

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Superior / Bankers / Centene**  
 State Fiscal Year: **2018** Program: **STAR**  
 Submission Date: **8/30/2019** 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		72,890	73,485	74,248	74,591	74,082	73,889	74,029	73,894	74,343	74,442	74,477	74,496	<b>888,866</b>
2 <b>Average Monthly Member Months</b>														<b>74,072</b>
<b>Revenues:</b>														
3 Medical Premiums		11,180,284	11,258,000	11,330,300	11,408,181	11,339,134	11,330,680	13,570,954	13,551,161	13,661,214	13,671,900	13,720,698	13,733,148	149,755,654
4 Delivery Supplemental Payments		1,129,120	1,171,614	1,016,815	1,123,050	1,250,531	962,181	1,031,992	977,357	1,077,521	959,145	1,141,262	1,107,874	12,948,462
5 Pharmacy Premiums		2,736,231	2,773,705	2,799,129	2,812,408	2,792,220	2,793,242	2,797,048	2,791,237	2,807,723	2,824,082	2,831,536	2,830,297	33,588,858
6 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
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		15,045,635	15,203,319	15,146,244	15,343,639	15,381,885	15,086,103	17,399,994	17,319,755	17,546,458	17,455,127	17,693,496	17,671,319	196,292,974
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)		7,275	7,330	7,402	7,436	0	0	0	0	0	0	0	0	29,443
12 Premium Taxes		263,299	266,058	265,059	268,514	269,183	264,007	304,500	303,096	307,063	305,465	309,636	309,248	3,435,127
13 Maintenance Taxes		6,018	6,081	6,058	6,137	6,153	6,034	6,960	6,928	7,019	6,982	7,077	7,069	78,517
14 <b>Net Revenues</b>		14,769,044	14,923,850	14,867,724	15,061,552	15,106,549	14,816,062	17,088,534	17,009,731	17,232,376	17,142,680	17,376,782	17,355,002	<b>192,749,887</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		10,635,378	11,010,420	13,595,586	10,856,987	12,588,421	10,060,468	12,636,329	11,766,741	12,628,728	11,620,582	11,569,466	13,234,596	142,203,703
16 Capitated Services		252,420	254,480	257,123	258,311	256,640	255,971	462,820	462,022	464,566	465,643	465,823	465,868	4,321,686
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		2,916	2,939	(223,781)	2,984	2,963	2,956	2,961	2,956	2,974	2,978	2,979	2,980	(191,196)
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		112,633	116,685	118,793	132,708	121,699	126,050	140,611	139,111	139,726	159,063	141,230	142,222	1,590,531
21 Total Medical Expenses		11,003,347	11,384,525	13,747,721	11,250,989	12,969,723	10,445,445	13,242,721	12,370,830	13,235,993	12,248,266	12,179,498	13,845,666	<b>147,924,724</b>
22 Prescription Expenses (excluding PBM Admin)		2,396,583	2,590,714	2,607,084	2,853,833	3,390,839	2,961,143	2,458,086	2,360,385	2,396,711	2,005,473	2,094,203	2,512,157	<b>30,627,211</b>
23 <b>Total Medical and Prescription Expenses</b>		13,399,930	13,975,239	16,354,805	14,104,822	16,360,562	13,406,588	15,700,807	14,731,215	15,632,704	14,253,739	14,273,701	16,357,823	178,551,935
24 <b>Administrative Expenses</b>		812,385	883,999	893,228	785,551	896,416	814,605	958,282	957,483	1,045,870	829,701	1,044,418	1,104,189	<b>11,026,127</b>
25 <b>Total Expenses</b>		14,212,315	14,859,238	17,248,033	14,890,373	17,256,978	14,221,193	16,659,089	15,688,698	16,678,574	15,083,440	15,318,119	17,462,013	189,578,063
26 <b>Net Income Before Taxes</b>		556,729	64,612	(2,380,309)	171,179	(2,150,429)	594,869	429,445	1,321,033	553,802	2,059,240	2,058,663	(107,011)	<b>3,171,824</b>
27 % Medical Exp to Net Revenues		74.5%	76.3%	92.5%	74.7%	85.9%	70.5%	77.5%	72.7%	76.8%	71.4%	70.1%	79.8%	76.7%
28 % Prescription Exp to Net Revenues		16.2%	17.4%	17.5%	18.9%	22.4%	20.0%	14.4%	13.9%	13.9%	11.7%	12.1%	14.5%	15.9%
29 % Total Medical and Prescription to Net Rev. (MLR)		90.7%	93.6%	110.0%	93.6%	108.3%	90.5%	91.9%	86.6%	90.7%	83.1%	82.1%	94.3%	92.6%
30 % Admin Exp to Net Revenues		5.5%	5.9%	6.0%	5.2%	5.9%	5.5%	5.6%	5.6%	6.1%	4.8%	6.0%	6.4%	5.7%
31 <b>% Net Income to Net Revenues</b>		<b>3.8%</b>	<b>0.4%</b>	<b>-16.0%</b>	<b>1.1%</b>	<b>-14.2%</b>	<b>4.0%</b>	<b>2.5%</b>	<b>7.8%</b>	<b>3.2%</b>	<b>12.0%</b>	<b>11.8%</b>	<b>-0.6%</b>	<b>1.6%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.8%	7.3%	7.4%	6.4%	7.3%	6.8%	6.7%	6.7%	7.3%	5.8%	7.2%	7.6%	6.9%
<b>Post-income items:</b>														
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.