

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **Lubbock**
 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		29,498	29,568	30,103	30,225	30,117	30,148	30,138	30,115	30,361	30,479	30,534	30,494	361,780
2 Average Monthly Member Months														30,148
Revenues:														
3 Medical Premiums		5,453,370	5,456,704	5,546,028	5,562,153	5,563,539	5,575,109	6,512,275	6,520,303	6,569,529	6,594,667	6,638,666	6,623,477	72,615,820
4 Delivery Supplemental Payments		458,715	513,632	487,789	545,936	565,318	478,098	439,333	461,946	523,323	520,093	626,696	568,549	6,189,428
5 Pharmacy Premiums		1,330,274	1,341,024	1,365,854	1,369,737	1,365,488	1,366,882	1,362,461	1,368,805	1,382,806	1,389,213	1,392,449	1,388,851	16,423,844
6 Investment Income		29,460	28,760	32,041	57,187	37,095	39,317	43,219	41,086	42,834	53,176	48,923	45,511	498,608
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		7,271,819	7,340,120	7,431,712	7,535,013	7,531,440	7,459,406	8,357,288	8,392,140	8,518,492	8,557,149	8,706,734	8,626,388	95,727,700
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)		14,102	14,113	14,365	14,418	0	0	0	0	0	0	0	0	56,998
12 Premium Taxes		126,741	127,949	129,494	130,862	131,151	129,852	145,496	146,143	148,324	148,820	151,512	150,165	1,666,509
13 Maintenance Taxes		1,770	1,774	1,806	1,814	1,807	1,809	1,808	1,807	1,822	1,829	1,832	1,830	21,707
14 Net Revenues		7,129,206	7,196,284	7,286,047	7,387,920	7,398,482	7,327,746	8,209,984	8,244,190	8,368,346	8,406,501	8,553,390	8,474,393	93,982,487
Medical Expenses:														
15 Fee-For-Service		5,426,757	5,166,772	5,514,548	5,010,940	5,630,003	5,097,611	5,969,376	6,450,369	7,253,440	6,097,072	5,881,392	6,631,294	70,129,575
16 Capitated Services		105,040	105,289	107,195	107,629	104,333	104,441	104,406	104,326	105,179	105,587	105,778	105,639	1,264,843
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		1,180	1,183	1,204	1,209	1,205	1,206	1,206	1,205	1,214	1,219	1,221	1,220	14,471
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		54,438	56,335	58,287	65,171	59,587	62,326	67,536	67,405	67,834	77,979	69,497	69,427	775,822
21 Total Medical Expenses		5,587,415	5,329,579	5,681,234	5,184,949	5,795,128	5,265,584	6,142,524	6,623,305	7,427,667	6,281,858	6,057,888	6,807,580	72,184,711
22 Prescription Expenses (excluding PBM Admin)		1,188,589	1,233,112	1,386,284	1,350,754	1,884,555	1,397,949	1,286,176	1,175,377	1,165,412	1,074,098	1,113,245	1,265,348	15,520,899
23 Total Medical and Prescription Expenses		6,776,004	6,562,691	7,067,518	6,535,703	7,679,683	6,663,533	7,428,700	7,798,682	8,593,079	7,355,956	7,171,133	8,072,928	87,705,610
24 Administrative Expenses		392,640	426,792	438,275	385,771	438,913	402,786	460,267	463,940	507,751	406,750	513,944	539,018	5,376,847
25 Total Expenses		7,168,643	6,989,483	7,505,793	6,921,474	8,118,595	7,066,319	7,888,967	8,262,623	9,100,830	7,762,706	7,685,077	8,611,946	93,082,456
26 Net Income Before Taxes		(39,437)	206,801	(219,746)	466,446	(720,113)	261,427	321,017	(18,433)	(732,484)	643,795	868,313	(137,553)	900,031
27 % Medical Exp to Net Revenues		78.4%	74.1%	78.0%	70.2%	78.3%	71.9%	74.8%	80.3%	88.8%	74.7%	70.8%	80.3%	76.8%
28 % Prescription Exp to Net Revenues		16.7%	17.1%	19.0%	18.3%	25.5%	19.1%	15.7%	14.3%	13.9%	12.8%	13.0%	14.9%	16.5%
29 % Total Medical and Prescription to Net Rev. (MLR)		95.0%	91.2%	97.0%	88.5%	103.8%	90.9%	90.5%	94.6%	102.7%	87.5%	83.8%	95.3%	93.3%
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		-0.6%	2.9%	-3.0%	6.3%	-9.7%	3.6%	3.9%	-0.2%	-8.8%	7.7%	10.2%	-1.6%	1.0%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.8%	7.3%	7.4%	6.4%	7.3%	6.8%	6.7%	6.7%	7.3%	5.8%	7.2%	7.6%	6.9%
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.