

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Scott & White/ Baylor**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/31/2018** 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		45,945	45,760	46,007	45,973	45,601	45,537	45,516	45,298	45,289	45,268	45,094	45,087	546,375
2 Average Monthly Member Months														45,531
Revenues:														
3 Medical Premiums		7,440,235	7,399,488	7,413,831	7,377,020	7,312,356	7,294,560	8,946,497	8,905,982	8,888,463	8,872,276	8,871,274	8,548,119	97,270,101
4 Delivery Supplemental Payments		649,548	619,195	576,701	555,454	564,560	540,278	479,573	515,996	512,961	515,996	549,384	588,842	6,668,488
5 Pharmacy Premiums		2,026,613	2,021,650	2,040,297	2,031,571	2,013,801	2,013,872	2,017,180	2,009,307	2,009,612	2,006,823	2,001,224	1,204,246	23,396,196
6 Investment Income		2,313	742	1,664	2,706	3,437	4,268	2,891	1,641	2,639	3,978	4,388	6,166	36,834
7 Health Insurance Providers Fee Reimbursement		1,175,954												1,175,954
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		11,294,662	10,041,075	10,032,493	9,966,751	9,894,154	9,852,978	11,446,141	11,432,926	11,413,675	11,399,073	11,426,270	10,347,373	128,547,573
10 Health Insurance Providers Fee & Related Costs		1,155,374												1,155,374
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		120,752	177,632	176,395	174,067	169,096	221,859	22,497	59,170	196,049	253,702	204,030	181,987	1,957,235
13 Maintenance Taxes		2,247	4,332	2,385	4,265	2,932	4,300	2,923	2,945	2,965	2,800	3,049	2,896	38,039
14 Net Revenues		10,016,289	9,859,111	9,853,713	9,788,419	9,722,126	9,626,819	11,420,721	11,370,810	11,214,661	11,142,571	11,219,191	10,162,490	125,396,923
Medical Expenses:														
15 Fee-For-Service		6,195,748	7,662,018	7,276,185	6,175,719	7,622,967	6,695,687	8,256,982	7,743,753	8,450,904	7,937,259	7,447,467	8,105,756	89,570,444
16 Capitated Services		50,999	50,794	51,068	51,030	50,617	50,546	50,523	50,281	50,271	50,247	50,054	50,047	606,477
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		63,864	63,606	63,950	63,902	53,353	53,278	53,254	52,999	52,988	52,964	49,971	47,107	671,236
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		157,634	198,516	210,660	219,560	192,564	209,263	173,888	156,826	171,026	166,902	155,060	160,305	2,172,205
21 Total Medical Expenses		6,468,245	7,974,934	7,601,863	6,510,211	7,919,501	7,008,774	8,534,647	8,003,859	8,725,189	8,207,372	7,702,552	8,363,215	93,020,362
22 Prescription Expenses (excluding PBM Admin)		1,544,059	1,574,984	1,638,573	1,643,731	2,093,419	1,822,476	1,655,818	1,607,984	1,528,598	1,371,934	1,336,998	1,588,173	19,406,746
23 Total Medical and Prescription Expenses		8,012,304	9,549,918	9,240,436	8,153,942	10,012,920	8,831,250	10,190,465	9,611,843	10,253,787	9,579,306	9,039,550	9,951,388	112,427,108
24 Administrative Expenses		950,573	1,068,359	931,852	958,068	1,051,756	1,003,064	1,043,009	1,218,678	1,591,213	1,541,489	970,535	940,164	13,268,760
25 Total Expenses		8,962,878	10,618,277	10,172,288	9,112,009	11,064,676	9,834,314	11,233,474	10,830,521	11,845,000	11,120,794	10,010,085	10,891,552	125,695,868
26 Net Income Before Taxes		1,053,411	(759,166)	(318,575)	676,410	(1,342,550)	(207,495)	187,247	540,289	(630,339)	21,777	1,209,106	(729,062)	(298,945)
27 % Medical Exp to Net Revenues		64.6%	80.9%	77.1%	66.5%	81.5%	72.8%	74.7%	70.4%	77.8%	73.7%	68.7%	82.3%	74.2%
28 % Prescription Exp to Net Revenues		15.4%	16.0%	16.6%	16.8%	21.5%	18.9%	14.5%	14.1%	13.6%	12.3%	11.9%	15.6%	15.5%
29 % Total Medical and Prescription to Net Rev. (MLR)		80.0%	96.9%	93.8%	83.3%	103.0%	91.7%	89.2%	84.5%	91.4%	86.0%	80.6%	97.9%	89.7%
30 % Admin Exp to Net Revenues		9.5%	10.8%	9.5%	9.8%	10.8%	10.4%	9.1%	10.7%	14.2%	13.8%	8.7%	9.3%	10.6%
31 % Net Income to Net Revenues		10.5%	-7.7%	-3.2%	6.9%	-13.8%	-2.2%	1.6%	4.8%	-5.6%	0.2%	10.8%	-7.2%	-0.2%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		11.9%	13.6%	11.9%	12.4%	13.6%	13.2%	11.1%	13.0%	17.3%	16.9%	10.5%	10.5%	13.0%
Post-income items:														
33 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.