

## 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>Aetna Health</b>	Program: <b>STAR</b>
State Fiscal Year: <b>2016</b>	Service Area: <b>Bexar/San Antonio</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**

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
<b>HHSC Managed Care contract costs</b>													
1 Member Months	24,783	24,903	24,891	24,693	24,504	24,334	24,168	23,725	23,073	0	0	0	<b>219,074</b>
2 <b>Average Monthly Member Months</b>													<b>24,342</b>
<b>Revenues:</b>													
3 Medical Premiums	3,629,207	3,643,847	3,632,073	3,578,902	3,540,230	3,498,225	3,466,683	3,379,302	3,229,183	0	0	0	31,597,652
4 Delivery Supplemental Payments	313,593	287,460	346,258	437,723	297,259	342,992	300,526	254,794	293,993	0	0	0	2,874,598
5 Pharmacy Premiums	843,112	849,083	847,640	840,251	835,246	831,594	827,253	814,520	793,214	0	0	0	7,481,913
6 Investment Income	9,795	8,221	8,587	11,115	9,620	9,165	9,789	4,580	4,806	0	0	0	75,678
7 Health Insurance Providers Fee Reimbursement	1,555,664												1,555,664
8 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues	6,351,371	4,788,611	4,834,558	4,867,991	4,682,355	4,681,976	4,604,251	4,453,196	4,321,196	0	0	0	43,585,505
10 Health Insurance Providers Fee & Related Costs	1,528,440												1,528,440
11 Health Insurance Providers Fee (NAIP)	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes	80,882	80,789	81,557	82,062	78,965	78,947	77,633	75,204	72,969	0	0	0	709,008
13 Maintenance Taxes	8	8	8	8	8	8	8	8	8	0	0	0	74
14 <b>Net Revenues</b>	<b>4,742,041</b>	<b>4,707,814</b>	<b>4,752,993</b>	<b>4,785,920</b>	<b>4,603,382</b>	<b>4,603,020</b>	<b>4,526,610</b>	<b>4,377,984</b>	<b>4,248,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,347,983</b>
<b>Medical Expenses:</b>													
15 Fee-For-Service	2,463,102	2,620,439	2,523,916	3,057,259	2,864,013	2,942,362	2,771,850	2,247,711	824,165	0	0	0	22,314,819
16 Capitated Services	29,443	21,185	17,782	22,980	16,701	19,040	19,171	24,377	21,999	0	0	0	192,677
17 Patient Centered Medical Home Services	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost	19,826	19,922	19,913	19,754	18,378	18,251	18,126	17,794	17,305	0	0	0	169,269
19 IBNR Accrual - Medical	9,168	12,647	19,445	33,151	612,253	128,988	524,869	1,361,020	2,642,405	0	0	0	5,343,946
20 Total Medical Expenses	2,521,540	2,674,194	2,581,056	3,133,144	3,511,345	3,108,640	3,334,016	3,650,902	3,505,874	0	0	0	28,020,711
21 Prescription Expenses (excluding PBM Admin)	688,293	663,076	631,680	672,072	677,764	752,605	703,902	709,600	693,376	0	0	0	6,192,369
22 <b>Total Medical and Prescription Expenses</b>	<b>3,209,833</b>	<b>3,337,270</b>	<b>3,212,736</b>	<b>3,805,216</b>	<b>4,189,109</b>	<b>3,861,245</b>	<b>4,037,918</b>	<b>4,360,502</b>	<b>4,199,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,213,080</b>
23 <b>Administrative Expenses</b>	<b>406,653</b>	<b>386,572</b>	<b>399,259</b>	<b>455,044</b>	<b>340,665</b>	<b>384,632</b>	<b>392,109</b>	<b>406,038</b>	<b>406,569</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,577,540</b>
24 <b>Total Expenses</b>	<b>3,616,486</b>	<b>3,723,842</b>	<b>3,611,995</b>	<b>4,260,260</b>	<b>4,529,773</b>	<b>4,245,878</b>	<b>4,430,027</b>	<b>4,766,540</b>	<b>4,605,819</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,790,620</b>
25 <b>Net Income Before Taxes</b>	<b>1,125,555</b>	<b>983,972</b>	<b>1,140,998</b>	<b>525,660</b>	<b>73,609</b>	<b>357,142</b>	<b>96,583</b>	<b>(388,556)</b>	<b>(357,600)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,557,363</b>
26 % Medical Exp to Net Revenues	53.2%	56.8%	54.3%	65.5%	76.3%	67.5%	73.7%	83.4%	82.5%	0.0%	0.0%	0.0%	67.8%
27 % Prescription Exp to Net Revenues	14.5%	14.1%	13.3%	14.0%	14.7%	16.4%	15.6%	16.2%	16.3%	0.0%	0.0%	0.0%	15.0%
28 % Total Medical and Prescription to Net Rev. (MLR)	67.7%	70.9%	67.6%	79.5%	91.0%	83.9%	89.2%	99.6%	98.8%	0.0%	0.0%	0.0%	82.7%
29 % Admin Exp to Net Revenues	8.6%	8.2%	8.4%	9.5%	7.4%	8.4%	8.7%	9.3%	9.6%	0.0%	0.0%	0.0%	8.7%
30 <b>% Net Income to Net Revenues</b>	<b>23.7%</b>	<b>20.9%</b>	<b>24.0%</b>	<b>11.0%</b>	<b>1.6%</b>	<b>7.8%</b>	<b>2.1%</b>	<b>-8.9%</b>	<b>-8.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.6%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)	10.4%	10.0%	10.2%	11.5%	9.0%	10.2%	10.6%	11.4%	11.8%	0.0%	0.0%	0.0%	10.6%

**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.