

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 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		119,059	119,823	121,560	121,860	120,939	120,402	119,986	119,219	119,308	119,085	118,546	117,844	1,437,631
2 Average Monthly Member Months														119,803
Revenues:														
3 Medical Premiums		18,040,033	18,116,566	18,305,057	18,287,072	18,154,670	18,066,747	20,976,178	20,880,886	20,935,422	20,885,376	20,825,534	20,786,097	234,259,638
4 Delivery Supplemental Payments		2,006,854	1,851,994	1,769,824	1,814,070	1,962,608	1,656,050	1,570,719	1,545,436	1,599,162	1,744,541	1,915,202	1,880,438	21,316,898
5 Pharmacy Premiums		5,612,311	5,650,155	5,722,186	5,721,131	5,678,692	5,660,258	5,627,435	5,595,471	5,603,864	5,590,119	5,567,896	5,539,824	67,569,342
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		25,659,198	25,618,715	25,797,067	25,822,273	25,795,970	25,383,055	28,174,332	28,021,793	28,138,448	28,220,036	28,308,632	28,206,359	323,145,878
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		449,036	448,328	451,449	451,890	451,429	444,203	493,051	490,381	492,423	493,851	495,401	493,611	5,655,053
13 Maintenance Taxes		10,264	10,247	10,319	10,329	10,318	10,153	11,270	11,209	11,255	11,288	11,323	11,283	129,258
14 Net Revenues		25,199,898	25,160,140	25,335,300	25,360,054	25,334,222	24,928,698	27,670,011	27,520,203	27,634,770	27,714,897	27,801,907	27,701,465	317,361,567
Medical Expenses:														
15 Fee-For-Service		17,967,648	17,363,519	17,703,014	16,013,412	19,627,073	17,279,228	18,814,605	19,518,379	20,775,091	18,807,677	18,729,419	20,212,884	222,811,950
16 Capitated Services		412,304	414,950	420,965	422,004	418,965	417,105	415,663	413,006	413,315	412,542	410,675	408,243	4,979,738
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		4,762	4,793	4,862	4,874	4,838	4,816	4,799	4,769	4,772	4,763	4,742	4,714	57,505
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		192,087	196,622	202,328	223,338	204,093	212,084	227,680	225,069	224,072	257,160	225,961	227,010	2,617,504
21 Total Medical Expenses		18,576,802	17,979,884	18,331,170	16,663,629	20,254,968	17,913,233	19,462,748	20,161,223	21,417,250	19,482,142	19,370,797	20,852,851	230,466,697
22 Prescription Expenses (excluding PBM Admin)		4,456,349	4,798,563	4,960,821	5,573,031	6,193,730	5,202,477	4,527,766	4,339,955	4,195,642	3,578,413	3,806,071	4,203,869	55,836,687
23 Total Medical and Prescription Expenses		23,033,151	22,778,447	23,291,991	22,236,660	26,448,698	23,115,710	23,990,514	24,501,178	25,612,892	23,060,555	23,176,868	25,056,720	286,303,384
24 Administrative Expenses		1,385,461	1,489,604	1,521,345	1,322,027	1,503,322	1,370,610	1,551,665	1,549,121	1,677,213	1,341,393	1,671,011	1,762,470	18,145,243
25 Total Expenses		24,418,612	24,268,051	24,813,336	23,558,687	27,952,019	24,486,320	25,542,180	26,050,299	27,290,106	24,401,948	24,847,879	26,819,189	304,448,626
26 Net Income Before Taxes		781,286	892,089	521,964	1,801,367	(2,617,797)	442,378	2,127,831	1,469,904	344,664	3,312,949	2,954,028	882,276	12,912,941
27 % Medical Exp to Net Revenues		73.7%	71.5%	72.4%	65.7%	80.0%	71.9%	70.3%	73.3%	77.5%	70.3%	69.7%	75.3%	72.6%
28 % Prescription Exp to Net Revenues		17.7%	19.1%	19.6%	22.0%	24.4%	20.9%	16.4%	15.8%	15.2%	12.9%	13.7%	15.2%	17.6%
29 % Total Medical and Prescription to Net Rev. (MLR)		91.4%	90.5%	91.9%	87.7%	104.4%	92.7%	86.7%	89.0%	92.7%	83.2%	83.4%	90.5%	90.2%
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 % Net Income to Net Revenues		3.1%	3.5%	2.1%	7.1%	-10.3%	1.8%	7.7%	5.3%	1.2%	12.0%	10.6%	3.2%	4.1%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		7.1%	7.6%	7.8%	6.7%	7.6%	7.1%	7.0%	7.1%	7.6%	6.1%	7.5%	8.0%	7.3%
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.