

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:	Community Health Choice / Harris County Hosp. Distr.		
State Fiscal Year:	2016	Program:	STAR
Submission Date:	7/12/2016	Service Area:	Harris / Houston
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		215,703	217,298	218,516	218,814	218,324	218,067	217,641	214,873	210,068	0	0	0	1,949,304
2 Average Monthly Member Months														216,589
Revenues:														
3 Medical Premiums		48,061,155	48,308,598	48,387,435	48,410,757	48,145,581	48,135,699	48,088,634	47,157,099	45,511,602	0	0	0	430,206,560
4 Delivery Supplemental Payments		4,353,250	4,944,476	4,589,037	4,786,112	4,381,404	3,923,908	4,194,886	3,825,370	4,272,309	0	0	0	39,270,752
5 Pharmacy Premiums		7,345,120	7,393,651	7,423,576	7,424,076	7,408,778	7,403,079	7,383,904	7,302,520	7,123,208	0	0	0	66,207,912
6 Investment Income		69,992	64,997	43,070	79,633	88,668	85,221	90,542	89,317	85,115				696,555
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		59,829,517	60,711,722	60,443,118	60,700,578	60,024,431	59,547,907	59,757,966	58,374,306	56,992,234	0	0	0	536,381,779
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		1,045,792	1,061,318	1,057,001	1,060,867	1,048,876	1,040,597	1,044,180	1,019,987	995,875				9,374,493
13 Maintenance Taxes		15,373	15,487	15,574	15,595	15,579	15,560	15,530	15,332	14,990				139,020
14 Net Revenues		58,768,352	59,634,917	59,370,543	59,624,116	58,959,976	58,491,750	58,698,256	57,338,987	55,981,369	0	0	0	526,868,266
Medical Expenses:														
15 Fee-For-Service		46,084,453	47,996,731	47,649,423	45,158,895	44,854,331	44,513,962	44,485,704	37,677,014	19,608,233	0	0	0	378,028,745
16 Capitated Services		361,931	363,246	366,656	367,946	365,957	368,029	364,022	361,062	355,132	0	0	0	3,273,980
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		179,494	180,588	181,989	181,891	181,079	181,020	181,016	180,493	176,457	0	0	0	1,624,027
19 IBNR Accrual - Medical		478,950	574,025	360,905	754,332	1,877,522	3,151,026	6,807,206	9,389,208	23,884,632	0	0	0	47,277,806
20 Total Medical Expenses		47,104,827	49,114,590	48,558,973	46,463,064	47,278,889	48,214,037	51,837,947	47,607,777	44,024,454	0	0	0	430,204,558
21 Prescription Expenses (excluding PBM Admin)		6,408,772	6,741,676	6,388,946	6,674,620	6,731,746	7,076,930	7,761,853	7,021,526	6,602,768	0	0	0	61,408,839
22 Total Medical and Prescription Expenses		53,513,599	55,856,266	54,947,919	53,137,684	54,010,635	55,290,967	59,599,800	54,629,303	50,627,222	0	0	0	491,613,397
23 Administrative Expenses		3,785,185	4,475,215	4,064,166	4,829,401	3,879,859	4,586,022	4,228,439	4,702,419	4,178,231				38,728,937
24 Total Expenses		57,298,784	60,331,481	59,012,085	57,967,085	57,890,494	59,876,989	63,828,239	59,331,723	54,805,453	0	0	0	530,342,333
25 Net Income Before Taxes		1,469,568	(696,564)	358,458	1,657,031	1,069,482	(1,385,239)	(5,129,983)	(1,992,736)	1,175,916	0	0	0	(3,474,067)
26 % Medical Exp to Net Revenues		80.2%	82.4%	81.8%	77.9%	80.2%	82.4%	88.3%	83.0%	78.6%	0.0%	0.0%	0.0%	81.7%
27 % Prescription Exp to Net Revenues		10.9%	11.3%	10.8%	11.2%	11.4%	12.1%	13.2%	12.2%	11.8%	0.0%	0.0%	0.0%	11.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		91.1%	93.7%	92.6%	89.1%	91.6%	94.5%	101.5%	95.3%	90.4%	0.0%	0.0%	0.0%	93.3%
29 % Admin Exp to Net Revenues		6.4%	7.5%	6.8%	8.1%	6.6%	7.8%	7.2%	8.2%	7.5%	0.0%	0.0%	0.0%	7.4%
30 % Net Income to Net Revenues		2.5%	-1.2%	0.6%	2.8%	1.8%	-2.4%	-8.7%	-3.5%	2.1%	0.0%	0.0%	0.0%	-0.7%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		7.4%	8.6%	7.8%	9.3%	7.5%	9.0%	8.2%	9.4%	8.6%	0.0%	0.0%	0.0%	8.4%
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.