

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Superior / Bankers / Centene**
 State Fiscal Year: **2018** Program: **STAR**
 Submission Date: **8/30/2019** 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		88,985	89,122	89,907	89,862	88,900	88,612	88,235	87,582	93,693	93,684	93,393	93,193	1,085,168
2 Average Monthly Member Months														90,431
Revenues:														
3 Medical Premiums		14,841,302	14,821,195	14,918,117	14,894,881	14,733,697	14,697,771	14,732,975	14,665,035	15,850,346	15,899,058	15,906,730	15,895,906	181,857,013
4 Delivery Supplemental Payments		1,100,899	1,227,551	1,081,414	1,104,147	1,230,799	983,989	1,016,464	1,081,414	1,253,531	1,130,127	1,295,749	1,188,581	13,694,665
5 Pharmacy Premiums		2,958,955	2,963,365	2,987,982	2,977,333	2,944,304	2,940,455	2,926,775	2,906,741	3,122,971	3,129,991	3,122,897	3,118,567	36,100,336
6 Investment Income		88,869	86,688	95,694	170,022	109,498	115,562	126,532	119,487	132,183	163,447	149,638	139,087	1,496,710
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		18,990,025	19,098,799	19,083,207	19,146,383	19,018,298	18,737,777	18,802,746	18,772,677	20,359,031	20,322,623	20,475,014	20,342,141	233,148,724
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)		5,113	5,119	5,161	5,157	0	0	0	0	0	0	0	0	20,551
12 Premium Taxes		330,770	332,712	332,281	332,086	330,904	325,889	326,834	326,431	353,970	352,786	355,694	353,553	4,053,910
13 Maintenance Taxes		5,339	5,347	5,394	5,392	5,334	5,317	5,294	5,255	5,622	5,621	5,604	5,592	65,110
14 Net Revenues		18,648,802	18,755,621	18,740,370	18,803,747	18,682,060	18,406,572	18,470,618	18,440,991	19,999,440	19,964,216	20,113,716	19,982,996	229,009,149
Medical Expenses:														
15 Fee-For-Service		14,788,229	14,747,288	13,414,103	14,159,395	14,516,075	13,213,920	12,237,488	12,287,367	14,173,813	12,507,753	14,507,242	12,970,732	163,523,403
16 Capitated Services		396,403	396,131	397,761	396,662	374,948	373,449	747,173	741,177	791,843	791,525	783,891	781,819	6,972,783
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		3,559	3,565	3,596	3,594	3,556	3,544	3,529	3,503	3,748	3,747	3,736	3,728	43,407
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		142,161	146,582	149,671	165,598	150,469	156,561	151,947	150,781	162,123	185,194	163,432	163,717	1,888,236
21 Total Medical Expenses		15,330,352	15,293,566	13,965,131	14,725,249	15,045,048	13,747,475	13,140,137	13,182,828	15,131,527	13,488,220	15,458,300	13,919,996	172,427,829
22 Prescription Expenses (excluding PBM Admin)		2,570,269	2,950,462	2,814,004	2,928,541	3,845,925	3,270,224	2,802,741	2,704,630	2,739,027	2,665,526	2,613,562	2,957,926	34,862,837
23 Total Medical and Prescription Expenses		17,900,621	18,244,028	16,779,135	17,653,790	18,890,973	17,017,699	15,942,878	15,887,458	17,870,554	16,153,746	18,071,862	16,877,922	207,290,666
24 Administrative Expenses		1,025,361	1,110,502	1,125,405	980,240	1,108,337	1,011,785	1,035,537	1,037,805	1,213,515	966,003	1,208,606	1,271,075	13,094,171
25 Total Expenses		18,925,982	19,354,531	17,904,540	18,634,030	19,999,310	18,029,484	16,978,415	16,925,263	19,084,069	17,119,749	19,280,468	18,148,997	220,384,838
26 Net Income Before Taxes		(277,180)	(598,910)	835,830	169,717	(1,317,250)	377,088	1,492,203	1,515,728	915,371	2,844,467	833,248	1,833,999	8,624,311
27 % Medical Exp to Net Revenues		82.2%	81.5%	74.5%	78.3%	80.5%	74.7%	71.1%	71.5%	75.7%	67.6%	76.9%	69.7%	75.3%
28 % Prescription Exp to Net Revenues		13.8%	15.7%	15.0%	15.6%	20.6%	17.8%	15.2%	14.7%	13.7%	13.4%	13.0%	14.8%	15.2%
29 % Total Medical and Prescription to Net Rev. (MLR)		96.0%	97.3%	89.5%	93.9%	101.1%	92.5%	86.3%	86.2%	89.4%	80.9%	89.8%	84.5%	90.5%
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		-1.5%	-3.2%	4.5%	0.9%	-7.1%	2.0%	8.1%	8.2%	4.6%	14.2%	4.1%	9.2%	3.8%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		6.5%	7.0%	7.1%	6.2%	7.0%	6.5%	6.7%	6.7%	7.2%	5.7%	7.1%	7.5%	6.8%
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.