

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**
 State Fiscal Year: **2016** Program: **STAR-PLUS**
 Submission Date: **6/30/2016** Service Area: **MRSA West**
 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		17,996	17,960	17,885	17,764	17,742	17,671	17,587	17,509	17,512	0	0	0	159,626
2 Average Monthly Member Months														17,736
Revenues:														
3 Medical Premiums		20,866,726	21,014,167	20,943,385	20,792,575	20,770,932	20,585,993	20,338,127	19,942,195	19,663,446	0	0	0	184,917,546
4 Pharmacy Premiums		2,023,361	2,026,690	2,029,684	2,031,877	2,036,470	2,041,129	2,031,062	2,027,003	2,029,116	0	0	0	18,276,392
5 Investment Income		201,911	166,156	160,097	196,673	163,522	158,535	178,329	152,655	156,848				1,534,727
6 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0				0
7 Other Revenue		0	0	0	0	0	0	0	0	0				0
8 Total Gross Revenues		23,091,998	23,207,013	23,133,166	23,021,125	22,970,924	22,785,657	22,547,518	22,121,853	21,849,410	0	0	0	204,728,665
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0				0
10 Health Insurance Providers Fee (NAIP)		396,639	403,215	402,029	399,428	399,130	395,975	391,461	384,461	379,620				3,551,956
11 Premium Taxes		1,170	1,167	1,163	1,155	1,153	1,149	1,143	1,138	1,138				10,376
12 Maintenance Taxes		1,170	1,167	1,163	1,155	1,153	1,149	1,143	1,138	1,138				10,376
13 Net Revenues		22,694,189	22,802,631	22,729,975	22,620,542	22,570,641	22,388,534	22,154,914	21,736,254	21,468,652	0	0	0	201,166,332
Medical Expenses:														
14 Fee-For-Service		14,101,828	14,955,800	14,297,746	14,576,534	14,219,245	13,224,686	14,187,004	12,910,170	6,188,155	0	0	0	118,661,168
15 Capitated Services		5,691	5,689	5,709	5,717	5,747	5,712	5,679	5,677	5,718	0	0	0	51,340
16 Net Reinsurance cost		169	168	169	169	169	169	168	168	168	0	0	0	1,517
17 BNR Accrual - Medical		114,578	173,006	250,584	3,542,209	3,725,694	3,924,847	4,162,875	4,823,368	12,207,776	0	0	0	32,824,937
18 Minimum Payment Amount Program (MPAP)		3,257,834	3,257,834	3,197,366	0	0	0	0	0	0	0	0	0	9,713,934
19 Other Medical Expenses		510,417	512,077	592,641	500,901	487,664	516,474	541,182	548,413	682,438	0	0	0	4,892,207
20 Total Medical Expenses		17,990,517	18,904,574	18,344,215	18,625,530	18,438,519	17,671,888	18,896,908	18,287,796	19,084,255	0	0	0	166,244,203
21 Prescription Expenses (excluding PBM Admin)		1,940,800	2,038,632	1,951,098	2,046,538	2,091,381	2,007,347	2,186,065	2,056,195	2,222,312	0	0	0	18,540,368
22 Total Medical and Prescription Expenses		19,931,317	20,943,206	20,295,313	20,672,068	20,529,900	19,679,235	21,082,973	20,343,991	21,306,567	0	0	0	184,784,571
23 Administrative Expenses		1,715,893	1,650,515	1,585,860	2,028,439	1,639,753	1,602,772	1,719,676	1,645,636	1,582,478				15,171,023
24 Total Expenses		21,647,211	22,593,721	21,881,173	22,700,508	22,169,653	21,282,007	22,802,649	21,989,627	22,889,045	0	0	0	199,955,594
25 Net Income Before Taxes		1,046,978	208,910	848,802	(79,966)	400,988	1,106,527	(647,735)	(253,373)	(1,420,393)	0	0	0	1,210,738
26 % Medical Exp to Net Revenues		79.3%	82.9%	80.7%	82.3%	81.7%	78.9%	85.3%	84.1%	88.9%	0.0%	0.0%	0.0%	82.6%
27 % Prescription Exp to Net Revenues		8.6%	8.9%	8.6%	9.0%	9.3%	9.0%	9.9%	9.5%	10.4%	0.0%	0.0%	0.0%	9.2%
28 % Total Medical and Prescription to Net Rev. (MLR)		87.9%	91.8%	89.3%	91.4%	91.0%	87.9%	95.2%	93.6%	99.2%	0.0%	0.0%	0.0%	91.9%
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		4.6%	0.9%	3.7%	-0.4%	1.8%	4.9%	-2.9%	-1.2%	-6.6%	0.0%	0.0%	0.0%	0.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		8.3%	7.9%	7.7%	9.9%	8.0%	7.9%	8.5%	8.3%	8.1%	0.0%	0.0%	0.0%	8.3%
32 Post-income Items: Performance Assessment														0
Not Included in Total Expenses Above:														
Medicare Cost-sharing & Wrap-around Rx														
33 Medicare Portion of Rx Expense		54,719	52,056	51,341	66,193	66,859	55,075	67,671	30,892	21,677				466,484
34 Reimbursement Received		43,214	37,824	46,692	50,065	40,058	5,854	0	0	0				232,706
35 Net Unreimbursed Expense		11,505	14,232	4,649	16,128	26,801	49,222	67,671	30,892	21,677	0	0	0	242,778
36 Number of Prescriptions (Rx) corresponding to Expense		1,082	1,184	1,153	1,347	1,278	1,283	1,279	1,016	727				10,349

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 BNR estimates.