

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Sendero Health Plans**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **4/30/2019** Service Area: **Travis / Austin**
 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		14,202	14,529	14,950	15,306	15,601	15,947	16,257	16,183	0	0	0	0	122,975
2 Average Monthly Member Months														15,372
Revenues:														
3 Medical Premiums		1,999,105	2,063,086	2,132,057	2,206,781	2,282,567	2,367,496	2,448,548	2,446,309	0	0	0	0	17,945,949
4 Delivery Supplemental Payments		61,702	155,880	185,107	172,117	194,849	250,057	302,017	237,067	0	0	0	0	1,558,796
5 Pharmacy Premiums		414,574	428,954	442,361	458,455	471,256	486,880	495,778	489,121	0	0	0	0	3,687,379
6 Investment Income		149	149	149	149	149	149	149	149	0	0	0	0	1,189
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		2,475,530	2,648,069	2,759,674	2,837,502	2,948,821	3,104,582	3,246,492	3,172,646	0	0	0	0	23,193,313
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		43,319	46,339	48,292	49,654	51,602	54,328	56,811	55,519	0	0	0	0	405,862
13 Maintenance Taxes		524	561	584	601	624	657	687	672	0	0	0	0	4,909
14 Net Revenues		2,431,687	2,601,170	2,710,798	2,787,248	2,896,595	3,049,597	3,188,994	3,116,456	0	0	0	0	22,782,544
Medical Expenses:														
15 Fee-For-Service		2,073,328	2,236,247	2,854,381	2,550,102	3,158,900	2,862,711	3,293,213	2,825,349	0	0	0	0	21,854,232
16 Capitated Services		33,080	35,066	35,930	36,562	36,724	37,652	38,902	38,919	0	0	0	0	292,834
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		(805,130)	8,282	8,522	8,724	8,893	9,090	9,266	9,224	0	0	0	0	(743,129)
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		47,693	34,237	20,508	40,791	31,223	51,151	378,265	44,064	0	0	0	0	647,932
21 Total Medical Expenses		1,348,971	2,313,832	2,919,341	2,636,179	3,235,740	2,960,604	3,719,646	2,917,556	0	0	0	0	22,051,869
22 Prescription Expenses (excluding PBM Admin)		282,951	338,035	370,745	428,131	543,358	485,933	376,400	396,507	(6,492)	(1,178)	(85)	0	3,214,304
23 Total Medical and Prescription Expenses		1,631,922	2,651,867	3,290,086	3,064,310	3,779,098	3,446,537	4,096,046	3,314,063	(6,492)	(1,178)	(85)	0	25,266,173
24 Administrative Expenses		714,029	576,616	542,352	486,357	492,379	453,526	301,715	500,386					4,067,360
25 Total Expenses		2,345,951	3,228,483	3,832,438	3,550,666	4,271,477	3,900,063	4,397,761	3,814,449	(6,492)	(1,178)	(85)	0	29,333,533
26 Net Income Before Taxes		85,736	(627,313)	(1,121,640)	(763,418)	(1,374,882)	(850,466)	(1,208,767)	(697,993)	6,492	1,178	85	0	(6,550,989)
27 % Medical Exp to Net Revenues		55.5%	89.0%	107.7%	94.6%	111.7%	97.1%	116.6%	93.6%	0.0%	0.0%	0.0%	0.0%	96.8%
28 % Prescription Exp to Net Revenues		11.6%	13.0%	13.7%	15.4%	18.8%	15.9%	11.8%	12.7%	0.0%	0.0%	0.0%	0.0%	14.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		67.1%	101.9%	121.4%	109.9%	130.5%	113.0%	128.4%	106.3%	0.0%	0.0%	0.0%	0.0%	110.9%
30 % Admin Exp to Net Revenues		29.4%	22.2%	20.0%	17.4%	17.0%	14.9%	9.5%	16.1%	0.0%	0.0%	0.0%	0.0%	17.9%
31 % Net Income to Net Revenues		3.5%	-24.1%	-41.4%	-27.4%	-47.5%	-27.9%	-37.9%	-22.4%	#DIV/0!	#DIV/0!	#DIV/0!	0.0%	-28.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		35.4%	26.5%	23.9%	20.9%	20.3%	17.7%	11.2%	19.0%	0.0%	0.0%	0.0%	0.0%	21.3%
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.