

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Driscoll Children's Health Plan**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **9/16/2019** Service Area: **Hidalgo**
 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		88,176	88,438	89,053	89,223	89,220	89,665	90,345	90,487	91,557	91,890	92,216	92,192	1,082,462
2 Average Monthly Member Months														90,205
Revenues:														
3 Medical Premiums		14,147,935	14,148,376	14,179,457	14,148,014	14,131,745	14,188,015	15,489,156	15,520,652	15,766,045	15,826,853	15,897,291	15,959,633	179,403,172
4 Delivery Supplemental Payments		1,271,911	1,391,260	1,306,011	1,271,911	1,384,440	1,193,483	1,248,042	1,217,352	1,261,682	1,285,551	1,398,080	1,565,167	15,794,890
5 Pharmacy Premiums		3,926,370	3,935,109	3,956,310	3,959,678	3,961,308	3,986,219	4,020,176	4,028,303	4,084,111	4,096,469	4,116,955	4,117,825	48,188,833
6 Investment Income		45,888	56,994	59,278	68,940	72,682	70,907	78,565	135,111	69,448	68,540	70,502	70,831	867,686
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		19,392,104	19,531,739	19,501,056	19,448,543	19,550,175	19,438,624	20,835,939	20,901,418	21,181,286	21,277,413	21,482,828	21,713,456	244,254,581
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		338,559	340,808	340,231	339,143	340,856	338,935	363,254	363,410	369,457	371,155	374,716	378,746	4,259,271
13 Maintenance Taxes		5,823	5,841	5,881	5,893	5,892	5,922	5,967	5,976	6,047	6,069	6,090	6,089	71,489
14 Net Revenues		19,047,722	19,185,090	19,154,944	19,103,507	19,203,427	19,093,767	20,466,718	20,532,032	20,805,782	20,900,189	21,102,022	21,328,621	239,923,822
Medical Expenses:														
15 Fee-For-Service		13,541,713	13,659,906	15,297,345	13,435,193	14,231,032	13,210,553	15,194,301	14,968,395	15,030,295	13,085,278	12,742,944	14,414,046	168,811,001
16 Capitated Services		338,813	346,259	321,246	408,626	322,607	325,429	325,582	323,553	332,064	330,422	331,846	330,623	4,037,071
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		45,852	45,988	(432,371)	46,396	46,394	46,626	46,979	47,053	47,610	47,783	47,952	47,940	84,202
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		201,912	166,672	153,405	172,495	168,167	165,532	176,692	188,842	158,535	181,405	183,964	223,274	2,140,894
21 Total Medical Expenses		14,128,290	14,218,825	15,339,625	14,062,709	14,768,201	13,748,139	15,743,554	15,527,843	15,568,504	13,644,888	13,306,707	15,015,883	175,073,168
22 Prescription Expenses (excluding PBM Admin)		3,773,781	4,214,416	4,794,080	4,389,606	4,868,960	4,366,303	3,708,268	3,462,992	3,191,698	2,550,243	2,588,235	3,185,708	45,094,291
23 Total Medical and Prescription Expenses		17,902,071	18,433,241	20,133,705	18,452,315	19,637,161	18,114,442	19,451,822	18,990,835	18,760,202	16,195,131	15,894,942	18,201,591	220,167,459
24 Administrative Expenses		1,282,703	1,465,432	1,360,864	1,680,468	1,451,770	1,413,053	1,665,993	1,673,211	1,411,583	1,407,241	1,895,411	2,500,709	19,208,438
25 Total Expenses		19,184,773	19,898,673	21,494,570	20,132,782	21,088,931	19,527,496	21,117,815	20,664,046	20,171,784	17,602,372	17,790,354	20,702,300	239,375,896
26 Net Income Before Taxes		(137,051)	(713,583)	(2,339,626)	(1,029,275)	(1,885,504)	(433,729)	(651,097)	(132,014)	633,998	3,297,817	3,311,668	626,321	547,926
27 % Medical Exp to Net Revenues		74.2%	74.1%	80.1%	73.6%	76.9%	72.0%	76.9%	75.6%	74.8%	65.3%	63.1%	70.4%	73.0%
28 % Prescription Exp to Net Revenues		19.8%	22.0%	25.0%	23.0%	25.4%	22.9%	18.1%	16.9%	15.3%	12.2%	12.3%	14.9%	18.8%
29 % Total Medical and Prescription to Net Rev. (MLR)		94.0%	96.1%	105.1%	96.6%	102.3%	94.9%	95.0%	92.5%	90.2%	77.5%	75.3%	85.3%	91.8%
30 % Admin Exp to Net Revenues		6.7%	7.6%	7.1%	8.8%	7.6%	7.4%	8.1%	8.1%	6.8%	6.7%	9.0%	11.7%	8.0%
31 % Net Income to Net Revenues		-0.7%	-3.7%	-12.2%	-5.4%	-9.8%	-2.3%	-3.2%	-0.6%	3.0%	15.8%	15.7%	2.9%	0.2%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.5%	9.6%	9.0%	11.1%	9.5%	9.4%	10.1%	10.1%	8.4%	8.4%	11.2%	14.5%	10.0%
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.