

## 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>FirstCare Health Plans / SHA</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2016</b>	Service Area:	<b>Lubbock</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		4,437	4,419	4,382	4,366	4,370	4,380	4,519	4,580	4,677	0	0	0	40,130
2 <b>Average Monthly Member Months</b>														4,459
<b>Revenues:</b>														
3 Medical Premiums		422,067	419,578	414,440	412,666	410,312	413,514	424,601	423,611	429,888	0	0	0	3,770,677
4 Delivery Supplemental Payments		0	3,100	0	0	0	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		146,408	145,829	144,377	144,307	144,910	144,980	149,622	151,805	155,223	0	0	0	1,327,461
6 Investment Income		2,054	2,252	1,882	2,179	3,076	1,382	1,523	1,338	1,544				17,231
7 Health Insurance Providers Fee Reimbursement														0
8 Other Revenue														0
9 Total Gross Revenues		570,529	570,759	560,699	559,152	558,298	559,876	575,746	576,754	586,655	0	0	0	5,118,469
10 Health Insurance Providers Fee & Related Costs														0
11 Premium Taxes		9,620	9,621	9,451	9,419	9,388	9,446	9,721	9,742	9,911				86,319
12 Maintenance Taxes		401	401	401	401	401	401	401	401	401				3,612
13 <b>Net Revenues</b>		560,508	560,737	550,847	549,332	548,508	550,029	565,624	566,611	576,342	0	0	0	5,028,538
<b>Medical Expenses:</b>														
14 Fee-For-Service		313,174	359,985	324,602	320,205	270,765	349,561	362,893	297,306	224,064	0	0	0	2,822,555
15 Capitated Services		3,461	3,447	3,418	3,405	3,409	3,416	3,525	3,572	3,648	0	0	0	31,301
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		9,895	9,854	9,772	9,736	9,745	9,767	10,077	10,213	10,430	0	0	0	89,489
18 IBNR Accrual - Medical		835	1,113	3,619	3,789	5,052	16,419	37,495	49,994	162,479	0	0	0	280,795
19 Total Medical Expenses		327,365	374,399	341,411	337,135	288,971	379,163	413,990	361,085	400,621	0	0	0	3,224,140
20 Prescription Expenses (excluding PBM Admin)		120,782	130,131	117,589	95,526	106,168	145,949	157,006	137,899	149,334	0	0	0	1,160,385
21 <b>Total Medical and Prescription Expenses</b>		448,147	504,530	459,000	432,661	395,139	525,112	570,996	498,984	549,955	0	0	0	4,384,525
22 <b>Administrative Expenses</b>		47,665	48,443	46,607	47,263	44,836	47,536	50,782	56,616	47,369				437,115
23 <b>Total Expenses</b>		495,812	552,973	505,607	479,924	439,975	572,648	621,777	555,600	597,324	0	0	0	4,821,640
24 <b>Net Income Before Taxes</b>		64,696	7,764	45,240	69,408	108,533	(22,619)	(56,153)	11,011	(20,982)	0	0	0	206,898
25 % Medical Exp to Net Revenues		58.4%	66.8%	62.0%	61.4%	52.7%	68.9%	73.2%	63.7%	69.5%	0.0%	0.0%	0.0%	64.1%
26 % Prescription Exp to Net Revenues		21.5%	23.2%	21.3%	17.4%	19.4%	26.5%	27.8%	24.3%	25.9%	0.0%	0.0%	0.0%	23.1%
27 % Total Medical and Prescription to Net Rev. (MLR)		80.0%	90.0%	83.3%	78.8%	72.0%	95.5%	100.9%	88.1%	95.4%	0.0%	0.0%	0.0%	87.2%
28 % Admin Exp to Net Revenues		8.5%	8.6%	8.5%	8.6%	8.2%	8.6%	9.0%	10.0%	8.2%	0.0%	0.0%	0.0%	8.7%
29 <b>% Net Income to Net Revenues</b>		11.5%	1.4%	8.2%	12.6%	19.8%	-4.1%	-9.9%	1.9%	-3.6%	0.0%	0.0%	0.0%	4.1%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.5%	11.7%	11.5%	11.7%	11.1%	11.7%	12.2%	13.6%	11.2%	0.0%	0.0%	0.0%	11.8%
<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.