

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Dell Children's / Seton Health Plan / Ascension Health**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **9/3/2019** 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		18,673	18,273	18,281	18,180	18,151	18,206	18,197	18,121	23,261	23,139	23,136	23,254	238,872
2 Average Monthly Member Months														19,906
Revenues:														
3 Medical Premiums		2,708,209	2,624,691	2,608,871	2,569,913	2,557,400	2,566,967	2,555,511	2,540,409	3,349,798	3,324,136	3,318,536	3,321,351	34,045,792
4 Delivery Supplemental Payments		103,920	97,425	100,672	77,940	110,415	81,187	90,930	74,692	168,869	155,880	116,910	97,425	1,276,265
5 Pharmacy Premiums		628,883	613,423	607,240	597,843	596,588	597,746	595,457	594,069	759,484	751,691	747,324	748,798	7,838,546
6 Investment Income		2,511	2,554	2,613	5,306	2,279	2,446	2,568	2,990	2,733	2,763	2,784	3,363	34,910
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		3,443,523	3,338,093	3,319,396	3,251,002	3,266,682	3,248,346	3,244,466	3,212,160	4,280,884	4,234,470	4,185,554	4,170,937	43,195,513
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		60,218	58,372	58,044	56,800	57,127	56,803	56,733	56,160	74,868	74,055	73,198	72,933	755,311
13 Maintenance Taxes		1,214	1,188	1,188	1,182	1,180	1,183	1,183	1,178	1,512	1,504	1,504	1,512	15,527
14 Net Revenues		3,382,092	3,278,533	3,260,164	3,193,021	3,208,375	3,190,359	3,186,550	3,154,822	4,204,504	4,158,911	4,110,852	4,096,493	42,424,676
Medical Expenses:														
15 Fee-For-Service		2,752,240	2,137,134	1,872,402	1,665,318	2,421,802	1,871,027	1,865,501	1,800,714	2,679,632	2,319,771	1,882,721	2,640,904	25,909,164
16 Capitated Services		21,661	21,197	21,206	21,089	21,055	21,119	21,109	21,021	26,984	26,841	26,838	26,975	277,094
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		(6,099)	(35,059)	16,795	8,695	21,781	21,847	21,836	21,745	17,217	(83,731)	24,853	26,695	56,576
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		65,583	67,815	64,225	69,622	65,971	66,111	69,212	58,687	59,667	77,746	70,377	70,274	805,290
21 Total Medical Expenses		2,833,384	2,191,087	1,974,628	1,764,724	2,530,609	1,980,104	1,977,659	1,902,167	2,783,499	2,340,627	2,004,788	2,764,848	27,048,124
22 Prescription Expenses (excluding PBM Admin)		600,347	676,082	647,049	695,129	816,775	711,979	644,557	543,268	603,990	681,070	549,575	690,930	7,860,751
23 Total Medical and Prescription Expenses		3,433,731	2,867,169	2,621,677	2,459,853	3,347,384	2,692,083	2,622,216	2,445,435	3,387,489	3,021,697	2,554,363	3,455,778	34,908,875
24 Administrative Expenses		375,719	440,667	386,939	393,953	403,500	400,017	437,425	464,670	489,449	469,138	550,083	668,777	5,480,337
25 Total Expenses		3,809,450	3,307,836	3,008,616	2,853,806	3,750,884	3,092,100	3,059,641	2,910,105	3,876,938	3,490,835	3,104,446	4,124,555	40,389,212
26 Net Income Before Taxes		(427,358)	(29,303)	251,548	339,215	(542,509)	98,259	126,909	244,717	327,566	668,076	1,006,406	(28,062)	2,035,464
27 % Medical Exp to Net Revenues		83.8%	66.8%	60.6%	55.3%	78.9%	62.1%	62.1%	60.3%	66.2%	56.3%	48.8%	67.5%	63.8%
28 % Prescription Exp to Net Revenues		17.8%	20.6%	19.8%	21.8%	25.5%	22.3%	20.2%	17.2%	14.4%	16.4%	13.4%	16.9%	18.5%
29 % Total Medical and Prescription to Net Rev. (MLR)		101.5%	87.5%	80.4%	77.0%	104.3%	84.4%	82.3%	77.5%	80.6%	72.7%	62.1%	84.4%	82.3%
30 % Admin Exp to Net Revenues		11.1%	13.4%	11.9%	12.3%	12.6%	12.5%	13.7%	14.7%	11.6%	11.3%	13.4%	16.3%	12.9%
31 % Net Income to Net Revenues		-12.6%	-0.9%	7.7%	10.6%	-16.9%	3.1%	4.0%	7.8%	7.8%	16.1%	24.5%	-0.7%	4.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		13.6%	16.5%	14.6%	15.2%	15.4%	15.4%	16.9%	18.1%	14.2%	13.8%	16.4%	20.0%	15.8%
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.