

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Blue Cross Blue Shield of Texas / Health Care Service Corporation**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **Travis / Austin**
 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		26,990	27,084	27,450	27,550	27,222	27,273	27,117	27,019	32,251	32,168	31,994	31,838	345,956
2 Average Monthly Member Months														28,830
Revenues:														
3 Medical Premiums		4,922,634	4,916,248	4,928,693	4,907,761	4,834,500	4,801,853	4,767,665	4,730,323	5,589,381	5,534,457	5,492,208	5,446,826	60,872,549
4 Delivery Supplemental Payments		522,846	509,856	464,391	464,391	402,689	386,451	396,194	366,966	506,608	441,659	454,649	526,093	5,442,793
5 Pharmacy Premiums		910,298	910,020	918,039	910,443	897,183	897,818	888,918	886,733	1,044,919	1,038,567	1,033,153	1,030,919	11,367,010
6 Investment Income		60,613	53,885	61,143	78,263	58,137	48,479	45,413	73,290	59,571	75,340	55,025	67,819	736,978
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		6,416,391	6,390,009	6,372,266	6,360,858	6,192,509	6,134,601	6,098,190	6,057,312	7,200,479	7,090,023	7,035,035	7,071,657	78,419,330
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		111,226	110,882	110,445	109,945	107,352	106,507	105,924	104,720	124,966	122,757	122,150	122,567	1,359,441
13 Maintenance Taxes		3,374	3,385	3,431	3,444	3,403	3,409	3,390	3,377	4,031	4,021	3,999	3,980	43,245
14 Net Revenues		6,301,791	6,275,741	6,258,390	6,247,469	6,081,755	6,024,685	5,988,877	5,949,214	7,071,482	6,963,245	6,908,886	6,945,110	77,016,644
Medical Expenses:														
15 Fee-For-Service		4,111,952	4,708,045	5,211,860	5,452,398	4,278,048	4,099,002	4,175,732	5,194,524	4,741,772	4,657,319	5,403,270	4,331,387	56,365,310
16 Capitated Services		773,587	776,282	786,772	789,638	780,237	781,699	777,227	774,419	924,378	874,970	870,237	865,994	9,775,439
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		122,290	121,670	186,966	114,744	124,067	149,009	132,277	142,894	141,720	182,668	171,376	176,373	1,766,054
21 Total Medical Expenses		5,007,829	5,605,997	6,185,598	6,356,780	5,182,352	5,029,710	5,085,236	6,111,837	5,807,870	5,714,957	6,444,883	5,373,754	67,906,803
22 Prescription Expenses (excluding PBM Admin)		741,750	778,395	840,441	827,794	1,243,701	1,104,818	837,551	772,055	939,239	876,415	752,187	930,025	10,644,372
23 Total Medical and Prescription Expenses		5,749,579	6,384,392	7,026,039	7,184,574	6,426,053	6,134,528	5,922,787	6,883,892	6,747,109	6,591,372	7,197,070	6,303,779	78,551,175
24 Administrative Expenses		935,845	1,084,588	1,072,388	1,125,244	1,031,311	995,413	1,162,460	1,092,386	1,279,572	1,315,408	1,311,068	1,335,418	13,741,102
25 Total Expenses		6,685,424	7,468,980	8,098,428	8,309,819	7,457,364	7,129,941	7,085,248	7,976,278	8,026,682	7,906,780	8,508,138	7,639,196	92,292,278
26 Net Income Before Taxes		(383,633)	(1,193,239)	(1,840,038)	(2,062,350)	(1,375,609)	(1,105,256)	(1,096,371)	(2,027,064)	(955,200)	(943,535)	(1,599,252)	(694,086)	(15,275,634)
27 % Medical Exp to Net Revenues		79.5%	89.3%	98.8%	101.7%	85.2%	83.5%	84.9%	102.7%	82.1%	82.1%	93.3%	77.4%	88.2%
28 % Prescription Exp to Net Revenues		11.8%	12.4%	13.4%	13.3%	20.4%	18.3%	14.0%	13.0%	13.3%	12.6%	10.9%	13.4%	13.8%
29 % Total Medical and Prescription to Net Rev. (MLR)		91.2%	101.7%	112.3%	115.0%	105.7%	101.8%	98.9%	115.7%	95.4%	94.7%	104.2%	90.8%	102.0%
30 % Admin Exp to Net Revenues		14.9%	17.3%	17.1%	18.0%	17.0%	16.5%	19.4%	18.4%	18.1%	18.9%	19.0%	19.2%	17.8%
31 % Net Income to Net Revenues		-6.1%	-19.0%	-29.4%	-33.0%	-22.6%	-18.3%	-18.3%	-34.1%	-13.5%	-13.6%	-23.1%	-10.0%	-19.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		17.4%	20.2%	20.1%	21.1%	19.9%	19.4%	22.8%	21.6%	21.2%	22.2%	22.3%	22.6%	20.9%
Post-income items:														
33 Performance Assessment														13,000

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.