

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **10/8/2019** Service Area: **M-RSA Northeast**
 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		57,640	56,901	56,152	55,646	55,438	55,471	55,584	55,458	55,562	55,389	55,325	55,391	669,957
2 Average Monthly Member Months														55,830
Revenues:														
3 Medical Premiums		8,168,461	8,039,836	7,930,714	7,821,406	7,795,966	7,802,726	9,022,217	9,011,156	9,047,420	9,013,697	9,011,226	9,044,830	101,709,655
4 Delivery Supplemental Payments		657,363	673,165	644,722	660,524	641,561	568,872	663,684	641,561	692,128	666,844	625,759	720,571	7,856,754
5 Pharmacy Premiums		2,742,643	2,708,094	2,675,223	2,643,411	2,645,014	2,657,646	2,664,924	2,667,321	2,675,050	2,664,545	2,669,659	2,673,369	32,086,899
6 Investment Income		85,817	92,026	84,938	86,460	90,120	82,720	94,722	98,026	85,080	84,879	90,008	82,156	1,056,953
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		11,654,284	11,513,121	11,335,597	11,211,801	11,172,661	11,111,964	12,445,547	12,418,064	12,499,678	12,429,965	12,396,652	12,520,926	142,710,261
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		198,511	199,869	196,887	194,693	193,944	193,012	216,139	215,601	217,255	216,039	215,366	217,678	2,474,995
13 Maintenance Taxes		3,747	3,699	3,650	3,617	3,603	3,606	3,613	3,605	3,612	3,600	3,596	3,600	43,547
14 Net Revenues		11,452,027	11,309,553	11,135,061	11,013,491	10,975,113	10,915,347	12,225,795	12,198,859	12,278,811	12,210,326	12,177,690	12,299,647	140,191,717
Medical Expenses:														
15 Fee-For-Service		7,505,743	7,725,563	7,369,338	7,701,626	6,974,464	7,327,714	7,452,572	8,497,467	8,639,424	7,492,335	7,869,110	8,129,740	92,685,096
16 Capitated Services		55,911	55,197	54,467	53,977	53,775	53,807	53,916	53,794	53,895	53,727	53,662	53,722	649,852
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		2,306	2,276	2,246	2,226	2,218	2,219	2,223	2,218	2,222	2,216	0	0	22,370
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		210,973	219,512	214,728	218,459	218,875	213,409	238,982	223,213	227,748	221,131	224,823	232,325	2,664,178
21 Total Medical Expenses		7,774,932	8,002,548	7,640,780	7,976,287	7,249,331	7,597,149	7,747,694	8,776,693	8,923,290	7,769,409	8,147,595	8,415,787	96,021,495
22 Prescription Expenses (excluding PBM Admin)		2,412,421	2,501,497	2,531,660	2,645,428	3,159,126	2,662,454	2,464,425	2,340,752	2,298,396	2,037,866	2,057,712	2,259,893	29,371,629
23 Total Medical and Prescription Expenses		10,187,353	10,504,045	10,172,440	10,621,715	10,408,457	10,259,603	10,212,119	11,117,445	11,221,686	9,807,275	10,205,307	10,675,680	125,393,124
24 Administrative Expenses		493,449	563,585	514,898	563,996	530,500	490,576	553,554	583,797	578,229	593,046	573,512	631,967	6,671,109
25 Total Expenses		10,680,801	11,067,630	10,687,338	11,185,712	10,938,957	10,750,179	10,765,673	11,701,242	11,799,915	10,400,320	10,778,818	11,307,647	132,064,232
26 Net Income Before Taxes		771,226	241,923	447,723	(172,221)	36,156	165,168	1,460,122	497,617	478,896	1,810,006	1,398,872	992,000	8,127,485
27 % Medical Exp to Net Revenues		67.9%	70.8%	68.6%	72.4%	66.1%	69.6%	63.4%	71.9%	72.7%	63.6%	66.9%	68.4%	68.5%
28 % Prescription Exp to Net Revenues		21.1%	22.1%	22.7%	24.0%	28.8%	24.4%	20.2%	19.2%	18.7%	16.7%	16.9%	18.4%	21.0%
29 % Total Medical and Prescription to Net Rev. (MLR)		89.0%	92.9%	91.4%	96.4%	94.8%	94.0%	83.5%	91.1%	91.4%	80.3%	83.8%	86.8%	89.4%
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		6.7%	2.1%	4.0%	-1.6%	0.3%	1.5%	11.9%	4.1%	3.9%	14.8%	11.5%	8.1%	5.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		5.7%	6.6%	6.1%	6.7%	6.4%	5.9%	5.8%	6.1%	6.0%	6.2%	6.0%	6.6%	6.2%
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.