

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: **HealthSpring / Cigna**
 State Fiscal Year: **2016** Program: **STAR+PLUS**
 Submission Date: **6/30/2016** Service Area: **MRSA Northeast**
 Submission Type: **Quarterly** Rptg Period End Date: **5/31/2016**

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:												YTD
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
1 Member Months	22,775	22,762	22,778	22,798	22,874	22,871	22,740	22,645	22,652	0	0	0	204,895
2 Average Monthly Member Months													22,766
Revenues:													
3 Medical Premiums	24,476,597	24,529,633	24,448,291	24,579,676	24,654,357	24,554,384	24,357,810	23,884,817	23,481,866	0	0	0	218,967,431
4 Pharmacy Premiums	4,122,654	4,130,404	4,135,311	4,181,093	4,207,297	4,211,067	4,195,535	4,181,232	4,178,056	0	0	0	37,542,649
5 Investment Income	4,556	17,472	16,205	16,461	18,418	14,927	12,603	13,071	14,434				128,147
6 Health Insurance Providers Fee Reimbursement	2,088,197												2,088,197
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	30,692,004	28,677,509	28,599,807	28,777,230	28,880,072	28,780,378	28,565,948	28,079,120	27,674,356	0	0	0	256,726,424
9 Health Insurance Providers Fee & Related Costs	1,357,328												1,357,328
10 Health Insurance Providers Fee (NAIP)	500,487	501,551	500,213	503,313	505,079	503,395	499,684	491,156	484,049				0
11 Premium Taxes	11,440	11,464	11,433	11,504	11,545	11,506	11,421	11,226	11,064				4,488,926
12 Maintenance Taxes													102,604
13 Net Revenues	28,822,749	28,164,494	28,088,161	28,262,412	28,363,448	28,265,476	28,054,843	27,576,738	27,179,243	0	0	0	252,777,565
Medical Expenses:													
14 Fee-For-Service	18,743,650	19,612,653	18,797,300	19,747,111	19,851,366	18,080,995	19,154,380	16,824,060	6,182,052	0	0	0	156,993,567
15 Capitated Services	682	592	605	712	1,085	320	701	560	728	0	0	0	5,983
16 Net Reinsurance cost	0	0	0	0	0	0	0	0	0	0	0	0	0
17 BNR Accrual - Medical	106,606	154,802	221,072	1,702,336	1,733,163	2,112,532	2,272,088	4,081,507	14,164,834	0	0	0	26,548,940
18 Minimum Payment Amount Program (MPAP)	1,454,686	1,454,686	1,437,621	0	0	0	0	0	0	0	0	0	4,346,993
19 Other Medical Expenses	378,982	377,441	375,235	540,420	373,453	361,012	363,752	368,908	370,814	0	0	0	3,510,017
20 Total Medical Expenses	20,684,606	21,600,174	20,831,833	21,990,579	21,959,067	20,554,859	21,790,921	21,275,035	20,718,428	0	0	0	191,405,500
21 Prescription Expenses (excluding PBM Admin)	3,742,135	3,808,050	3,551,944	3,735,991	3,646,641	3,806,114	4,025,923	3,863,230	3,944,141	0	0	0	34,124,170
22 Total Medical and Prescription Expenses	24,426,741	25,408,224	24,383,777	25,726,569	25,605,708	24,360,973	25,816,844	25,138,265	24,662,569	0	0	0	225,529,670
23 Administrative Expenses	1,358,870	1,725,490	1,853,221	1,710,324	1,674,158	1,787,928	1,852,492	1,795,431	1,805,430				15,563,344
24 Total Expenses	25,785,611	27,133,714	26,236,998	27,436,893	27,279,866	26,148,901	27,669,336	26,933,696	26,467,999	0	0	0	241,093,014
25 Net Income Before Taxes	3,037,138	1,030,780	1,851,163	825,519	1,083,582	2,116,575	385,507	643,042	711,244	0	0	0	11,684,551
26 % Medical Exp to Net Revenues	71.8%	76.7%	74.2%	77.8%	77.4%	72.7%	77.7%	77.1%	76.2%	0.0%	0.0%	0.0%	75.7%
27 % Prescription Exp to Net Revenues	13.0%	13.5%	12.6%	13.2%	12.9%	13.5%	14.4%	14.0%	14.5%	0.0%	0.0%	0.0%	13.5%
28 % Total Medical and Prescription to Net Rev. (MLR)	84.7%	90.2%	86.8%	91.0%	90.3%	86.2%	92.0%	91.2%	90.7%	0.0%	0.0%	0.0%	89.2%
29 % Admin Exp to Net Revenues	4.7%	6.1%	6.6%	6.1%	5.9%	6.3%	6.6%	6.5%	6.6%	0.0%	0.0%	0.0%	6.2%
30 % Net Income to Net Revenues	10.5%	3.7%	6.6%	2.9%	3.8%	7.5%	1.4%	2.3%	2.6%	0.0%	0.0%	0.0%	4.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	5.5%	7.2%	7.7%	7.1%	6.9%	7.4%	7.8%	7.7%	7.8%	0.0%	0.0%	0.0%	7.2%
Post-income items:													
32 Performance Assessment													0
Not Included in Total Expenses Above:													
Medicare Cost-sharing & Wrap-around Rx													
33 Medicaid Portion of Rx Expense	50,769	26,268	34,394	34,896	33,972	46,890	37,881	34,579	27,965				327,614
34 Reimbursement Received	14,617	10,116	16,473	16,686	18,791	19,982							95,666
35 Net Unreimbursed Expense	36,151	16,152	17,921	18,210	15,182	27,907	37,881	34,579	27,965	0	0	0	231,947
36 Number of Prescriptions (Rx) corresponding to Expense	1,246	1,002	1,048	1,190	1,291	1,332	1,374	1,237	1,125				10,845

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.