

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	FirstCare Health Plans / SHA		
State Fiscal Year:	2018	Program:	STAR
Submission Date:	8/31/2019	Service Area:	M-RSA West
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	50,417	49,886	49,490	49,110	48,429	47,956	47,572	47,024	46,731	46,260	45,933	45,861	574,669
2 Average Monthly Member Months													47,889
Revenues:													
3 Medical Premiums	9,646,338	9,513,280	9,388,403	9,269,492	9,135,963	9,030,227	10,219,091	10,088,903	10,046,628	9,936,903	9,858,827	9,903,055	116,037,110
4 Delivery Supplemental Payments	768,977	759,365	711,304	772,181	740,140	522,263	515,855	631,202	727,324	679,263	749,752	829,854	8,407,480
5 Pharmacy Premiums	1,830,889	1,814,749	1,800,615	1,781,606	1,759,088	1,748,427	1,730,907	1,714,665	1,704,197	1,684,880	1,669,068	1,680,164	20,919,255
6 Investment Income	70,048	12,417	6,617	7,277	15,662	6,393	6,347	9,632	6,681	7,191	15,267	6,744	170,275
7 Health Insurance Providers Fee Reimbursement	3,187,206												3,187,206
8 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues	15,503,458	12,099,811	11,906,939	11,830,556	11,650,853	11,307,310	12,472,200	12,444,402	12,484,830	12,308,237	12,292,914	12,419,817	148,721,326
10 Health Insurance Providers Fee & Related Costs	3,187,206												3,187,206
11 Health Insurance Providers Fee (NAIP)	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes	162,325	162,596	161,710	160,070	159,291	157,002	173,186	171,542	172,009	173,328	172,849	169,468	1,995,376
13 Maintenance Taxes	2,227	2,227	2,227	2,227	2,811	2,811	2,811	2,811	2,811	2,811	2,811	2,811	31,396
14 Net Revenues	12,151,700	11,934,988	11,743,001	11,668,259	11,488,751	11,147,497	12,296,203	12,270,049	12,310,010	12,132,098	12,117,254	12,247,538	143,507,349
Medical Expenses:													
15 Fee-For-Service	9,282,011	9,540,404	8,747,180	9,249,140	9,290,834	9,690,911	9,738,149	9,507,790	9,271,554	8,935,063	10,680,438	10,454,470	114,387,945
16 Capitated Services	45,375	44,897	44,541	44,199	43,586	43,160	42,815	42,322	43,927	43,484	43,177	43,109	524,592
17 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost	142,657	141,085	138,532	138,139	136,482	135,667	134,475	133,072	132,248	130,916	129,990	129,787	1,623,050
19 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement	175,922	214,740	177,809	168,906	160,395	159,376	166,706	156,572	153,281	153,753	150,872	153,615	1,991,947
21 Total Medical Expenses	9,645,965	9,941,125	9,108,062	9,600,385	9,631,297	10,029,114	10,082,145	9,839,757	9,601,010	9,263,216	11,004,477	10,780,981	118,527,534
22 Prescription Expenses (excluding PBM Admin)	1,604,024	1,594,755	1,767,456	1,847,263	2,423,082	1,894,118	1,510,397	1,368,403	1,390,443	1,150,169	1,182,181	1,572,097	19,304,388
23 Total Medical and Prescription Expenses	11,249,989	11,535,880	10,875,518	11,447,648	12,054,379	11,923,232	11,592,542	11,208,160	10,991,453	10,413,385	12,186,658	12,353,078	137,831,922
24 Administrative Expenses	952,524	1,257,725	1,046,460	1,063,311	1,057,359	940,544	1,087,863	1,180,937	1,084,899	1,003,362	1,089,486	1,139,237	12,903,705
25 Total Expenses	12,202,513	12,793,604	11,921,978	12,510,958	13,111,738	12,863,776	12,680,405	12,389,097	12,076,352	11,416,747	13,276,144	13,492,314	150,735,626
26 Net Income Before Taxes	(50,813)	(858,616)	(178,977)	(842,699)	(1,622,987)	(1,716,279)	(384,202)	(119,048)	233,658	715,351	(1,158,890)	(1,244,776)	(7,228,277)
27 % Medical Exp to Net Revenues	79.4%	83.3%	77.6%	82.3%	83.8%	90.0%	82.0%	80.2%	78.0%	76.4%	90.8%	88.0%	82.6%
28 % Prescription Exp to Net Revenues	13.2%	13.4%	15.1%	15.8%	21.1%	17.0%	12.3%	11.2%	11.3%	9.5%	9.8%	12.8%	13.5%
29 % Total Medical and Prescription to Net Rev. (MLR)	92.6%	96.7%	92.6%	98.1%	104.9%	107.0%	94.3%	91.3%	89.3%	85.8%	100.6%	100.9%	96.0%
30 % Admin Exp to Net Revenues	7.8%	10.5%	8.9%	9.1%	9.2%	8.4%	8.8%	9.6%	8.8%	8.3%	9.0%	9.3%	9.0%
31 % Net Income to Net Revenues	-0.4%	-7.2%	-1.5%	-7.2%	-14.1%	-15.4%	-3.1%	-1.0%	1.9%	5.9%	-9.6%	-10.2%	-5.0%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)	9.2%	12.4%	10.5%	10.8%	10.9%	10.0%	10.3%	11.2%	10.2%	9.6%	10.4%	10.8%	10.5%
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.