

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** Service Area: **Corpus / Nueces**
 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		20,788	20,972	21,257	21,275	20,928	20,710	20,533	20,389	20,320	20,254	20,257	20,448	248,131
2 Average Monthly Member Months														20,678
Revenues:														
3 Medical Premiums		5,634,900	5,671,741	5,719,648	5,720,054	5,668,020	5,612,486	6,094,423	6,049,209	6,049,031	6,048,607	6,029,329	6,091,091	70,388,539
4 Delivery Supplemental Payments		352,420	368,439	291,548	358,828	374,847	272,325	281,936	249,898	256,306	281,936	281,936	333,197	3,703,616
5 Pharmacy Premiums		1,439,254	1,458,953	1,483,700	1,481,034	1,455,357	1,433,555	1,421,275	1,410,777	1,407,393	1,400,834	1,395,611	1,406,218	17,193,961
6 Investment Income		20,761	20,399	22,625	40,253	25,777	27,009	29,445	27,817	28,668	35,336	32,457	30,518	341,065
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		7,447,335	7,519,532	7,517,521	7,600,169	7,524,001	7,345,375	7,827,079	7,737,701	7,741,398	7,766,713	7,739,333	7,861,024	91,627,181
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)		19,013	19,174	19,431	19,442	0	0	0	0	0	0	0	0	77,060
12 Premium Taxes		129,965	131,235	131,161	132,299	131,219	128,071	136,459	134,923	134,973	135,299	134,870	137,034	1,597,507
13 Maintenance Taxes		1,247	1,258	1,275	1,277	1,256	1,243	1,232	1,223	1,219	1,215	1,215	1,227	14,888
14 Net Revenues		7,297,110	7,367,864	7,365,653	7,447,152	7,391,526	7,216,061	7,689,388	7,601,555	7,605,206	7,630,199	7,603,247	7,722,763	89,937,726
Medical Expenses:														
15 Fee-For-Service		4,836,060	4,862,494	4,640,915	4,267,397	4,647,376	4,713,421	5,382,592	4,869,489	4,585,754	4,503,652	5,064,270	5,526,085	57,899,504
16 Capitated Services		74,025	74,680	75,695	75,759	72,500	71,745	71,132	70,633	70,394	70,165	70,176	70,837	867,739
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		832	839	850	851	837	828	821	816	813	810	810	818	9,925
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		55,752	57,712	58,960	65,734	59,528	61,373	63,252	62,149	61,646	70,776	61,776	63,267	741,925
21 Total Medical Expenses		4,966,668	4,995,725	4,776,420	4,409,741	4,780,241	4,847,367	5,517,797	5,003,086	4,718,607	4,645,403	5,197,032	5,661,007	59,519,094
22 Prescription Expenses (excluding PBM Admin)		1,001,921	1,059,975	1,091,278	1,133,669	1,381,104	1,217,261	1,166,954	1,296,472	1,193,159	1,040,213	1,136,440	1,264,553	13,982,998
23 Total Medical and Prescription Expenses		5,968,589	6,055,700	5,867,698	5,543,410	6,161,345	6,064,628	6,684,751	6,299,558	5,911,766	5,685,616	6,333,472	6,925,560	73,502,092
24 Administrative Expenses		402,117	437,224	443,335	389,107	438,479	396,629	431,066	427,761	461,432	369,178	456,840	491,195	5,144,363
25 Total Expenses		6,370,706	6,492,924	6,311,033	5,932,517	6,599,824	6,461,256	7,115,817	6,727,319	6,373,198	6,054,794	6,790,312	7,416,755	78,646,455
26 Net Income Before Taxes		926,404	874,940	1,054,620	1,514,635	791,702	754,805	573,571	874,236	1,232,008	1,575,405	812,935	306,008	11,291,271
27 % Medical Exp to Net Revenues		68.1%	67.8%	64.8%	59.2%	64.7%	67.2%	71.8%	65.8%	62.0%	60.9%	68.4%	73.3%	66.2%
28 % Prescription Exp to Net Revenues		13.7%	14.4%	14.8%	15.2%	18.7%	16.9%	15.2%	17.1%	15.7%	13.6%	14.9%	16.4%	15.5%
29 % Total Medical and Prescription to Net Rev. (MLR)		81.8%	82.2%	79.7%	74.4%	83.4%	84.0%	86.9%	82.9%	77.7%	74.5%	83.3%	89.7%	81.7%
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		12.7%	11.9%	14.3%	20.3%	10.7%	10.5%	7.5%	11.5%	16.2%	20.6%	10.7%	4.0%	12.6%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.9%	7.4%	7.5%	6.5%	7.4%	6.9%	6.9%	6.9%	7.4%	5.9%	7.4%	7.8%	7.1%
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.