

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.

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Aetna Health	Program: CHIP
State Fiscal Year: 2016	Service Area: Ft. Worth / Tarrant
Submission Date: 6/30/2016	Rptg Period End Date: 5/31/2016
Submission Type: Quarterly	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		5,677	5,776	5,803	5,905	5,910	6,058	6,389	6,378	6,386	0	0	0	54,282
2 Average Monthly Member Months														6,031
Revenues:														
3 Medical Premiums		636,498	641,605	636,311	649,788	653,048	668,999	705,474	679,640	663,903	0	0	0	5,935,266
4 Delivery Supplemental Payments		6,200	6,200	3,100	12,400	6,200	3,100	0	0	0	0	0	0	37,200
5 Pharmacy Premiums		137,836	139,918	140,071	142,492	142,728	145,987	153,771	152,213	151,247	0	0	0	1,306,263
6 Investment Income		1,762	1,434	1,502	1,989	1,749	1,710	1,776	932	994	0	0	0	13,847
7 Health Insurance Providers Fee Reimbursement		247,147												247,147
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		1,029,444	789,157	780,984	806,669	803,725	819,796	861,021	832,785	816,144	0	0	0	7,539,724
10 Health Insurance Providers Fee & Related Costs		242,822												242,822
11 Premium Taxes		13,191	13,313	13,173	13,599	13,553	13,826	14,521	14,058	13,776	0	0	0	123,011
12 Maintenance Taxes		2	2	2	2	2	2	2	2	2	0	0	0	18
13 Net Revenues		773,429	775,843	767,809	793,068	790,170	805,968	846,498	818,725	802,366	0	0	0	7,173,874
Medical Expenses:														
14 Fee-For-Service		547,108	440,563	417,507	483,400	480,561	486,936	437,082	467,145	146,351	0	0	0	3,906,652
15 Capitated Services		6,215	4,015	3,610	3,996	3,698	3,183	5,286	5,525	4,098	0	0	0	39,623
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		1,236	1,240	1,222	1,251	1,227	1,256	1,326	1,261	1,223	0	0	0	11,242
18 IBNR Accrual - Medical		464	512	733	1,418	6,745	13,916	29,832	79,861	425,566	0	0	0	559,047
19 Total Medical Expenses		555,022	446,329	423,072	490,065	492,230	505,291	473,525	563,792	577,237	0	0	0	4,516,563
20 Prescription Expenses (excluding PBM Admin)		92,799	103,439	96,081	112,978	118,675	134,593	163,937	148,786	160,503	0	0	0	1,131,791
21 Total Medical and Prescription Expenses		647,821	549,768	519,153	603,043	610,905	639,884	637,462	702,578	737,740	0	0	0	5,648,354
22 Administrative Expenses		65,911	63,707	64,497	75,405	58,475	67,348	73,327	75,932	76,789	0	0	0	621,390
23 Total Expenses		713,732	613,475	583,651	678,448	669,380	707,231	710,788	778,511	814,528	0	0	0	6,269,744
24 Net Income Before Taxes		59,697	162,368	184,158	114,620	120,790	98,737	135,710	40,214	(12,162)	0	0	0	904,130
25 % Medical Exp to Net Revenues		71.8%	57.5%	55.1%	61.8%	62.3%	62.7%	55.9%	67.6%	71.9%	0.0%	0.0%	0.0%	63.0%
26 % Prescription Exp to Net Revenues		12.0%	13.3%	12.5%	14.2%	15.0%	16.7%	19.4%	18.2%	20.0%	0.0%	0.0%	0.0%	15.8%
27 % Total Medical and Prescription to Net Rev. (MLR)		83.8%	70.9%	67.6%	76.0%	77.3%	79.4%	75.3%	85.8%	91.9%	0.0%	0.0%	0.0%	78.7%
28 % Admin Exp to Net Revenues		8.5%	8.2%	8.4%	9.5%	7.4%	8.4%	8.7%	9.3%	9.6%	0.0%	0.0%	0.0%	8.7%
29 % Net Income to Net Revenues		7.7%	20.9%	24.0%	14.5%	15.3%	12.3%	16.0%	4.9%	-1.5%	0.0%	0.0%	0.0%	12.6%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		10.4%	10.0%	10.3%	11.6%	9.0%	10.2%	10.6%	11.4%	11.8%	0.0%	0.0%	0.0%	10.6%
Post-income items:														
31 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.