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		5.3%	6.1%	5.7%	6.3%	5.9%	5.5%	5.4%	5.8%	5.7%	5.8%	5.7%	6.2%	5.8%
Post-income items:														
33 Performance Assessment														0

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.