

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:	Superior / Bankers / Centene		
State Fiscal Year:	2016	Program:	CHIP
Submission Date:	6/30/2016	Service Area:	C-RSA
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		49,127	49,178	49,093	49,840	49,793	51,189	53,948	55,710	56,065	0	0	0	463,943
2 Average Monthly Member Months														51,549
Revenues:														
3 Medical Premiums		4,989,721	4,970,449	4,919,187	4,982,751	4,980,716	5,160,636	5,471,896	5,649,864	5,557,874	0	0	0	46,683,094
4 Delivery Supplemental Payments		24,800	24,800	12,400	15,500	3,100	9,300	15,500	6,200	0	0	0	0	111,600
5 Pharmacy Premiums		1,792,753	1,795,809	1,793,502	1,820,920	1,819,281	1,868,732	1,967,940	2,032,300	2,048,958	0	0	0	16,940,195
6 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
7 Health Insurance Providers Fee Reimbursement		2,402,440												2,402,440
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		9,209,714	6,791,058	6,725,089	6,819,171	6,803,097	7,038,668	7,455,336	7,688,364	7,606,832	0	0	0	66,137,329
10 Health Insurance Providers Fee & Related Costs		2,360,397												2,360,397
11 Premium Taxes		161,170	118,844	117,689	119,335	119,054	123,177	130,468	134,546	133,120				1,157,403
12 Maintenance Taxes		2,723	2,716	2,690	2,728	2,721	2,815	2,982	3,075	3,043				25,494
13 Net Revenues		6,685,424	6,669,498	6,604,710	6,697,108	6,681,322	6,912,676	7,321,885	7,550,742	7,470,670	0	0	0	62,594,035
Medical Expenses:														
14 Fee-For-Service		3,601,500	3,617,773	3,647,636	3,467,907	3,567,691	3,953,714	3,992,239	4,037,111	2,450,711	0	0	0	32,336,282
15 Capitated Services		549,920	551,584	303,129	307,991	295,060	302,427	317,973	328,349	333,499	0	0	0	3,289,931
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		4,196	4,205	4,205	4,271	1,992	2,048	1,961	2,025	2,057	0	0	0	26,960
18 IBNR Accrual - Medical		160,648	3,180	9,465	16,612	49,942	114,229	186,134	901,942	2,219,333	0	0	0	3,661,485
19 Total Medical Expenses		4,316,264	4,176,741	3,964,436	3,796,781	3,914,684	4,372,418	4,498,307	5,269,427	5,005,600	0	0	0	39,314,658
20 Prescription Expenses (excluding PBM Admin)		1,849,433	1,861,723	1,770,084	1,644,026	1,627,103	1,824,141	2,005,626	1,886,027	1,802,141	0	0	0	16,270,303
21 Total Medical and Prescription Expenses		6,165,697	6,038,464	5,734,520	5,440,807	5,541,787	6,196,559	6,503,933	7,155,454	6,807,741	0	0	0	55,584,961
22 Administrative Expenses		535,597	476,005	461,389	499,810	472,887	449,938	523,825	543,073	550,804				4,513,326
23 Total Expenses		6,701,294	6,514,469	6,195,909	5,940,617	6,014,673	6,646,497	7,027,758	7,698,527	7,358,545	0	0	0	60,098,289
24 Net Income Before Taxes		(15,870)	155,029	408,801	756,491	666,649	266,179	294,127	(147,785)	112,125	0	0	0	2,495,746
25 % Medical Exp to Net Revenues		64.6%	62.6%	60.0%	56.7%	58.6%	63.3%	61.4%	69.8%	67.0%	0.0%	0.0%	0.0%	62.8%
26 % Prescription Exp to Net Revenues		27.7%	27.9%	26.8%	24.5%	24.4%	26.4%	27.4%	25.0%	24.1%	0.0%	0.0%	0.0%	26.0%
27 % Total Medical and Prescription to Net Rev. (MLR)		92.2%	90.5%	86.8%	81.2%	82.9%	89.6%	88.8%	94.8%	91.1%	0.0%	0.0%	0.0%	88.8%
28 % Admin Exp to Net Revenues		8.0%	7.1%	7.0%	7.5%	7.1%	6.5%	7.2%	7.2%	7.4%	0.0%	0.0%	0.0%	7.2%
29 % Net Income to Net Revenues		-0.2%	2.3%	6.2%	11.3%	10.0%	3.9%	4.0%	-2.0%	1.5%	0.0%	0.0%	0.0%	4.0%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		10.9%	9.8%	9.6%	10.3%	9.7%	8.9%	9.8%	9.8%	10.2%	0.0%	0.0%	0.0%	9.9%
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.