

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: **Corpus / Nueces**
 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		65,311	65,723	66,791	66,718	65,513	65,430	65,235	64,932	65,314	65,410	65,608	65,715	787,700
2 Average Monthly Member Months														65,642
Revenues:														
3 Medical Premiums		14,840,840	14,879,910	15,046,732	14,977,024	14,744,442	14,748,344	15,652,148	15,588,264	15,751,989	15,747,398	15,823,081	15,841,672	183,641,844
4 Delivery Supplemental Payments		967,554	1,028,426	938,719	938,719	996,388	816,974	977,165	884,254	1,034,834	922,700	1,034,834	1,034,834	11,575,401
5 Pharmacy Premiums		3,213,558	3,243,097	3,298,203	3,284,598	3,225,010	3,232,473	3,217,659	3,200,059	3,230,022	3,232,900	3,244,521	3,243,859	38,865,959
6 Investment Income		45,676	56,731	59,005	68,622	72,347	70,580	76,830	132,128	67,915	67,027	68,946	69,266	855,072
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		19,067,628	19,208,164	19,342,659	19,268,963	19,038,187	18,868,371	19,923,802	19,804,705	20,084,760	19,970,025	20,171,382	20,189,631	234,938,276
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		332,884	335,150	337,464	336,006	331,902	328,961	347,322	344,270	350,295	348,302	351,793	352,106	4,096,456
13 Maintenance Taxes		4,354	4,381	4,452	4,448	4,367	4,362	4,349	4,329	4,354	4,360	4,374	4,381	52,511
14 Net Revenues		18,730,390	18,868,633	19,000,743	18,928,509	18,701,917	18,535,048	19,572,131	19,456,106	19,730,111	19,617,362	19,815,216	19,833,144	230,789,310
Medical Expenses:														
15 Fee-For-Service		12,433,943	14,615,764	13,280,563	13,755,595	14,386,029	12,480,275	13,965,596	15,737,584	16,030,320	13,200,783	13,964,212	15,940,235	169,790,898
16 Capitated Services		738,245	779,239	761,657	775,542	799,350	798,681	805,669	791,554	772,679	795,920	788,348	788,334	9,395,219
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		33,962	34,176	34,731	34,693	34,067	34,024	33,922	33,765	33,963	34,013	34,116	34,172	409,604
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		198,533	163,911	152,159	170,902	163,763	160,676	168,957	178,933	150,328	170,259	172,734	207,605	2,058,759
21 Total Medical Expenses		13,404,683	15,593,090	14,229,110	14,736,732	15,383,209	13,473,655	14,974,144	16,741,836	16,987,290	14,200,975	14,959,410	16,970,346	181,654,480
22 Prescription Expenses (excluding PBM Admin)		3,060,660	3,149,112	3,062,992	3,145,056	4,178,649	3,438,142	2,921,953	2,909,375	2,767,925	2,357,260	2,381,251	3,038,958	36,411,333
23 Total Medical and Prescription Expenses		16,465,343	18,742,202	17,292,102	17,881,788	19,561,858	16,911,797	17,896,097	19,651,211	19,755,215	16,558,235	17,340,661	20,009,304	218,065,813
24 Administrative Expenses		1,261,240	1,441,155	1,349,811	1,664,951	1,413,751	1,371,600	1,593,061	1,585,416	1,338,507	1,320,773	1,779,703	2,325,212	18,445,180
25 Total Expenses		17,726,583	20,183,356	18,641,913	19,546,739	20,975,608	18,283,397	19,489,158	21,236,627	21,093,723	17,879,009	19,120,364	22,334,516	236,510,993
26 Net Income Before Taxes		1,003,807	(1,314,723)	358,830	(618,230)	(2,273,691)	251,651	82,973	(1,780,521)	(1,363,612)	1,738,353	694,852	(2,501,372)	(5,721,683)
27 % Medical Exp to Net Revenues		71.6%	82.6%	74.9%	77.9%	82.3%	72.7%	76.5%	86.0%	86.1%	72.4%	75.5%	85.6%	78.7%
28 % Prescription Exp to Net Revenues		16.3%	16.7%	16.1%	16.6%	22.3%	18.5%	14.9%	15.0%	14.0%	12.0%	12.0%	15.3%	15.8%
29 % Total Medical and Prescription to Net Rev. (MLR)		87.9%	99.3%	91.0%	94.5%	104.6%	91.2%	91.4%	101.0%	100.1%	84.4%	87.5%	100.9%	94.5%
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		5.4%	-7.0%	1.9%	-3.3%	-12.2%	1.4%	0.4%	-9.2%	-6.9%	8.9%	3.5%	-12.6%	-2.5%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.1%	9.2%	8.6%	10.6%	9.1%	9.0%	9.7%	9.8%	8.1%	8.1%	10.7%	14.0%	9.6%
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.