

## 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>Amerigroup / Wellpoint</b>	Program:	<b>STAR</b>
State Fiscal Year:	<b>2016</b>	Service Area:	<b>M-RSA West</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		28,429	28,676	28,760	28,729	28,838	28,965	29,020	28,884	28,473	0	0	0	<b>258,774</b>
2 <b>Average Monthly Member Months</b>														<b>28,753</b>
<b>Revenues:</b>														
3 Medical Premiums		5,963,457	5,998,206	5,965,068	5,942,262	5,937,775	6,001,106	6,035,576	5,961,125	5,807,782	0	0	0	53,612,357
4 Delivery Supplemental Payments		519,059	483,815	416,529	397,304	358,856	374,876	397,305	291,570	317,203	0	0	0	3,556,517
5 Pharmacy Premiums		939,909	950,322	952,884	950,994	957,156	965,155	963,678	962,239	949,200	0	0	0	8,591,537
6 Investment Income		48,150	42,883	40,726	47,947	39,210	39,639	44,254	39,055	39,087				380,951
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		7,470,575	7,475,226	7,375,207	7,338,507	7,292,997	7,380,776	7,440,813	7,253,989	7,113,272	0	0	0	66,141,362
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		125,955	130,066	128,353	127,585	126,941	128,470	129,440	126,261	123,798				1,146,870
13 Maintenance Taxes		1,848	1,864	1,869	1,867	1,874	1,883	1,886	1,877	1,851				16,820
14 <b>Net Revenues</b>		<b>7,342,772</b>	<b>7,343,296</b>	<b>7,244,984</b>	<b>7,209,055</b>	<b>7,164,181</b>	<b>7,250,423</b>	<b>7,309,487</b>	<b>7,125,850</b>	<b>6,987,623</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,977,672</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		6,161,071	5,455,138	5,885,949	5,530,580	6,457,861	5,503,291	5,071,647	4,965,371	3,019,457	0	0	0	48,050,362
16 Capitated Services		32,440	32,743	32,868	32,822	32,982	33,068	33,173	33,328	33,252	0	0	0	296,676
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		967	975	978	977	980	985	987	982	968	0	0	0	8,798
19 IBNR Accrual - Medical		(30,034)	(23,405)	(21,420)	(5,216)	377,715	1,435,060	467,293	1,906,277	3,077,574	0	0	0	7,183,844
20 Total Medical Expenses		6,164,444	5,465,451	5,898,374	5,559,162	6,869,538	6,972,404	5,573,099	6,905,958	6,131,251	0	0	0	55,539,681
21 Prescription Expenses (excluding PBM Admin)		933,185	927,456	978,532	1,017,919	977,305	1,138,920	981,551	905,613	904,356	0	0	0	8,764,837
22 <b>Total Medical and Prescription Expenses</b>		<b>7,097,629</b>	<b>6,392,907</b>	<b>6,876,906</b>	<b>6,577,081</b>	<b>7,846,843</b>	<b>8,111,324</b>	<b>6,554,650</b>	<b>7,811,571</b>	<b>7,035,607</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,304,518</b>
23 <b>Administrative Expenses</b>		<b>555,115</b>	<b>531,648</b>	<b>505,596</b>	<b>646,611</b>	<b>520,602</b>	<b>519,173</b>	<b>567,503</b>	<b>539,621</b>	<b>515,190</b>				<b>4,901,061</b>
24 <b>Total Expenses</b>		<b>7,652,744</b>	<b>6,924,555</b>	<b>7,382,502</b>	<b>7,223,692</b>	<b>8,367,445</b>	<b>8,630,497</b>	<b>7,122,154</b>	<b>8,351,192</b>	<b>7,550,797</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69,205,578</b>
25 <b>Net Income Before Taxes</b>		<b>(309,972)</b>	<b>418,741</b>	<b>(137,518)</b>	<b>(14,637)</b>	<b>(1,203,264)</b>	<b>(1,380,074)</b>	<b>187,333</b>	<b>(1,225,342)</b>	<b>(563,174)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,227,906)</b>
26 % Medical Exp to Net Revenues		84.0%	74.4%	81.4%	77.1%	95.9%	96.2%	76.2%	96.9%	87.7%	0.0%	0.0%	0.0%	85.5%
27 % Prescription Exp to Net Revenues		12.7%	12.6%	13.5%	14.1%	13.6%	15.7%	13.4%	12.7%	12.9%	0.0%	0.0%	0.0%	13.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		96.7%	87.1%	94.9%	91.2%	109.5%	111.9%	89.7%	109.6%	100.7%	0.0%	0.0%	0.0%	99.0%
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 <b>% Net Income to Net Revenues</b>		<b>-4.2%</b>	<b>5.7%</b>	<b>-1.9%</b>	<b>-0.2%</b>	<b>-16.8%</b>	<b>-19.0%</b>	<b>2.6%</b>	<b>-17.2%</b>	<b>-8.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-6.5%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.7%	8.3%	8.0%	10.3%	8.4%	8.3%	8.9%	8.8%	8.5%	0.0%	0.0%	0.0%	8.7%
<b>Post-income items:</b>														
32 Performance Assessment														<b>0</b>

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.