

## 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:	<b>Amerigroup / Wellpoint</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2016</b>	Service Area:	<b>Harris / Houston</b>
Submission Date:	<b>6/30/2016</b>	Rptg Period End Date:	<b>5/31/2016</b>
Submission Type:	<b>Quarterly</b>		

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		10,169	10,096	10,018	10,065	10,054	10,261	10,449	10,347	10,374	0	0	0	<b>91,833</b>
2 <b>Average Monthly Member Months</b>														<b>10,204</b>
<b>Revenues:</b>														
3 Medical Premiums		1,423,415	1,401,225	1,370,453	1,379,823	1,394,527	1,455,208	1,472,974	1,377,037	1,337,192	0	0	0	12,611,854
4 Delivery Supplemental Payments		9,300	9,300	6,200	6,200	3,100	3,100	3,100	3,100	0	0	0	0	43,400
5 Pharmacy Premiums		284,035	281,750	279,092	280,404	280,253	286,756	292,084	287,513	287,460	0	0	0	2,559,347
6 Investment Income		16,732	13,046	11,954	14,365	11,817	12,278	11,602	12,985	12,782				117,561
7 Health Insurance Providers Fee Reimbursement		0												0
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		1,733,482	1,705,321	1,667,699	1,680,792	1,689,697	1,757,342	1,779,760	1,680,635	1,637,434	0	0	0	15,332,162
10 Health Insurance Providers Fee & Related Costs														0
11 Premium Taxes		26,106	29,615	28,976	29,162	29,363	30,539	30,943	29,184	28,431				262,318
12 Maintenance Taxes		661	656	651	654	654	667	679	673	674				5,969
13 <b>Net Revenues</b>		<b>1,706,715</b>	<b>1,675,050</b>	<b>1,638,072</b>	<b>1,650,975</b>	<b>1,659,681</b>	<b>1,726,136</b>	<b>1,748,138</b>	<b>1,650,779</b>	<b>1,608,328</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,063,875</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		1,057,349	912,892	1,122,117	984,946	888,868	909,962	1,050,387	862,583	470,655	0	0	0	8,259,758
15 Capitated Services		10,537	10,495	10,451	10,493	10,472	10,597	10,796	10,862	11,028	0	0	0	95,730
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		346	343	341	342	342	349	355	352	353	0	0	0	3,122
18 IBNR Accrual - Medical		(854)	(1,153)	(1,091)	1,330	11,206	33,253	51,074	203,042	564,372	0	0	0	861,179
19 Total Medical Expenses		1,067,378	922,577	1,131,817	997,111	910,888	954,161	1,112,612	1,076,839	1,046,407	0	0	0	9,219,790
20 Prescription Expenses (excluding PBM Admin)		419,020	432,370	369,874	365,274	339,851	438,625	412,078	396,801	247,081	0	0	0	3,420,974
21 <b>Total Medical and Prescription Expenses</b>		<b>1,486,398</b>	<b>1,354,947</b>	<b>1,501,691</b>	<b>1,362,385</b>	<b>1,250,739</b>	<b>1,392,786</b>	<b>1,524,690</b>	<b>1,473,640</b>	<b>1,293,488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,640,764</b>
22 <b>Administrative Expenses</b>		<b>128,810</b>	<b>121,285</b>	<b>114,327</b>	<b>148,098</b>	<b>120,617</b>	<b>123,614</b>	<b>135,740</b>	<b>125,022</b>	<b>118,594</b>				<b>1,136,106</b>
23 <b>Total Expenses</b>		<b>1,615,207</b>	<b>1,476,232</b>	<b>1,616,018</b>	<b>1,510,483</b>	<b>1,371,356</b>	<b>1,516,400</b>	<b>1,660,431</b>	<b>1,598,662</b>	<b>1,412,081</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,776,870</b>
24 <b>Net Income Before Taxes</b>		<b>91,508</b>	<b>198,818</b>	<b>22,054</b>	<b>140,492</b>	<b>288,325</b>	<b>209,736</b>	<b>87,707</b>	<b>52,117</b>	<b>196,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,287,005</b>
25 % Medical Exp to Net Revenues		62.5%	55.1%	69.1%	60.4%	54.9%	55.3%	63.6%	65.2%	65.1%	0.0%	0.0%	0.0%	61.2%
26 % Prescription Exp to Net Revenues		24.6%	25.8%	22.6%	22.1%	20.5%	25.4%	23.6%	24.0%	15.4%	0.0%	0.0%	0.0%	22.7%
27 % Total Medical and Prescription to Net Rev. (MLR)		87.1%	80.9%	91.7%	82.5%	75.4%	80.7%	87.2%	89.3%	80.4%	0.0%	0.0%	0.0%	83.9%
28 % Admin Exp to Net Revenues		7.5%	7.2%	7.0%	9.0%	7.3%	7.2%	7.8%	7.6%	7.4%	0.0%	0.0%	0.0%	7.5%
29 <b>% Net Income to Net Revenues</b>		<b>5.4%</b>	<b>11.9%</b>	<b>1.3%</b>	<b>8.5%</b>	<b>17.4%</b>	<b>12.2%</b>	<b>5.0%</b>	<b>3.2%</b>	<b>12.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.5%</b>
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.1%	8.7%	8.4%	10.8%	8.7%	8.6%	9.3%	9.2%	9.0%	0.0%	0.0%	0.0%	9.1%
<b>Post-income items:</b>														
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.