

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **10/8/2019** Service Area: **M-RSA Central**
 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		21,995	21,679	21,793	21,733	21,574	21,425	21,316	21,065	21,003	20,901	20,828	20,890	256,202
2 Average Monthly Member Months														21,350
Revenues:														
3 Medical Premiums		2,825,865	2,772,654	2,776,341	2,750,376	2,741,539	2,734,866	3,050,119	3,016,420	3,016,966	3,001,634	2,972,276	2,989,202	34,648,258
4 Delivery Supplemental Payments		227,645	230,681	236,751	218,539	242,822	261,033	154,799	200,328	169,975	197,293	224,610	291,386	2,655,862
5 Pharmacy Premiums		780,276	768,228	772,283	769,489	765,884	762,818	758,287	747,735	747,828	744,399	741,866	745,688	9,104,781
6 Investment Income		27,835	30,262	28,497	28,813	30,381	28,120	30,486	31,792	27,261	27,139	28,788	27,178	346,551
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		3,861,621	3,801,825	3,813,872	3,767,217	3,780,626	3,786,837	3,993,691	3,996,275	3,962,030	3,970,465	3,967,540	4,053,454	46,755,452
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		63,154	66,002	66,244	65,422	65,629	65,778	69,356	69,378	68,858	69,008	68,928	70,460	808,218
13 Maintenance Taxes		1,430	1,409	1,417	1,413	1,402	1,393	1,386	1,369	1,365	1,359	1,354	1,358	16,653
14 Net Revenues		3,797,038	3,734,414	3,746,211	3,700,382	3,713,594	3,719,667	3,922,949	3,925,527	3,891,806	3,900,098	3,897,258	3,981,636	45,930,582
Medical Expenses:														
15 Fee-For-Service		2,588,882	2,782,665	3,261,985	3,125,668	2,546,947	2,660,189	2,855,556	3,298,686	3,109,097	2,688,824	2,391,467	3,015,994	34,325,960
16 Capitated Services		21,335	21,029	21,139	21,081	20,927	20,782	20,677	20,433	20,373	20,274	20,203	20,263	248,516
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		880	867	872	869	863	857	853	843	840	836	0	0	8,579
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		69,905	72,486	72,245	73,403	74,063	72,728	76,688	71,833	72,189	70,635	71,955	75,212	873,342
21 Total Medical Expenses		2,681,002	2,877,047	3,356,241	3,221,021	2,642,800	2,754,556	2,953,773	3,391,795	3,202,499	2,780,569	2,483,625	3,111,469	35,456,397
22 Prescription Expenses (excluding PBM Admin)		790,031	830,964	782,343	882,555	1,026,850	894,779	742,505	693,356	723,242	553,814	628,909	670,150	9,219,498
23 Total Medical and Prescription Expenses		3,471,033	3,708,011	4,138,584	4,103,576	3,669,650	3,649,335	3,696,278	4,085,151	3,925,741	3,334,383	3,112,534	3,781,619	44,675,895
24 Administrative Expenses		163,503	186,105	173,238	189,505	179,511	167,183	177,632	187,872	183,282	189,435	183,552	204,589	2,185,408
25 Total Expenses		3,634,536	3,894,116	4,311,822	4,293,082	3,849,162	3,816,518	3,873,909	4,273,024	4,109,023	3,523,818	3,296,086	3,986,208	46,861,304
26 Net Income Before Taxes		162,502	(159,702)	(565,611)	(592,700)	(135,568)	(96,851)	49,040	(347,497)	(217,217)	376,280	601,172	(4,572)	(930,722)
27 % Medical Exp to Net Revenues		70.6%	77.0%	89.6%	87.0%	71.2%	74.1%	75.3%	86.4%	82.3%	71.3%	63.7%	78.1%	77.2%
28 % Prescription Exp to Net Revenues		20.8%	22.3%	20.9%	23.9%	27.7%	24.1%	18.9%	17.7%	18.6%	14.2%	16.1%	16.8%	20.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		91.4%	99.3%	110.5%	110.9%	98.8%	98.1%	94.2%	104.1%	100.9%	85.5%	79.9%	95.0%	97.3%
30 % Admin Exp to Net Revenues		4.3%	5.0%	4.6%	5.1%	4.8%	4.5%	4.5%	4.8%	4.7%	4.9%	4.7%	5.1%	4.8%
31 % Net Income to Net Revenues		4.3%	-4.3%	-15.1%	-16.0%	-3.7%	-2.6%	1.3%	-8.9%	-5.6%	9.6%	15.4%	-0.1%	-2.0%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		5.4%	6.3%	5.8%	6.5%	6.1%	5.7%	5.6%	5.9%	5.8%	6.0%	5.8%	6.3%	5.9%
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.