

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:	Community Health Choice / Harris County Hosp. Distr.		
State Fiscal Year:	2016	Program:	CHIP
Submission Date:	7/12/2016	Service Area:	Harris / Houston
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		26,034	25,940	25,666	25,919	25,859	26,214	27,335	27,165	27,439	0	0	0	237,571
2 Average Monthly Member Months														26,397
Revenues:														
3 Medical Premiums		4,339,520	4,267,278	4,182,487	4,179,342	4,123,350	4,197,160	4,413,590	4,265,984	4,279,126	0	0	0	38,247,837
4 Delivery Supplemental Payments		0	12,400	12,400	12,400	9,300	3,100	15,500	15,500	12,400	0	0	0	93,000
5 Pharmacy Premiums		685,198	681,738	673,610	678,775	676,352	685,930	716,819	708,712	715,314	0	0	0	6,222,448
6 Investment Income		5,885	5,317	3,472	6,398	7,114	7,003	7,809	7,647	7,489				58,134
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		5,030,603	4,966,733	4,871,969	4,876,915	4,816,116	4,893,193	5,153,718	4,997,843	5,014,329	0	0	0	44,621,419
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		87,933	86,825	85,199	85,234	84,158	85,508	90,053	87,328	87,620				779,858
12 Maintenance Taxes		1,864	1,858	1,838	1,856	1,868	1,893	1,975	1,961	1,980				17,093
13 Net Revenues		4,940,806	4,878,050	4,784,932	4,789,825	4,730,090	4,805,792	5,061,690	4,908,554	4,924,729	0	0	0	43,824,468
Medical Expenses:														
14 Fee-For-Service		3,917,136	3,627,265	3,393,189	3,436,404	3,479,915	4,319,404	4,102,564	2,924,591	1,375,260	0	0	0	30,575,729
15 Capitated Services		116,820	117,779	116,690	115,025	115,710	114,972	118,791	117,997	112,615	0	0	0	1,046,400
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		18,246	18,302	18,199	18,480	18,535	18,756	19,472	19,636	19,905	0	0	0	169,531
18 IBNR Accrual - Medical		3,115	7,138	11,285	23,209	38,663	74,243	196,461	517,229	2,959,837	0	0	0	3,831,180
19 Total Medical Expenses		4,055,318	3,770,484	3,539,363	3,593,118	3,652,824	4,527,375	4,437,288	3,579,453	4,467,617	0	0	0	35,622,840
20 Prescription Expenses (excluding PBM Admin)		609,266	709,781	664,931	647,684	573,931	695,452	818,691	696,937	710,034	0	0	0	6,126,708
21 Total Medical and Prescription Expenses		4,664,584	4,480,265	4,204,294	4,240,802	4,226,755	5,222,827	5,255,979	4,276,390	5,177,651	0	0	0	41,749,548
22 Administrative Expenses		318,267	366,110	327,589	388,012	311,304	376,844	364,674	402,608	367,612				3,223,021
23 Total Expenses		4,982,852	4,846,375	4,531,883	4,628,814	4,538,059	5,599,671	5,620,653	4,678,998	5,545,263	0	0	0	44,972,568
24 Net Income Before Taxes		(42,046)	31,675	253,049	161,011	192,031	(793,879)	(558,963)	229,556	(620,534)	0	0	0	(1,148,100)
25 % Medical Exp to Net Revenues		82.1%	77.3%	74.0%	75.0%	77.2%	94.2%	87.7%	72.9%	90.7%	0.0%	0.0%	0.0%	81.3%
26 % Prescription Exp to Net Revenues		12.3%	14.6%	13.9%	13.5%	12.1%	14.5%	16.2%	14.2%	14.4%	0.0%	0.0%	0.0%	14.0%
27 % Total Medical and Prescription to Net Rev. (MLR)		94.4%	91.8%	87.9%	88.5%	89.4%	108.7%	103.8%	87.1%	105.1%	0.0%	0.0%	0.0%	95.3%
28 % Admin Exp to Net Revenues		6.4%	7.5%	6.8%	8.1%	6.6%	7.8%	7.2%	8.2%	7.5%	0.0%	0.0%	0.0%	7.4%
29 % Net Income to Net Revenues		-0.9%	0.6%	5.3%	3.4%	4.1%	-16.5%	-11.0%	4.7%	-12.6%	0.0%	0.0%	0.0%	-2.6%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		7.5%	8.7%	8.0%	9.4%	7.7%	9.1%	8.4%	9.6%	8.7%	0.0%	0.0%	0.0%	8.6%
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.