

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:	Jefferson
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		6,888	6,956	6,902	6,766	6,620	6,670	6,671	6,654	6,474	0	0	0	60,601
2 Average Monthly Member Months														6,733
Revenues:														
3 Medical Premiums		1,710,754	1,720,626	1,696,853	1,659,471	1,617,383	1,655,422	1,644,129	1,615,433	1,552,187	0	0	0	14,872,258
4 Delivery Supplemental Payments		159,545	156,151	122,205	125,600	98,443	142,572	118,810	128,994	98,443	0	0	0	1,150,763
5 Pharmacy Premiums		353,843	358,954	356,211	347,135	338,384	339,931	341,060	339,417	329,792	0	0	0	3,104,727
6 Investment Income		17,301	14,349	13,653	16,030	12,824	13,017	14,681	13,061	12,951				127,867
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0				0
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		2,241,443	2,250,080	2,188,922	2,148,236	2,067,034	2,150,942	2,118,680	2,096,905	1,993,373	0	0	0	19,255,615
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		34,985	39,125	38,067	33,376	35,949	37,414	36,820	36,467	34,657				326,861
13 Maintenance Taxes		448	452	449	440	430	434	434	433	421				3,939
14 Net Revenues		2,206,010	2,210,503	2,150,406	2,114,420	2,030,655	2,113,095	2,081,426	2,060,005	1,958,295	0	0	0	18,924,815
Medical Expenses:														
15 Fee-For-Service		1,414,786	1,363,559	1,128,577	1,390,776	1,141,150	1,421,925	1,154,950	1,095,737	672,601	0	0	0	10,784,062
16 Capitated Services		8,064	8,153	8,071	7,930	7,758	7,804	7,874	7,978	7,856	0	0	0	71,489
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		234	237	235	230	225	227	227	226	220	0	0	0	2,060
19 IBNR Accrual - Medical		(3,539)	(2,463)	(1,891)	(1,089)	143,772	15,956	104,313	248,497	610,983	0	0	0	1,114,539
20 Total Medical Expenses		1,419,545	1,369,486	1,134,992	1,397,847	1,292,906	1,445,912	1,267,364	1,352,438	1,291,660	0	0	0	11,972,150
21 Prescription Expenses (excluding PBM Admin)		301,978	350,478	284,586	317,637	310,525	339,032	322,495	303,314	313,267	0	0	0	2,843,311
22 Total Medical and Prescription Expenses		1,721,523	1,719,964	1,419,578	1,715,484	1,603,431	1,784,944	1,589,859	1,655,752	1,604,927	0	0	0	14,815,461
23 Administrative Expenses		166,555	160,029	150,058	189,286	147,553	151,300	161,590	155,988	144,373				1,426,731
24 Total Expenses		1,888,077	1,879,993	1,569,636	1,904,770	1,750,984	1,936,244	1,751,449	1,811,740	1,749,300	0	0	0	16,242,193
25 Net Income Before Taxes		317,933	330,510	580,770	209,650	279,671	176,851	329,977	248,265	208,995	0	0	0	2,682,622
26 % Medical Exp to Net Revenues		64.3%	62.0%	52.8%	66.1%	63.7%	68.4%	60.9%	65.7%	66.0%	0.0%	0.0%	0.0%	63.3%
27 % Prescription Exp to Net Revenues		13.7%	15.9%	13.2%	15.0%	15.3%	16.0%	15.5%	14.7%	16.0%	0.0%	0.0%	0.0%	15.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		78.0%	77.8%	66.0%	81.1%	79.0%	84.5%	76.4%	80.4%	82.0%	0.0%	0.0%	0.0%	78.3%
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		14.4%	15.0%	27.0%	9.9%	13.8%	8.4%	15.9%	12.1%	10.7%	0.0%	0.0%	0.0%	14.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.0%	8.6%	8.4%	10.7%	8.7%	8.5%	9.3%	9.1%	8.9%	0.0%	0.0%	0.0%	9.0%
Post-income items:														
32 Performance Assessment														0

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.