

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: **Jefferson**
 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		22,735	23,017	23,305	23,239	22,703	22,574	22,239	22,080	22,074	21,982	22,069	22,145	270,162
2 Average Monthly Member Months														22,514
Revenues:														
3 Medical Premiums		4,716,857	4,740,427	4,757,014	4,706,468	4,607,120	4,597,427	5,072,426	5,032,800	5,037,704	5,012,066	5,049,470	5,072,468	58,402,247
4 Delivery Supplemental Payments		495,609	451,479	356,431	370,009	468,452	376,798	359,825	298,723	353,036	315,696	393,771	424,323	4,664,152
5 Pharmacy Premiums		1,075,300	1,089,569	1,102,384	1,096,240	1,072,506	1,069,999	1,053,306	1,044,854	1,041,270	1,034,572	1,040,310	1,042,249	12,762,559
6 Investment Income		7,046	6,982	6,851	6,844	8,211	9,573	8,995	11,424	12,207	13,248	14,336	10,558	116,275
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		6,294,812	6,288,457	6,222,680	6,179,561	6,156,289	6,053,797	6,494,552	6,387,801	6,444,217	6,375,582	6,497,887	6,549,598	75,945,233
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		110,036	109,926	108,777	108,023	107,591	105,774	113,497	111,587	112,560	111,341	113,462	114,433	1,327,007
13 Maintenance Taxes		1,472	1,490	1,509	1,505	1,470	1,462	1,440	1,430	1,429	1,423	1,429	1,434	17,493
14 Net Revenues		6,183,304	6,177,041	6,112,394	6,070,034	6,047,228	5,946,561	6,379,615	6,274,785	6,330,228	6,262,818	6,382,996	6,433,731	74,600,733
Medical Expenses:														
15 Fee-For-Service		4,328,385	5,441,308	5,428,375	4,107,703	5,592,598	5,063,959	5,613,830	4,607,356	5,861,405	5,098,642	5,619,555	5,714,217	62,477,333
16 Capitated Services		39,127	39,538	40,709	40,619	39,038	38,826	38,163	24,039	21,649	21,845	21,881	19,216	384,649
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		15,486	15,786	(180,071)	15,902	15,430	(1,299)	15,171	15,092	15,113	15,021	15,093	15,119	(28,158)
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		33,692	27,259	24,642	26,009	19,065	25,574	29,211	24,376	21,466	19,218	19,986	19,220	289,718
21 Total Medical Expenses		4,416,690	5,523,890	5,313,655	4,190,232	5,666,131	5,127,060	5,696,375	4,670,863	5,919,633	5,154,726	5,676,515	5,767,772	63,123,542
22 Prescription Expenses (excluding PBM Admin)		799,378	992,661	916,497	959,618	579,624	945,914	883,272	801,997	823,824	767,294	685,999	822,867	9,978,946
23 Total Medical and Prescription Expenses		5,216,068	6,516,551	6,230,152	5,149,850	6,245,755	6,072,974	6,579,647	5,472,860	6,743,457	5,922,020	6,362,514	6,590,639	73,102,488
24 Administrative Expenses		516,205	518,625	503,969	568,481	468,719	468,469	469,450	451,312	463,207	445,325	450,158	474,737	5,798,658
25 Total Expenses		5,732,273	7,035,176	6,734,121	5,718,332	6,714,475	6,541,444	7,049,098	5,924,172	7,206,665	6,367,345	6,812,673	7,065,376	78,901,150
26 Net Income Before Taxes		451,031	(858,135)	(621,727)	351,702	(667,247)	(594,883)	(669,483)	350,613	(876,437)	(104,527)	(429,677)	(631,645)	(4,300,417)
27 % Medical Exp to Net Revenues		71.4%	89.4%	86.9%	69.0%	93.7%	86.2%	89.3%	74.4%	93.5%	82.3%	88.9%	89.6%	84.6%
28 % Prescription Exp to Net Revenues		12.9%	16.1%	15.0%	15.8%	9.6%	15.9%	13.8%	12.8%	13.0%	12.3%	10.7%	12.8%	13.4%
29 % Total Medical and Prescription to Net Rev. (MLR)		84.4%	105.5%	101.9%	84.8%	103.3%	102.1%	103.1%	87.2%	106.5%	94.6%	99.7%	102.4%	98.0%
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		7.3%	-13.9%	-10.2%	5.8%	-11.0%	-10.0%	-10.5%	5.6%	-13.8%	-1.7%	-6.7%	-9.8%	-5.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		10.1%	10.2%	10.1%	11.4%	9.4%	9.6%	8.8%	8.6%	8.8%	8.5%	8.4%	8.8%	9.4%
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.