

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Cook Children's Health Plan**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **Ft. Worth / Tarrant**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

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
HHSC Managed Care contract costs													
1 Member Months	108,162	108,731	110,512	110,032	109,105	108,303	108,191	107,513	108,351	108,111	107,203	106,588	1,300,802
2 Average Monthly Member Months													108,400
Revenues:													
3 Medical Premiums	17,408,311	17,470,221	17,789,016	17,713,084	17,556,888	17,438,162	19,526,801	19,369,757	19,522,664	19,494,434	19,342,744	19,195,522	221,827,604
4 Delivery Supplemental Payments	1,374,272	1,163,405	1,268,838	1,327,009	1,446,985	1,257,931	1,363,365	1,214,304	1,283,381	1,265,203	1,257,931	1,305,195	15,527,819
5 Pharmacy Premiums	3,938,740	3,969,609	4,026,780	3,999,701	3,963,640	3,950,807	3,938,370	3,917,851	3,948,182	3,938,304	3,917,850	3,897,105	47,406,939
6 Investment Income	73,951	76,415	77,135	79,861	97,321	102,661	114,264	123,502	132,334	116,360	161,521	143,259	1,298,582
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	22,795,274	22,679,650	23,161,769	23,119,655	23,064,834	22,749,561	24,942,800	24,625,414	24,886,561	24,814,301	24,680,046	24,541,081	286,060,944
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	397,623	395,557	403,981	403,196	397,994	396,321	434,499	428,783	433,199	432,214	429,074	426,962	4,979,404
13 Maintenance Taxes	6,715	6,749	6,856	6,827	6,771	6,723	6,716	6,676	6,726	6,712	6,657	6,620	80,747
14 Net Revenues	22,390,936	22,277,345	22,750,932	22,709,632	22,660,069	22,346,517	24,501,584	24,189,955	24,446,636	24,375,375	24,244,315	24,107,499	281,000,795
Medical Expenses:													
15 Fee-For-Service	15,493,060	20,761,690	16,637,312	16,349,144	19,117,224	16,853,764	17,388,488	16,659,530	18,035,390	17,796,417	17,002,702	16,636,693	208,731,414
16 Capitated Services	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost	299,609	(2,582,304)	288,658	242,979	(464,233)	(254,698)	81,187	(240,673)	218,114	(1,306,428)	(387,137)	246,398	(3,858,528)
19 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement	185,116	220,468	240,417	309,516	352,030	274,524	325,113	281,589	359,830	296,954	300,776	315,117	3,461,450
21 Total Medical Expenses	15,977,785	18,399,854	17,166,387	16,901,639	19,005,021	16,873,590	17,794,788	16,700,446	18,613,334	16,786,943	16,916,341	17,198,208	208,334,336
22 Prescription Expenses (excluding PBM Admin)	3,494,257	3,566,994	3,842,127	3,927,118	4,808,257	4,371,431	3,446,108	3,492,035	3,393,386	2,980,747	2,950,361	3,354,343	43,627,164
23 Total Medical and Prescription Expenses	19,472,042	21,966,848	21,008,514	20,828,757	23,813,278	21,245,021	21,240,896	20,192,481	22,006,720	19,767,690	19,866,702	20,552,551	251,961,500
24 Administrative Expenses	1,375,341	1,549,756	1,476,492	1,406,800	1,590,940	1,195,445	1,648,678	1,578,725	1,719,293	1,482,737	1,714,125	1,586,695	18,325,029
25 Total Expenses	20,847,383	23,516,604	22,485,006	22,235,558	25,404,218	22,440,467	22,889,574	21,771,206	23,726,012	21,250,427	21,580,827	22,139,246	270,286,528
26 Net Income Before Taxes	1,543,553	(1,239,259)	265,926	474,074	(2,744,149)	(93,950)	1,612,010	2,418,749	720,624	3,124,948	2,663,488	1,968,253	10,714,267
27 % Medical Exp to Net Revenues	71.4%	82.6%	75.5%	74.4%	83.9%	75.5%	72.6%	69.0%	76.1%	68.9%	69.8%	71.3%	74.1%
28 % Prescription Exp to Net Revenues	15.6%	16.0%	16.9%	17.3%	21.2%	19.6%	14.1%	14.4%	13.9%	12.2%	12.2%	13.9%	15.5%
29 % Total Medical and Prescription to Net Rev. (MLR)	87.0%	98.6%	92.3%	91.7%	105.1%	95.1%	86.7%	83.5%	90.0%	81.1%	81.9%	85.3%	89.7%
30 % Admin Exp to Net Revenues	6.1%	7.0%	6.5%	6.2%	7.0%	5.3%	6.7%	6.5%	7.0%	6.1%	7.1%	6.6%	6.5%
31 % Net Income to Net Revenues	6.9%	-5.6%	1.2%	2.1%	-12.1%	-0.4%	6.6%	10.0%	2.9%	12.8%	11.0%	8.2%	3.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)	7.5%	8.5%	7.9%	7.5%	8.5%	6.5%	8.0%	7.8%	8.4%	7.3%	8.4%	7.9%	7.8%
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.