

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:	Texas Children's Health Plan	Program:	CHIP
State Fiscal Year:	2016	Service Area:	Harris / Houston
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		55,879	56,137	55,504	55,704	55,368	55,470	56,907	56,222	56,271	0	0	0	503,462
2 Average Monthly Member Months														55,940
Revenues:														
3 Medical Premiums		8,725,422	8,715,220	8,604,832	8,601,709	8,546,577	8,596,771	8,829,946	8,595,082	8,572,137	0	0	0	77,787,696
4 Delivery Supplemental Payments		6,200	0	0	0	6,200	0	3,100	3,100	0	0	0	0	18,600
5 Pharmacy Premiums		1,781,865	1,791,497	1,769,533	1,775,009	1,762,879	1,765,714	1,812,193	1,788,764	1,790,538	0	0	0	16,037,992
6 Investment Income		28,876	4,360	(16,911)	(23,438)	44,817	11,573	109,930	53,751	(3,690)	0	0	0	209,269
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		10,542,363	10,511,077	10,357,454	10,353,280	10,360,473	10,374,058	10,755,169	10,440,697	10,358,985	0	0	0	94,053,557
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		183,986	183,868	181,551	181,593	179,971	181,343	186,237	181,717	181,347	0	0	0	1,641,613
12 Maintenance Taxes		4,044	4,044	4,044	4,044	4,123	4,123	4,123	4,123	4,123	0	0	0	36,792
13 Net Revenues		10,354,333	10,323,165	10,171,858	10,167,643	10,176,380	10,188,592	10,564,809	10,254,857	10,173,515	0	0	0	92,375,151
Medical Expenses:														
14 Fee-For-Service		6,541,819	6,845,478	6,836,041	6,173,142	6,639,206	7,274,320	7,445,981	6,176,239	3,338,441	0	0	0	57,270,667
15 Capitated Services		71,468	71,972	71,178	71,564	71,178	71,162	72,898	72,558	72,732	0	0	0	646,710
16 Patient Centered Medical Home Services		518,610	521,744	535,131	361,700	360,563	357,641	560,020	570,681	592,522	0	0	0	4,378,613
17 Net Reinsurance Cost		3,632	3,649	3,969	3,983	3,959	3,966	4,069	4,020	4,023	0	0	0	35,269
18 IBNR Accrual - Medical		(45,753)	(55,683)	(51,909)	(33,776)	1,137	54,013	241,527	827,956	3,597,365	0	0	0	4,534,877
19 Total Medical Expenses		7,089,776	7,387,160	7,394,410	6,576,613	7,076,043	7,761,102	8,324,495	7,651,454	7,605,083	0	0	0	66,866,136
20 Prescription Expenses (excluding PBM Admin)		1,514,687	1,610,375	1,479,399	1,570,617	1,607,079	1,777,680	1,990,485	1,768,372	1,636,727	0	0	0	14,955,421
21 Total Medical and Prescription Expenses		8,604,463	8,997,535	8,873,809	8,147,230	8,683,122	9,538,782	10,314,980	9,419,826	9,241,810	0	0	0	81,821,557
22 Administrative Expenses		777,479	739,808	789,763	854,114	771,784	850,160	863,479	929,206	961,374	0	0	0	7,537,167
23 Total Expenses		9,381,943	9,737,343	9,663,572	9,001,344	9,454,907	10,388,942	11,178,459	10,349,032	10,203,183	0	0	0	89,358,725
24 Net Income Before Taxes		972,390	585,822	508,286	1,166,299	721,473	(200,350)	(613,650)	(94,175)	(29,668)	0	0	0	3,016,426
25 % Medical Exp to Net Revenues		68.5%	71.6%	72.7%	64.7%	69.5%	76.2%	78.8%	74.6%	74.8%	0.0%	0.0%	0.0%	72.4%
26 % Prescription Exp to Net Revenues		14.6%	15.6%	14.5%	15.4%	15.8%	17.4%	18.8%	17.2%	16.1%	0.0%	0.0%	0.0%	16.2%
27 % Total Medical and Prescription to Net Rev. (MLR)		83.1%	87.2%	87.2%	80.1%	85.3%	93.6%	97.6%	91.9%	90.8%	0.0%	0.0%	0.0%	88.6%
28 % Admin Exp to Net Revenues		7.5%	7.2%	7.8%	8.4%	7.6%	8.3%	8.2%	9.1%	9.4%	0.0%	0.0%	0.0%	8.2%
29 % Net Income to Net Revenues		9.4%	5.7%	5.0%	11.5%	7.1%	-2.0%	-5.8%	-0.9%	-0.3%	0.0%	0.0%	0.0%	3.3%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.1%	8.7%	9.4%	10.2%	9.2%	10.1%	9.9%	11.0%	11.5%	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.