

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	Program:	STAR
State Fiscal Year:	2016	Service Area:	Harris / Houston
Submission Date:	6/30/2016	Rptg Period End Date:	5/31/2016
Submission Type:	Quarterly		

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		112,885	113,600	113,410	111,771	111,114	110,826	110,382	108,618	105,697	0	0	0	998,303
2 Average Monthly Member Months														110,923
Revenues:														
3 Medical Premiums		19,717,977	19,845,670	19,711,061	19,363,784	19,240,972	19,296,656	19,334,197	18,990,961	18,298,522	0	0	0	173,799,800
4 Delivery Supplemental Payments		1,548,448	1,372,488	1,393,603	1,372,488	1,273,950	1,090,952	967,780	823,493	788,301	0	0	0	10,631,503
5 Pharmacy Premiums		3,708,488	3,744,915	3,732,073	3,667,354	3,649,403	3,651,495	3,647,415	3,599,398	3,495,763	0	0	0	32,896,304
6 Investment Income		192,044	158,715	151,499	179,710	146,479	148,283	163,463	143,545	143,473				1,427,210
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		25,166,957	25,121,788	24,988,236	24,583,336	24,310,804	24,187,386	24,112,855	23,557,397	22,726,059	0	0	0	218,754,817
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0				0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		433,123	436,854	434,643	427,063	422,876	420,684	419,114	409,742	395,195				3,799,296
13 Maintenance Taxes		7,338	7,384	7,372	7,265	7,222	7,204	7,175	7,060	6,870				64,890
14 Net Revenues		24,726,496	24,677,550	24,546,221	24,149,007	23,880,706	23,759,498	23,686,566	23,140,594	22,323,993	0	0	0	214,890,633
Medical Expenses:														
15 Fee-For-Service		17,223,919	18,064,166	16,643,312	16,482,142	16,802,242	17,034,391	15,690,627	13,873,420	8,410,694	0	0	0	140,224,914
16 Capitated Services		246,082	247,217	243,201	239,407	240,243	238,883	237,131	231,193	226,952	0	0	0	2,150,310
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		3,838	3,862	3,856	3,800	3,778	3,768	3,753	3,693	3,594	0	0	0	33,942
19 IBNR Accrual - Medical		(11,056)	412,349	(12,653)	17,418	461,361	490,691	1,655,769	2,843,133	8,663,679	0	0	0	14,520,691
20 Total Medical Expenses		17,462,784	18,727,595	16,877,716	16,742,767	17,507,624	17,767,733	17,587,280	16,951,439	17,304,919	0	0	0	156,929,857
21 Prescription Expenses (excluding PBM Admin)		3,486,940	3,854,989	3,312,960	3,351,318	3,558,411	3,826,058	4,065,303	3,750,605	3,553,783	0	0	0	32,760,366
22 Total Medical and Prescription Expenses		20,949,724	22,582,584	20,190,676	20,094,085	21,066,035	21,593,791	21,652,583	20,702,044	20,858,702	0	0	0	189,690,223
23 Administrative Expenses		1,870,077	1,786,696	1,713,031	2,166,089	1,735,399	1,701,371	1,839,063	1,752,426	1,645,970				16,210,123
24 Total Expenses		22,819,801	24,369,280	21,903,707	22,260,174	22,801,435	23,295,162	23,491,646	22,454,469	22,504,672	0	0	0	205,900,346
25 Net Income Before Taxes		1,906,695	308,270	2,642,514	1,888,833	1,079,271	464,336	194,920	686,125	(180,679)	0	0	0	8,990,287
26 % Medical Exp to Net Revenues		70.6%	75.9%	68.8%	69.3%	73.3%	74.8%	74.3%	73.3%	77.5%	0.0%	0.0%	0.0%	73.0%
27 % Prescription Exp to Net Revenues		14.1%	15.6%	13.5%	13.9%	14.9%	16.1%	17.2%	16.2%	15.9%	0.0%	0.0%	0.0%	15.2%
28 % Total Medical and Prescription to Net Rev. (MLR)		84.7%	91.5%	82.3%	83.2%	88.2%	90.9%	91.4%	89.5%	93.4%	0.0%	0.0%	0.0%	88.3%
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		7.7%	1.2%	10.8%	7.8%	4.5%	2.0%	0.8%	3.0%	-0.8%	0.0%	0.0%	0.0%	4.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.9%	8.5%	8.2%	10.6%	8.6%	8.5%	9.2%	9.0%	8.7%	0.0%	0.0%	0.0%	8.9%
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.