

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: **Aetna Health**
 State Fiscal Year: **2016** Program: **STAR**
 Submission Date: **6/30/2016** Service Area: **Ft. Worth / Tarrant**
 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		49,632	49,938	49,844	50,035	49,669	49,686	49,363	48,203	46,687	0	0	0	443,057
2 Average Monthly Member Months														49,229
Revenues:														
3 Medical Premiums		10,338,872	10,353,074	10,249,551	10,265,540	10,188,013	10,164,349	10,055,930	9,736,168	9,283,102	0	0	0	90,634,599
4 Delivery Supplemental Payments		1,403,357	1,436,078	1,556,054	1,566,961	1,672,395	1,450,620	1,396,086	1,294,287	1,050,700	0	0	0	12,826,538
5 Pharmacy Premiums		1,811,070	1,820,185	1,810,585	1,809,340	1,791,884	1,792,976	1,774,370	1,738,133	1,681,373	0	0	0	16,029,916
6 Investment Income		26,123	21,941	23,054	30,397	26,353	25,137	27,284	12,626	13,294	0	0	0	206,209
7 Health Insurance Providers Fee Reimbursement		4,391,850												4,391,850
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		17,971,272	13,631,278	13,639,244	13,672,238	13,678,645	13,433,082	13,253,670	12,781,214	12,028,469	0	0	0	124,089,112
10 Health Insurance Providers Fee & Related Costs		4,314,992												4,314,992
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		229,051	229,998	230,104	230,529	230,742	226,607	223,537	215,789	203,056	0	0	0	2,019,412
13 Maintenance Taxes		17	17	17	17	17	17	17	16	16	0	0	0	151
14 Net Revenues		13,427,212	13,401,263	13,409,123	13,441,692	13,447,886	13,206,459	13,030,116	12,565,408	11,825,397	0	0	0	117,754,557
Medical Expenses:														
15 Fee-For-Service		8,902,316	8,453,601	8,508,467	8,923,785	9,942,581	9,034,234	8,321,931	6,544,084	1,932,719	0	0	0	70,563,718
16 Capitated Services		43,418	39,611	35,530	31,258	30,701	34,275	34,053	35,014	33,842	0	0	0	317,700
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		39,706	39,950	39,875	40,028	37,252	37,265	37,022	36,152	35,015	0	0	0	342,265
19 IBNR Accrual - Medical		39,582	50,937	64,017	98,516	384,375	623,731	1,601,178	2,985,151	7,898,355	0	0	0	13,745,842
20 Total Medical Expenses		9,025,021	8,584,099	8,647,889	9,093,587	10,394,908	9,729,505	9,994,184	9,600,401	9,899,931	0	0	0	84,969,525
21 Prescription Expenses (excluding PBM Admin)		1,467,358	1,514,778	1,455,691	1,487,554	1,601,752	1,625,060	1,578,825	1,560,677	1,463,490	0	0	0	13,755,186
22 Total Medical and Prescription Expenses		10,492,379	10,098,877	10,103,580	10,581,141	11,996,660	11,354,565	11,573,009	11,161,078	11,363,421	0	0	0	98,724,711
23 Administrative Expenses		1,150,629	1,100,416	1,126,388	1,278,036	995,190	1,103,550	1,128,713	1,165,378	1,131,725	0	0	0	10,180,026
24 Total Expenses		11,643,008	11,199,293	11,229,969	11,859,178	12,991,849	12,458,115	12,701,722	12,326,457	12,495,146	0	0	0	108,904,737
25 Net Income Before Taxes		1,784,204	2,201,970	2,179,154	1,582,514	456,037	748,344	326,394	238,951	(669,749)	0	0	0	8,849,820
26 % Medical Exp to Net Revenues		67.2%	64.1%	64.5%	67.7%	77.3%	73.7%	76.7%	76.4%	83.7%	0.0%	0.0%	0.0%	72.2%
27 % Prescription Exp to Net Revenues		10.9%	11.3%	10.9%	11.1%	11.9%	12.3%	12.1%	12.4%	12.4%	0.0%	0.0%	0.0%	11.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		78.1%	75.4%	75.3%	78.7%	89.2%	86.0%	88.8%	88.8%	96.1%	0.0%	0.0%	0.0%	83.8%
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%	8.6%
30 % Net Income to Net Revenues		13.3%	16.4%	16.3%	11.8%	3.4%	5.7%	2.5%	1.9%	-5.7%	0.0%	0.0%	0.0%	7.5%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.9%	9.5%	9.7%	11.0%	8.5%	9.7%	10.0%	10.8%	11.2%	0.0%	0.0%	0.0%	10.0%

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.