

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR Health**
 Submission Date: **8/30/2019** Service Area: **Statewide**
 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	34,940	35,398	35,376	34,992	35,186	35,142	35,415	35,593	35,892	35,873	35,783	35,986	425,576
2 Average Monthly Member Months													35,465
Revenues:													
3 Medical Premiums	26,277,558	26,442,885	26,663,585	26,591,601	26,525,153	26,627,197	26,601,884	26,726,868	26,866,092	27,072,553	26,981,583	26,960,225	320,337,184
4 Pharmacy Premiums	4,423,774	4,451,607	4,488,761	4,476,643	4,465,456	4,482,635	4,478,374	4,499,415	4,522,853	4,557,610	4,542,296	4,538,700	53,928,124
5 Investment Income	34,895	34,431	37,653	66,206	43,339	45,830	50,786	48,559	50,637	62,586	57,333	53,708	585,963
6 Health Insurance Providers Fee Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	30,736,227	30,928,923	31,189,999	31,134,450	31,033,948	31,155,662	31,131,044	31,274,842	31,439,582	31,692,749	31,581,212	31,552,633	374,851,271
9 Health Insurance Providers Fee & Related Costs													0
10 Premium Taxes	537,273	540,654	545,166	543,694	542,336	544,422	543,905	546,460	549,307	553,528	551,668	551,231	6,549,643
11 Maintenance Taxes	2,096	2,124	2,123	2,100	2,111	2,109	2,125	2,136	2,154	2,152	2,147	2,159	25,535
12 Net Revenues	30,196,857	30,386,146	30,642,710	30,588,656	30,489,501	30,609,131	30,585,015	30,726,246	30,888,122	31,137,069	31,027,397	30,999,243	368,276,094
Medical Expenses:													
13 Fee-For-Service	19,619,181	21,461,205	22,397,341	19,862,228	21,371,836	22,118,364	20,553,215	22,423,025	21,568,365	21,899,729	21,648,309	23,929,526	258,852,326
14 Capitated Services	1,628,416	1,648,850	1,649,032	1,632,238	1,632,141	1,630,793	1,758,083	1,764,378	1,776,157	1,786,949	1,781,289	1,792,368	20,480,694
15 Net Reinsurance cost	1,329	1,337	1,348	1,345	1,341	1,346	1,345	1,351	1,359	1,369	1,364	1,363	16,198
16 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Quality Improvement	824,857	986,499	982,589	1,329,237	939,976	987,164	1,020,475	1,077,869	1,123,837	1,556,464	1,111,779	1,116,233	13,056,979
18 Total Medical Expenses	22,073,783	24,097,891	25,030,310	22,825,048	23,945,294	24,737,668	23,333,118	25,266,624	24,469,718	25,244,511	24,542,742	26,839,490	292,406,197
19 Prescription Expenses (excluding PBM Admin)	3,304,507	3,648,144	3,743,140	4,057,756	4,268,735	3,901,263	3,902,379	3,581,515	3,290,331	3,159,960	3,232,632	3,613,033	43,703,396
20 Total Medical and Prescription Expenses	25,378,290	27,746,035	28,773,450	26,882,804	28,214,029	28,638,931	27,235,497	28,848,139	27,760,049	28,404,471	27,775,374	30,452,523	336,109,593
21 Administrative Expenses	1,659,594	1,798,366	1,839,386	1,593,995	1,808,577	1,682,314	1,714,502	1,728,958	1,873,980	1,506,463	1,864,186	1,971,561	21,041,883
22 Total Expenses	27,037,884	29,544,401	30,612,836	28,476,799	30,022,606	30,321,245	28,950,000	30,577,097	29,634,029	29,910,934	29,639,561	32,424,084	357,151,476
23 Net Income Before Taxes	3,158,973	841,745	29,874	2,111,857	466,895	287,886	1,635,015	149,149	1,254,093	1,226,135	1,387,836	(1,424,841)	11,124,618
24 % Medical Exp to Net Revenues	73.1%	79.3%	81.7%	74.6%	78.5%	80.8%	76.3%	82.2%	79.2%	81.1%	79.1%	86.6%	79.4%
25 % Prescription Exp to Net Revenues	10.9%	12.0%	12.2%	13.3%	14.0%	12.7%	12.8%	11.7%	10.7%	10.1%	10.4%	11.7%	11.9%
26 % Total Medical and Prescription to Net Rev. (MLR)	84.0%	91.3%	93.9%	87.9%	92.5%	93.6%	89.0%	93.9%	89.9%	91.2%	89.5%	98.2%	91.3%
27 % Admin Exp to Net Revenues	5.5%	5.9%	6.0%	5.2%	5.9%	5.5%	5.6%	5.6%	6.1%	4.8%	6.0%	6.4%	5.7%
28 % Net Income to Net Revenues	10.5%	2.8%	0.1%	6.9%	1.5%	0.9%	5.3%	0.5%	4.1%	3.9%	4.5%	-4.6%	3.0%
29 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	6.4%	6.9%	7.0%	6.1%	6.9%	6.4%	6.6%	6.6%	7.1%	5.7%	7.0%	7.5%	6.7%

Post-income items:
 30 Performance Assessment

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.