

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Community Health Choice / Harris County Hosp. Distr.**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** 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		227,397	230,495	235,074	235,700	231,656	229,187	226,030	224,441	224,489	223,575	223,577	224,407	2,736,028
2 Average Monthly Member Months														228,002
Revenues:														
3 Medical Premiums		50,509,737	50,940,900	51,540,222	51,376,276	50,612,536	50,248,605	56,078,488	55,740,720	55,875,323	55,609,892	55,694,321	55,984,616	640,211,636
4 Delivery Supplemental Payments		5,173,224	4,997,264	4,969,110	4,800,189	5,419,568	3,818,332	3,712,756	3,575,507	3,797,217	3,909,831	4,321,578	4,603,114	53,097,690
5 Pharmacy Premiums		8,511,758	8,643,959	8,794,442	8,776,376	8,622,896	8,555,574	8,440,553	8,390,392	8,400,225	8,343,028	8,354,019	8,389,456	102,222,678
6 Investment Income		71,931	71,784	71,973	72,012	86,345	99,187	94,627	121,306	129,191	141,307	151,171	111,370	1,222,204
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		64,266,650	64,653,907	65,375,747	65,024,853	64,741,345	62,721,698	68,326,424	67,827,925	68,201,956	68,004,058	68,521,089	69,088,556	796,754,208
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		1,123,408	1,130,187	1,142,816	1,136,675	1,131,463	1,095,894	1,194,056	1,184,866	1,191,273	1,187,598	1,196,474	1,207,101	13,921,810
13 Maintenance Taxes		14,724	14,925	15,221	15,262	15,000	14,840	14,635	14,533	14,536	14,476	14,477	14,530	177,158
14 Net Revenues		63,128,518	63,508,795	64,217,710	63,872,917	63,594,883	61,610,964	67,117,732	66,628,527	66,996,147	66,801,983	67,310,139	67,866,925	782,655,240
Medical Expenses:														
15 Fee-For-Service		44,768,042	52,688,127	52,302,093	50,588,112	51,107,222	53,330,285	53,835,951	55,680,548	57,593,161	56,565,022	54,777,285	57,963,473	641,199,322
16 Capitated Services		385,102	389,454	403,897	405,163	391,155	386,746	380,212	244,244	220,075	222,043	221,707	194,697	3,844,494
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		154,997	158,071	161,187	161,401	157,824	156,498	154,160	153,241	153,295	152,556	152,855	153,239	1,869,324
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		343,975	280,260	258,892	273,681	200,494	264,968	307,317	258,828	227,187	204,981	210,752	202,739	3,034,074
21 Total Medical Expenses		45,652,116	53,515,912	53,126,068	51,428,358	51,856,696	54,138,496	54,677,640	56,336,860	58,193,719	57,144,602	55,362,599	58,514,148	649,947,214
22 Prescription Expenses (excluding PBM Admin)		7,111,998	7,797,049	8,299,616	8,951,192	5,695,541	8,422,322	7,540,684	7,257,798	7,019,931	5,990,633	5,998,808	6,826,074	86,911,647
23 Total Medical and Prescription Expenses		52,764,114	61,312,961	61,425,684	60,379,550	57,552,237	62,560,818	62,218,324	63,594,658	65,213,650	63,135,235	61,361,407	65,340,222	736,858,861
24 Administrative Expenses		5,270,175	5,332,170	5,294,722	5,981,884	4,929,190	4,853,680	4,938,886	4,792,186	4,902,326	4,749,981	4,746,981	5,007,768	60,799,949
25 Total Expenses		58,034,290	66,645,131	66,720,406	66,361,433	62,481,427	67,414,497	67,157,210	68,386,844	70,115,977	67,885,216	66,108,388	70,347,990	797,658,809
26 Net Income Before Taxes		5,094,228	(3,136,336)	(2,502,696)	(2,488,516)	1,113,456	(5,803,533)	(39,478)	(1,758,317)	(3,119,830)	(1,083,233)	1,201,751	(2,481,065)	(15,003,569)
27 % Medical Exp to Net Revenues		72.3%	84.3%	82.7%	80.5%	81.5%	87.9%	81.5%	84.6%	86.9%	85.5%	82.3%	86.2%	83.0%
28 % Prescription Exp to Net Revenues		11.3%	12.3%	12.9%	14.0%	9.0%	13.7%	11.2%	10.9%	10.5%	9.0%	8.9%	10.1%	11.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		83.6%	96.5%	95.7%	94.5%	90.5%	101.5%	92.7%	95.4%	97.3%	94.5%	91.2%	96.3%	94.1%
30 % Admin Exp to Net Revenues		8.3%	8.4%	8.2%	9.4%	7.8%	7.9%	7.4%	7.2%	7.3%	7.1%	7.1%	7.4%	7.8%
31 % Net Income to Net Revenues		8.1%	-4.9%	-3.9%	-3.9%	1.8%	-9.4%	-0.1%	-2.6%	-4.7%	-1.6%	1.8%	-3.7%	-1.9%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.6%	9.7%	9.6%	10.9%	9.0%	9.1%	8.4%	8.2%	8.4%	8.1%	8.1%	8.4%	8.9%
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.