

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:	Amerigroup / Wellpoint	Program:	STAR
State Fiscal Year:	2016	Service Area:	M-RSA Northeast
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		58,081	58,326	58,399	58,077	57,899	58,028	58,028	57,373	56,233	0	0	0	520,444
2 Average Monthly Member Months														57,827
Revenues:														
3 Medical Premiums		9,457,590	9,440,369	9,402,479	9,307,668	9,238,057	9,282,188	9,306,451	9,137,544	8,833,152	0	0	0	83,405,498
4 Delivery Supplemental Payments		840,666	818,544	821,704	796,421	692,128	711,090	730,052	654,203	518,306	0	0	0	6,583,114
5 Pharmacy Premiums		2,434,177	2,445,419	2,446,190	2,425,792	2,419,391	2,428,141	2,430,641	2,414,211	2,372,375	0	0	0	21,816,337
6 Investment Income		106,541	96,068	91,234	109,711	87,375	87,076	97,779	86,883	85,470				848,136
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		12,838,974	12,800,400	12,761,607	12,639,592	12,436,951	12,508,495	12,564,923	12,292,841	11,809,303	0	0	0	112,653,085
10 Health Insurance Providers Fee & Related Costs		0												0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		218,880	222,326	221,732	219,273	216,118	217,375	218,175	213,604	205,167				1,952,649
13 Maintenance Taxes		3,775	3,791	3,796	3,775	3,763	3,772	3,772	3,729	3,655				33,829
14 Net Revenues		12,616,319	12,574,283	12,536,080	12,416,544	12,217,070	12,287,348	12,342,976	12,075,507	11,600,481	0	0	0	110,666,608
Medical Expenses:														
15 Fee-For-Service		8,278,197	8,774,726	8,701,026	8,318,112	7,727,538	9,049,291	8,332,588	7,453,192	3,437,549	0	0	0	70,072,219
16 Capitated Services		67,334	67,641	67,664	67,199	67,070	66,351	66,411	66,334	65,852	0	0	0	601,855
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		1,975	1,983	1,986	1,975	1,969	1,973	1,973	1,951	1,912	0	0	0	17,695
19 IBNR Accrual - Medical		(54,389)	(53,461)	(43,604)	343,931	39,379	170,990	714,940	1,159,421	5,166,924	0	0	0	7,444,131
20 Total Medical Expenses		8,293,116	8,790,889	8,727,071	8,731,216	7,835,956	9,288,605	9,115,912	8,680,898	8,672,237	0	0	0	78,135,900
21 Prescription Expenses (excluding PBM Admin)		2,249,284	2,269,275	2,156,194	2,173,668	2,357,198	2,484,462	2,505,280	2,477,341	2,406,839	0	0	0	21,079,540
22 Total Medical and Prescription Expenses		10,542,400	11,060,164	10,883,265	10,904,884	10,193,154	11,773,067	11,621,192	11,158,239	11,079,076	0	0	0	99,215,440
23 Administrative Expenses		954,024	910,382	874,853	1,113,701	887,798	879,863	958,314	914,460	855,307				8,348,701
24 Total Expenses		11,496,423	11,970,546	11,758,118	12,018,585	11,080,951	12,652,930	12,579,506	12,072,698	11,934,383	0	0	0	107,564,140
25 Net Income Before Taxes		1,119,896	603,737	777,962	397,959	1,136,119	(365,582)	(236,530)	2,809	(333,902)	0	0	0	3,102,468
26 % Medical Exp to Net Revenues		65.7%	69.9%	69.6%	70.3%	64.1%	75.6%	73.9%	71.9%	74.8%	0.0%	0.0%	0.0%	70.6%
27 % Prescription Exp to Net Revenues		17.8%	18.0%	17.2%	17.5%	19.3%	20.2%	20.3%	20.5%	20.7%	0.0%	0.0%	0.0%	19.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		83.6%	88.0%	86.8%	87.8%	83.4%	95.8%	94.2%	92.4%	95.5%	0.0%	0.0%	0.0%	89.7%
29 % Admin Exp to Net Revenues		7.6%	7.2%	7.0%	9.0%	7.3%	7.2%	7.8%	7.6%	7.4%	0.0%	0.0%	0.0%	7.5%
30 % Net Income to Net Revenues		8.9%	4.8%	6.2%	3.2%	9.3%	-3.0%	-1.9%	0.0%	-2.9%	0.0%	0.0%	0.0%	2.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.4%	9.0%	8.7%	11.1%	9.1%	8.9%	9.7%	9.5%	9.3%	0.0%	0.0%	0.0%	9.4%
Post-income items:														
32 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.