

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: **Blue Cross Blue Shield of Texas / Health Care Service Corporation**
 State Fiscal Year: **2016** Program: **CHIP**
 Submission Date: **6/30/2016** Service Area: **Travis / Austin**
 Submission Type: **Quarterly** Rptg Period End Date: **5/31/2016**

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		5,766	5,836	5,829	5,842	5,798	5,837	5,935	5,877	5,936	0	0	0	52,656
2 Average Monthly Member Months														5,851
Revenues:														
3 Medical Premiums		832,907	834,314	821,228	816,744	808,048	831,579	850,640	815,029	812,702	0	0	0	7,423,191
4 Delivery Supplemental Payments		3,100	0	3,100	0	6,200	0	0	0	0	0	0	0	12,400
5 Pharmacy Premiums		123,923	125,635	125,693	126,296	125,403	125,877	127,714	126,622	128,064	0	0	0	1,135,227
6 Investment Income		7,217	6,557	3,781	6,539	7,059	8,064	5,785	8,761	9,924				63,686
7 Health Insurance Providers Fee Reimbursement		246,939												246,939
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		1,214,086	966,506	953,802	949,579	946,710	965,520	984,139	950,412	950,690	0	0	0	8,881,443
10 Health Insurance Providers Fee & Related Costs		246,939												246,939
11 Premium Taxes		16,799	16,799	16,625	16,503	16,444	16,755	17,121	16,479	16,463				149,989
12 Maintenance Taxes		721	730	729	730	725	730	742	735	742				6,582
13 Net Revenues		949,627	948,977	936,448	932,346	929,541	948,035	966,276	933,198	933,485	0	0	0	8,477,934
Medical Expenses:														
14 Fee-For-Service		607,607	656,685	599,999	706,644	677,556	660,267	682,462	571,756	16,477	0	0	0	5,179,453
15 Capitated Services		24,995	25,405	25,540	25,675	26,949	26,329	26,549	26,954	26,070	0	0	0	234,466
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		0	0	0	0	0	0	0	0	0	0	0	0	0
18 IBNR Accrual - Medical		24,000	34,000	35,000	29,000	38,000	63,000	104,000	191,000	825,000	0	0	0	1,343,000
19 Total Medical Expenses		656,602	716,090	660,539	761,319	742,505	749,596	813,011	789,710	867,547	0	0	0	6,756,919
20 Prescription Expenses (excluding PBM Admin)		109,429	117,250	117,932	97,549	123,485	136,398	157,178	126,652	140,150	0	0	0	1,126,023
21 Total Medical and Prescription Expenses		766,031	833,340	778,471	858,868	865,990	885,994	970,189	916,362	1,007,697	0	0	0	7,882,942
22 Administrative Expenses		210,847	231,444	240,222	322,817	279,883	196,652	243,483	294,058	226,003				2,245,409
23 Total Expenses		976,878	1,064,784	1,018,693	1,181,685	1,145,873	1,082,647	1,213,673	1,210,419	1,233,699	0	0	0	10,128,351
24 Net Income Before Taxes		(27,251)	(115,807)	(82,245)	(249,339)	(216,332)	(134,612)	(247,397)	(277,221)	(300,214)	0	0	0	(1,650,417)
25 % Medical Exp to Net Revenues		69.1%	75.5%	70.5%	81.7%	79.9%	79.1%	84.1%	84.6%	92.9%	0.0%	0.0%	0.0%	79.7%
26 % Prescription Exp to Net Revenues		11.5%	12.4%	12.6%	10.5%	13.3%	14.4%	16.3%	13.6%	15.0%	0.0%	0.0%	0.0%	13.3%
27 % Total Medical and Prescription to Net Rev. (MLR)		80.7%	87.8%	83.1%	92.1%	93.2%	93.5%	100.4%	98.2%	108.0%	0.0%	0.0%	0.0%	93.0%
28 % Admin Exp to Net Revenues		22.2%	24.4%	25.7%	34.6%	30.1%	20.7%	25.2%	31.5%	24.2%	0.0%	0.0%	0.0%	26.5%
29 % Net Income to Net Revenues		-2.9%	-12.2%	-8.8%	-26.7%	-23.3%	-14.2%	-25.6%	-29.7%	-32.2%	0.0%	0.0%	0.0%	-19.5%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		25.5%	28.1%	29.6%	40.0%	34.8%	23.9%	29.0%	36.5%	28.1%	0.0%	0.0%	0.0%	30.6%
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.