

**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 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
<b>HHSC Managed Care contract costs</b>														
1 Member Months		80,844	81,434	82,549	82,646	82,070	81,666	81,620	81,493	81,542	81,485	81,203	80,215	<b>978,767</b>
2 <b>Average Monthly Member Months</b>														<b>81,564</b>
<b>Revenues:</b>														
3 Medical Premiums		14,966,913	15,082,063	15,255,465	15,282,950	15,216,174	15,202,062	17,473,653	17,473,355	17,562,384	17,571,865	17,557,837	17,295,808	195,940,529
4 Delivery Supplemental Payments		1,393,770	1,262,404	1,326,485	1,371,342	1,509,117	1,230,363	1,320,077	1,198,322	1,361,730	1,320,077	1,429,015	1,332,893	16,055,595
5 Pharmacy Premiums		3,176,491	3,210,260	3,256,459	3,252,989	3,232,574	3,218,683	3,209,370	3,210,016	3,213,137	3,211,286	3,204,901	3,150,194	38,546,360
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		19,537,174	19,554,727	19,838,409	19,907,281	19,957,865	19,651,108	22,003,100	21,881,693	22,137,251	22,103,228	22,191,753	21,778,895	250,542,484
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)		45,937	46,248	46,873	46,912	0	0	0	0	0	0	0	0	185,969
12 Premium Taxes		341,901	342,208	347,172	348,377	349,263	343,894	385,054	382,930	387,402	386,806	388,356	381,131	4,384,493
13 Maintenance Taxes		7,815	7,822	7,935	7,963	7,983	7,860	8,801	8,753	8,855	8,841	8,877	8,712	100,217
14 <b>Net Revenues</b>		19,141,522	19,158,450	19,436,428	19,504,029	19,600,619	19,299,353	21,609,245	21,490,011	21,740,994	21,707,580	21,794,521	21,389,053	<b>245,871,804</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		13,729,427	15,198,856	14,373,800	15,260,367	15,682,579	13,890,692	16,648,712	16,323,457	15,708,571	14,229,336	15,691,796	16,095,586	182,833,178
16 Capitated Services		279,965	282,008	285,869	286,205	284,312	282,913	282,753	282,313	282,483	282,286	281,309	277,886	3,390,303
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		3,234	3,257	3,302	3,306	3,283	3,267	3,265	3,260	3,262	3,259	3,248	3,209	39,151
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		146,257	150,081	155,594	172,179	157,903	164,192	177,810	175,752	176,283	201,420	177,135	175,281	2,029,887
21 Total Medical Expenses		14,158,883	15,634,202	14,818,565	15,722,057	16,128,077	14,341,063	17,112,540	16,784,782	16,170,599	14,716,301	16,153,488	16,551,962	<b>188,292,519</b>
22 Prescription Expenses (excluding PBM Admin)		2,439,646	2,832,390	2,803,030	3,007,720	3,927,273	3,316,491	2,765,300	2,587,500	2,571,848	2,271,186	2,384,552	2,479,770	<b>33,386,706</b>
23 <b>Total Medical and Prescription Expenses</b>		16,598,529	18,466,592	17,621,595	18,729,777	20,055,350	17,657,554	19,877,840	19,372,282	18,742,447	16,987,487	18,538,040	19,031,732	221,679,225
24 <b>Administrative Expenses</b>		1,054,904	1,137,012	1,169,942	1,019,196	1,163,092	1,061,102	1,211,793	1,209,679	1,319,507	1,050,641	1,309,942	1,360,851	<b>14,067,662</b>
25 <b>Total Expenses</b>		17,653,433	19,603,605	18,791,537	19,748,973	21,218,442	18,718,656	21,089,632	20,581,961	20,061,955	18,038,128	19,847,983	20,392,582	235,746,887
26 <b>Net Income Before Taxes</b>		1,488,089	(445,155)	644,891	(244,944)	(1,617,823)	580,697	519,613	908,050	1,679,039	3,669,452	1,946,538	996,471	<b>10,124,917</b>
27 % Medical Exp to Net Revenues		74.0%	81.6%	76.2%	80.6%	82.3%	74.3%	79.2%	78.1%	74.4%	67.8%	74.1%	77.4%	76.6%
28 % Prescription Exp to Net Revenues		12.7%	14.8%	14.4%	15.4%	20.0%	17.2%	12.8%	12.0%	11.8%	10.5%	10.9%	11.6%	13.6%
29 % Total Medical and Prescription to Net Rev. (MLR)		86.7%	96.4%	90.7%	96.0%	102.3%	91.5%	92.0%	90.1%	86.2%	78.3%	85.1%	89.0%	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 <b>% Net Income to Net Revenues</b>		<b>7.8%</b>	<b>-2.3%</b>	<b>3.3%</b>	<b>-1.3%</b>	<b>-8.3%</b>	<b>3.0%</b>	<b>2.4%</b>	<b>4.2%</b>	<b>7.7%</b>	<b>16.9%</b>	<b>8.9%</b>	<b>4.7%</b>	<b>4.1%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.6%	7.1%	7.2%	6.3%	7.1%	6.6%	6.6%	6.6%	7.1%	5.7%	7.0%	7.5%	6.8%
<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.