

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**
 State Fiscal Year: **2016** Program: **STAR**
 Submission Date: **6/30/2016** Service Area: **Fl. 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		120,150	120,625	120,561	119,757	119,316	119,160	118,798	116,870	114,463	0	0	0	1,069,700
2 Average Monthly Member Months														118,856
Revenues:														
3 Medical Premiums		19,931,500	19,950,472	19,834,747	19,701,455	19,643,965	19,685,785	19,713,070	19,343,230	18,794,760	0	0	0	176,598,984
4 Delivery Supplemental Payments		1,425,171	1,516,062	1,337,916	1,403,357	1,239,753	1,228,847	1,352,459	1,210,668	1,047,064	0	0	0	11,761,297
5 Pharmacy Premiums		4,199,599	4,219,309	4,210,985	4,173,508	4,168,689	4,170,710	4,158,147	4,095,965	4,014,901	0	0	0	37,411,813
6 Investment Income		220,585	183,492	171,902	206,536	170,511	169,977	190,351	168,159	168,286				1,649,800
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		25,776,855	25,869,335	25,555,550	25,484,856	25,222,918	25,255,319	25,414,027	24,818,022	24,025,011	0	0	0	227,421,894
10 Health Insurance Providers Fee & Related Costs		0												0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		443,297	449,502	444,214	442,371	438,417	438,993	441,414	431,373	417,493				3,947,074
13 Maintenance Taxes		7,810	7,841	7,836	7,784	7,756	7,745	7,722	7,597	7,440				69,531
14 Net Revenues		25,325,748	25,411,992	25,103,500	25,034,701	24,776,745	24,808,580	24,964,891	24,379,053	23,600,078	0	0	0	223,405,288
Medical Expenses:														
15 Fee-For-Service		18,248,557	17,862,110	16,286,747	16,282,475	17,838,684	16,967,868	16,757,051	15,135,740	7,777,267	0	0	0	143,156,499
16 Capitated Services		297,128	289,235	282,770	278,787	273,092	239,018	236,835	233,434	230,609	0	0	0	2,360,908
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		4,085	4,101	4,099	4,072	4,057	4,051	4,039	3,974	3,892	0	0	0	36,370
19 IBNR Accrual - Medical		331,033	(22,106)	661,172	991,274	323,687	253,331	1,663,971	3,163,285	10,239,161	0	0	0	17,604,808
20 Total Medical Expenses		18,880,803	18,133,340	17,234,788	17,556,607	18,439,519	17,464,269	18,661,896	18,536,433	18,250,929	0	0	0	163,158,584
21 Prescription Expenses (excluding PBM Admin)		3,777,845	4,006,307	3,656,239	3,861,235	4,198,023	4,394,558	4,591,101	4,172,560	4,101,068	0	0	0	36,758,934
22 Total Medical and Prescription Expenses		22,658,648	22,139,647	20,891,027	21,417,842	22,637,542	21,858,827	23,252,997	22,708,993	22,351,997	0	0	0	199,917,518
23 Administrative Expenses		1,915,396	1,839,863	1,751,923	2,245,524	1,800,510	1,776,491	1,938,302	1,846,203	1,740,049				16,854,260
24 Total Expenses		24,574,044	23,979,510	22,642,949	23,663,365	24,438,051	23,635,318	25,191,299	24,555,196	24,092,046	0	0	0	216,771,778
25 Net Income Before Taxes		751,704	1,432,482	2,460,551	1,371,336	338,694	1,173,262	(226,408)	(176,143)	(491,968)	0	0	0	6,633,510
26 % Medical Exp to Net Revenues		74.6%	71.4%	68.7%	70.1%	74.4%	70.4%	74.8%	76.0%	77.3%	0.0%	0.0%	0.0%	73.0%
27 % Prescription Exp to Net Revenues		14.9%	15.8%	14.6%	15.4%	16.9%	17.7%	18.4%	17.1%	17.4%	0.0%	0.0%	0.0%	16.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		89.5%	87.1%	83.2%	85.6%	91.4%	88.1%	93.1%	93.1%	94.7%	0.0%	0.0%	0.0%	89.5%
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		3.0%	5.6%	9.8%	5.5%	1.4%	4.7%	-0.9%	-0.7%	-2.1%	0.0%	0.0%	0.0%	3.0%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.1%	8.7%	8.4%	10.8%	8.7%	8.6%	9.3%	9.1%	8.9%	0.0%	0.0%	0.0%	9.1%
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.