

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **El Paso**
 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		55,200	55,078	54,940	54,646	53,947	53,282	52,912	52,484	52,293	52,188	51,893	51,633	640,496
2 Average Monthly Member Months														53,375
Revenues:														
3 Medical Premiums		8,873,401	8,819,311	8,787,999	9,547,857	9,427,421	9,295,038	9,199,405	9,097,133	9,087,375	9,032,287	8,961,883	8,888,664	109,017,774
4 Delivery Supplemental Payments		702,380	843,545	826,330	785,013	926,178	774,684	723,038	643,848	733,368	685,165	723,038	630,076	8,996,663
5 Pharmacy Premiums		2,072,750	2,067,995	2,057,321	2,038,956	2,012,148	1,991,124	1,977,446	1,959,766	1,950,624	1,936,681	1,924,733	1,918,170	23,907,714
6 Investment Income		55,128	53,574	58,477	103,392	66,447	69,487	75,878	71,603	73,776	91,051	83,145	77,061	879,017
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		11,703,659	11,784,425	11,730,127	12,475,218	12,432,194	12,130,333	11,975,767	11,772,350	11,845,143	11,745,184	11,692,799	11,513,971	142,801,168
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)		24,722	24,657	24,596	24,463	0	0	0	0	0	0	0	0	98,437
12 Premium Taxes		203,849	205,290	204,254	216,507	216,401	211,065	208,248	204,763	205,999	203,947	203,169	200,146	2,483,638
13 Maintenance Taxes		3,312	3,305	3,296	3,279	3,237	3,197	3,175	3,149	3,138	3,131	3,114	3,098	38,430
14 Net Revenues		11,471,776	11,551,173	11,497,981	12,230,969	12,212,557	11,916,071	11,764,344	11,564,438	11,636,006	11,538,105	11,486,516	11,310,727	140,180,665
Medical Expenses:														
15 Fee-For-Service		7,220,346	8,169,119	8,352,602	8,560,935	10,396,029	9,288,655	8,704,365	8,301,059	8,722,688	8,440,678	7,542,869	8,324,163	102,023,510
16 Capitated Services		196,563	196,129	195,637	194,590	186,887	184,583	183,301	181,819	181,157	180,793	179,771	178,870	2,240,100
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		2,208	2,203	2,198	2,186	2,158	2,131	2,116	2,099	2,092	2,088	2,076	2,065	25,620
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		87,615	90,445	92,000	107,899	98,361	101,353	96,778	94,555	94,325	107,030	93,332	92,667	1,156,360
21 Total Medical Expenses		7,506,732	8,457,896	8,642,437	8,865,610	10,683,435	9,576,722	8,986,561	8,579,532	9,000,262	8,730,589	7,818,048	8,597,766	105,445,590
22 Prescription Expenses (excluding PBM Admin)		1,771,184	1,756,636	1,767,119	1,802,130	2,511,214	2,131,893	1,733,147	1,675,576	1,629,568	1,402,390	1,347,168	1,619,479	21,147,505
23 Total Medical and Prescription Expenses		9,277,916	10,214,532	10,409,556	10,667,740	13,194,649	11,708,615	10,719,708	10,255,108	10,629,830	10,132,979	9,165,216	10,217,245	126,593,095
24 Administrative Expenses		631,936	685,207	691,768	638,696	724,516	655,002	659,550	650,807	706,039	558,288	690,206	719,449	8,011,463
25 Total Expenses		9,909,852	10,899,739	11,101,323	11,306,436	13,919,165	12,363,617	11,379,258	10,905,916	11,335,869	10,691,267	9,855,423	10,936,694	134,604,559
26 Net Income Before Taxes		1,561,924	651,434	396,658	924,533	(1,706,608)	(447,546)	385,086	658,522	300,137	846,838	1,631,093	374,033	5,576,106
27 % Medical Exp to Net Revenues		65.4%	73.2%	75.2%	72.5%	87.5%	80.4%	76.4%	74.2%	77.3%	75.7%	68.1%	76.0%	75.2%
28 % Prescription Exp to Net Revenues		15.4%	15.2%	15.4%	14.7%	20.6%	17.9%	14.7%	14.5%	14.0%	12.2%	11.7%	14.3%	15.1%
29 % Total Medical and Prescription to Net Rev. (MLR)		80.9%	88.4%	90.5%	87.2%	108.0%	98.3%	91.1%	88.7%	91.4%	87.8%	79.8%	90.3%	90.3%
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		13.6%	5.6%	3.4%	7.6%	-14.0%	-3.8%	3.3%	5.7%	2.6%	7.3%	14.2%	3.3%	4.0%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.7%	7.2%	7.3%	6.3%	7.1%	6.6%	6.7%	6.8%	7.3%	5.8%	7.2%	7.7%	6.9%
Post-income items:														
33 Performance Assessment														0

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.