

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Parkland Health Plan / Dallas Cnty Hosp Distr**  
 State Fiscal Year: **2018** Program: **STAR**  
 Submission Date: **8/30/2019** Service Area: **Dallas**  
 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		168,665	169,936	171,995	171,047	169,712	168,962	168,615	167,502	167,412	166,421	165,195	164,013	<b>2,019,475</b>
2 <b>Average Monthly Member Months</b>														<b>168,290</b>
<b>Revenues:</b>														
3 Medical Premiums		31,839,060	32,078,871	32,527,945	32,300,169	31,986,467	31,921,914	36,345,278	36,225,035	36,320,336	36,188,430	36,006,149	35,894,657	409,634,311
4 Delivery Supplemental Payments		2,617,476	2,246,078	2,203,632	2,415,860	2,430,008	2,097,518	2,426,471	2,341,580	2,461,842	2,539,659	2,758,961	2,815,555	29,354,640
5 Pharmacy Premiums		6,062,633	6,119,709	6,195,967	6,145,341	6,104,261	6,089,899	6,078,555	6,047,921	6,051,107	6,014,880	5,979,535	5,946,616	72,836,424
6 Investment Income		139,111	141,060	142,894	158,963	148,669	145,365	166,867	168,447	188,291	192,001	209,859	203,465	2,004,993
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		40,658,280	40,585,718	41,070,438	41,020,333	40,669,405	40,254,696	45,017,171	44,782,983	45,021,576	44,934,970	44,954,504	44,860,293	513,830,368
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		700,650	720,996	732,197	725,258	702,985	707,565	787,632	780,402	789,323	784,228	779,118	720,321	8,930,676
13 Maintenance Taxes		28,822	0	0	29,546	0	0	30,454	0	0	29,903	0	0	118,725
14 <b>Net Revenues</b>		<b>39,928,808</b>	<b>39,864,722</b>	<b>40,338,241</b>	<b>40,265,529</b>	<b>39,966,420</b>	<b>39,547,131</b>	<b>44,199,085</b>	<b>44,002,581</b>	<b>44,232,253</b>	<b>44,120,839</b>	<b>44,175,386</b>	<b>44,139,972</b>	<b>504,780,966</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		29,180,623	34,223,407	32,118,654	32,673,752	32,735,670	31,085,741	33,593,886	35,740,155	34,486,882	32,825,587	33,154,531	35,201,431	397,020,319
16 Capitated Services		169,917	171,489	165,417	168,662	190,916	174,127	102,331	148,094	147,427	145,671	144,939	227,610	1,956,600
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		113,448	119,867	120,671	119,846	117,914	117,856	118,427	116,604	117,596	116,538	115,337	114,860	1,408,962
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		534,230	558,286	544,260	561,500	574,918	639,417	623,429	609,454	635,227	579,880	582,710	593,432	7,036,743
21 Total Medical Expenses		29,998,217	35,073,049	32,949,002	33,523,759	33,619,418	32,017,141	34,438,074	36,614,307	35,387,132	33,667,676	33,997,517	36,137,332	<b>407,422,624</b>
22 Prescription Expenses (excluding PBM Admin)		5,009,286	5,368,929	5,605,849	6,248,464	7,840,583	6,641,774	5,288,666	5,077,184	4,899,940	4,260,515	4,064,398	4,681,215	<b>64,986,802</b>
23 <b>Total Medical and Prescription Expenses</b>		<b>35,007,503</b>	<b>40,441,978</b>	<b>38,554,851</b>	<b>39,772,223</b>	<b>41,460,001</b>	<b>38,658,915</b>	<b>39,726,740</b>	<b>41,691,491</b>	<b>40,287,072</b>	<b>37,928,191</b>	<b>38,061,915</b>	<b>40,818,547</b>	<b>472,409,426</b>
24 <b>Administrative Expenses</b>		<b>3,257,559</b>	<b>3,484,853</b>	<b>3,334,983</b>	<b>3,252,504</b>	<b>3,245,635</b>	<b>3,092,793</b>	<b>3,273,815</b>	<b>3,273,514</b>	<b>3,192,828</b>	<b>3,238,825</b>	<b>3,335,793</b>	<b>3,309,977</b>	<b>39,293,079</b>
25 <b>Total Expenses</b>		<b>38,265,062</b>	<b>43,926,831</b>	<b>41,889,834</b>	<b>43,024,727</b>	<b>44,705,636</b>	<b>41,751,707</b>	<b>43,000,555</b>	<b>44,965,005</b>	<b>43,479,900</b>	<b>41,167,017</b>	<b>41,397,708</b>	<b>44,128,524</b>	<b>511,702,506</b>
26 <b>Net Income Before Taxes</b>		<b>1,663,746</b>	<b>(4,062,109)</b>	<b>(1,551,593)</b>	<b>(2,759,198)</b>	<b>(4,739,216)</b>	<b>(2,204,576)</b>	<b>1,198,530</b>	<b>(962,424)</b>	<b>752,353</b>	<b>2,953,822</b>	<b>2,777,678</b>	<b>11,448</b>	<b>(6,921,540)</b>
27 % Medical Exp to Net Revenues		75.1%	88.0%	81.7%	83.3%	84.1%	81.0%	77.9%	83.2%	80.0%	76.3%	77.0%	81.9%	80.7%
28 % Prescription Exp to Net Revenues		12.5%	13.5%	13.9%	15.5%	19.6%	16.8%	12.0%	11.5%	11.1%	9.7%	9.2%	10.6%	12.9%
29 % Total Medical and Prescription to Net Rev. (MLR)		87.7%	101.4%	95.6%	98.8%	103.7%	97.8%	89.9%	94.7%	91.1%	86.0%	86.2%	92.5%	93.6%
30 % Admin Exp to Net Revenues		8.2%	8.7%	8.3%	8.1%	8.1%	7.8%	7.4%	7.4%	7.2%	7.3%	7.6%	7.5%	7.8%
31 <b>% Net Income to Net Revenues</b>		<b>4.2%</b>	<b>-10.2%</b>	<b>-3.8%</b>	<b>-6.9%</b>	<b>-11.9%</b>	<b>-5.6%</b>	<b>2.7%</b>	<b>-2.2%</b>	<b>1.7%</b>	<b>6.7%</b>	<b>6.3%</b>	<b>0.0%</b>	<b>-1.4%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.6%	10.3%	9.8%	9.5%	9.6%	9.2%	8.6%	8.6%	8.4%	8.5%	8.7%	8.7%	9.1%
<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.