

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:	Amerigroup / Wellpoint	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		15,185	15,398	15,454	15,542	15,527	15,658	16,258	16,514	16,531	0	0	0	142,067
2 Average Monthly Member Months														15,785
Revenues:														
3 Medical Premiums		1,812,791	1,820,779	1,814,469	1,808,095	1,803,026	1,820,303	1,880,160	1,872,960	1,866,419	0	0	0	16,499,002
4 Delivery Supplemental Payments		21,700	9,300	9,300	3,100	6,200	0	6,200	3,100	0	0	0	0	58,900
5 Pharmacy Premiums		422,110	427,729	429,143	431,219	430,814	435,149	451,882	457,875	458,125	0	0	0	3,944,046
6 Investment Income		20,971	17,188	16,459	19,393	16,227	15,980	16,956	16,874	17,172				157,220
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		2,277,572	2,274,996	2,269,371	2,261,807	2,256,267	2,271,432	2,355,198	2,350,809	2,341,716	0	0	0	20,659,168
10 Health Insurance Providers Fee & Related Costs														0
11 Premium Taxes		35,553	39,512	39,426	39,242	39,201	39,470	40,919	40,844	40,680				354,847
12 Maintenance Taxes		987	1,001	1,005	1,010	1,009	1,018	1,057	1,073	1,075				9,234
13 Net Revenues		2,241,032	2,234,483	2,228,941	2,221,555	2,216,057	2,230,944	2,313,222	2,308,892	2,299,962	0	0	0	20,295,087
Medical Expenses:														
14 Fee-For-Service		1,553,567	1,371,354	1,260,538	1,348,424	1,266,966	1,494,321	1,418,081	1,201,283	618,511	0	0	0	11,533,046
15 Capitated Services		15,560	15,873	15,996	16,165	16,186	16,302	16,980	17,411	17,474	0	0	0	147,946
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		516	524	525	528	528	532	553	561	562	0	0	0	4,830
18 IBNR Accrual - Medical		(1,709)	(1,815)	(1,152)	(129)	5,579	23,895	38,326	217,332	973,650	0	0	0	1,253,977
19 Total Medical Expenses		1,567,934	1,385,935	1,275,907	1,364,989	1,289,258	1,535,051	1,473,940	1,436,588	1,610,197	0	0	0	12,939,799
20 Prescription Expenses (excluding PBM Admin)		313,145	359,233	364,628	359,295	433,718	486,815	583,710	490,554	533,412	0	0	0	3,924,510
21 Total Medical and Prescription Expenses		1,881,079	1,745,168	1,640,535	1,724,284	1,722,976	2,021,866	2,057,650	1,927,142	2,143,609	0	0	0	16,864,309
22 Administrative Expenses		169,239	161,801	155,573	199,293	161,061	159,775	179,629	174,876	169,602				1,530,849
23 Total Expenses		2,050,318	1,906,969	1,796,108	1,923,577	1,884,037	2,181,642	2,237,278	2,102,018	2,313,212	0	0	0	18,395,159
24 Net Income Before Taxes		190,714	327,514	432,833	297,978	332,020	49,302	75,944	206,874	(13,250)	0	0	0	1,899,928
25 % Medical Exp to Net Revenues		70.0%	62.0%	57.2%	61.4%	58.2%	68.8%	63.7%	62.2%	70.0%	0.0%	0.0%	0.0%	63.8%
26 % Prescription Exp to Net Revenues		14.0%	16.1%	16.4%	16.2%	19.6%	21.8%	25.2%	21.2%	23.2%	0.0%	0.0%	0.0%	19.3%
27 % Total Medical and Prescription to Net Rev. (MLR)		83.9%	78.1%	73.6%	77.6%	77.7%	90.6%	89.0%	83.5%	93.2%	0.0%	0.0%	0.0%	83.1%
28 % Admin Exp to Net Revenues		7.6%	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 % Net Income to Net Revenues		8.5%	14.7%	19.4%	13.4%	15.0%	2.2%	3.3%	9.0%	-0.6%	0.0%	0.0%	0.0%	9.4%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.3%	9.0%	8.6%	11.1%	9.0%	8.9%	9.7%	9.4%	9.2%	0.0%	0.0%	0.0%	9.4%
Post-income items:														
31 Performance Assessment														0

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.