

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Anthem**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **10/8/2019** Service Area: **M-RSA West**
 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		31,598	31,149	31,148	31,277	31,214	31,176	31,449	31,432	31,529	31,549	31,500	31,757	376,778
2 Average Monthly Member Months														31,398
Revenues:														
3 Medical Premiums		5,920,341	5,855,804	5,838,970	5,863,276	5,871,002	5,876,017	6,762,251	6,805,589	6,891,760	6,881,116	6,907,990	7,033,231	76,507,347
4 Delivery Supplemental Payments		429,345	435,754	448,570	464,590	538,284	406,917	595,957	509,447	567,120	528,672	509,447	576,733	6,010,836
5 Pharmacy Premiums		1,224,194	1,211,070	1,211,821	1,217,945	1,217,656	1,220,317	1,231,466	1,235,941	1,243,787	1,242,281	1,243,398	1,257,912	14,757,788
6 Investment Income		47,352	51,252	48,563	50,181	52,364	48,197	56,924	59,066	51,729	51,941	54,677	54,092	626,336
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		7,621,232	7,553,880	7,547,924	7,595,992	7,679,306	7,551,448	8,646,598	8,610,043	8,754,396	8,704,010	8,715,512	8,921,968	97,902,307
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		128,605	131,296	131,239	132,052	133,471	131,307	150,319	149,642	152,297	151,411	151,565	155,188	1,698,392
13 Maintenance Taxes		2,054	2,025	2,025	2,033	2,029	2,026	2,044	2,043	2,049	2,051	2,048	2,064	24,491
14 Net Revenues		7,490,573	7,420,559	7,414,661	7,461,907	7,543,806	7,418,115	8,494,235	8,458,358	8,600,050	8,550,548	8,561,900	8,764,716	96,179,426
Medical Expenses:														
15 Fee-For-Service		4,991,591	6,647,355	5,379,974	5,736,297	6,132,533	5,228,587	7,288,454	6,307,167	7,219,564	6,913,141	6,261,607	7,497,254	75,603,522
16 Capitated Services		30,650	30,215	30,214	30,339	30,278	30,241	30,506	30,489	30,583	30,603	30,555	30,804	365,475
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		1,264	1,246	1,246	1,251	1,249	1,247	1,258	1,257	1,261	1,262	0	0	12,541
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		137,964	144,024	142,979	148,006	150,439	145,028	166,034	154,764	159,508	154,845	158,063	165,547	1,827,201
21 Total Medical Expenses		5,161,469	6,822,839	5,554,412	5,915,893	6,314,498	5,405,103	7,486,251	6,493,677	7,410,916	7,099,850	6,450,225	7,693,605	77,808,738
22 Prescription Expenses (excluding PBM Admin)		1,067,666	1,153,238	1,150,952	1,185,959	1,625,383	1,318,271	1,077,995	1,059,396	1,034,133	944,896	950,860	1,128,046	13,696,796
23 Total Medical and Prescription Expenses		6,229,135	7,976,077	6,705,364	7,101,852	7,939,881	6,723,374	8,564,246	7,553,073	8,445,049	8,044,746	7,401,085	8,821,651	91,505,534
24 Administrative Expenses		322,687	369,774	342,850	382,107	364,628	333,385	384,584	404,774	404,974	415,277	403,210	450,317	4,578,568
25 Total Expenses		6,551,823	8,345,851	7,048,214	7,483,960	8,304,509	7,056,759	8,948,830	7,957,847	8,850,023	8,460,023	7,804,294	9,271,969	96,084,102
26 Net Income Before Taxes		938,750	(925,292)	366,447	(22,053)	(760,703)	361,356	(454,595)	500,511	(249,973)	90,525	757,606	(507,253)	95,324
27 % Medical Exp to Net Revenues		68.9%	91.9%	74.9%	79.3%	83.7%	72.9%	88.1%	76.8%	86.2%	83.0%	75.3%	87.8%	80.9%
28 % Prescription Exp to Net Revenues		14.3%	15.5%	15.5%	15.9%	21.5%	17.8%	12.7%	12.5%	12.0%	11.1%	11.1%	12.9%	14.2%
29 % Total Medical and Prescription to Net Rev. (MLR)		83.2%	107.5%	90.4%	95.2%	105.3%	90.6%	100.8%	89.3%	98.2%	94.1%	86.4%	100.6%	95.1%
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		12.5%	-12.5%	4.9%	-0.3%	-10.1%	4.9%	-5.4%	5.9%	-2.9%	1.1%	8.8%	-5.8%	0.1%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		5.1%	6.0%	5.5%	6.1%	5.8%	5.4%	5.3%	5.6%	5.5%	5.7%	5.5%	6.0%	5.6%
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.