

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: **Jefferson**
 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		22,309	22,406	22,475	22,502	22,468	22,552	22,348	21,881	21,373	0	0	0	200,314
2 Average Monthly Member Months														22,257
Revenues:														
3 Medical Premiums		4,734,671	4,715,327	4,688,099	4,725,351	4,717,339	4,731,342	4,711,253	4,559,991	4,382,147	0	0	0	41,965,520
4 Delivery Supplemental Payments		461,663	431,112	444,690	549,922	397,166	383,588	437,901	363,220	410,744	0	0	0	3,880,006
5 Pharmacy Premiums		994,328	1,001,536	1,005,120	1,001,647	1,003,816	1,009,485	997,862	976,711	955,200	0	0	0	8,945,705
6 Investment Income		7,251	6,589	4,377	8,246	9,051	8,777	9,328	9,041	8,597				71,257
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		6,197,913	6,154,564	6,142,286	6,285,166	6,127,372	6,133,192	6,156,344	5,908,963	5,756,688	0	0	0	54,862,488
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		108,337	107,590	107,413	109,846	107,071	107,177	107,573	103,249	100,592				958,848
13 Maintenance Taxes		1,600	1,607	1,612	1,614	1,602	1,608	1,593	1,560	1,524				14,320
14 Net Revenues		6,087,976	6,045,367	6,033,261	6,173,706	6,018,699	6,024,407	6,047,178	5,804,154	5,654,572	0	0	0	53,889,320
Medical Expenses:														
15 Fee-For-Service		4,332,846	4,243,258	3,666,679	4,802,925	4,192,665	3,744,333	3,789,105	3,533,354	1,576,438	0	0	0	33,881,604
16 Capitated Services		37,945	38,004	38,332	38,371	38,182	38,642	37,918	37,271	36,650	0	0	0	341,314
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		18,571	18,652	18,732	18,704	18,660	18,745	18,584	18,380	17,953	0	0	0	166,981
19 IBNR Accrual - Medical		48,351	57,950	36,434	76,152	189,541	318,105	687,210	947,872	2,411,229	0	0	0	4,772,844
20 Total Medical Expenses		4,437,713	4,357,864	3,760,177	4,936,152	4,439,048	4,119,825	4,532,817	4,536,877	4,042,270	0	0	0	39,162,743
21 Prescription Expenses (excluding PBM Admin)		782,009	803,436	747,639	760,594	826,991	828,456	824,941	811,366	768,826	0	0	0	7,154,259
22 Total Medical and Prescription Expenses		5,219,722	5,161,300	4,507,816	5,696,746	5,266,039	4,948,281	5,357,758	5,348,243	4,811,096	0	0	0	46,317,002
23 Administrative Expenses		392,118	453,668	413,004	500,054	396,061	472,342	435,619	476,004	422,036				3,960,908
24 Total Expenses		5,611,841	5,614,968	4,920,821	6,196,800	5,662,100	5,420,622	5,793,377	5,824,247	5,233,132	0	0	0	50,277,908
25 Net Income Before Taxes		476,135	430,399	1,112,440	(23,094)	356,599	603,785	253,801	(20,093)	421,440	0	0	0	3,611,412
26 % Medical Exp to Net Revenues		72.9%	72.1%	62.3%	80.0%	73.8%	68.4%	75.0%	78.2%	71.5%	0.0%	0.0%	0.0%	72.7%
27 % Prescription Exp to Net Revenues		12.8%	13.3%	12.4%	12.3%	13.7%	13.8%	13.6%	14.0%	13.6%	0.0%	0.0%	0.0%	13.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		85.7%	85.4%	74.7%	92.3%	87.5%	82.1%	88.6%	92.1%	85.1%	0.0%	0.0%	0.0%	85.9%
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		7.8%	7.1%	18.4%	-0.4%	5.9%	10.0%	4.2%	-0.3%	7.5%	0.0%	0.0%	0.0%	6.7%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		7.7%	9.0%	8.2%	9.7%	7.9%	9.4%	8.6%	9.9%	9.0%	0.0%	0.0%	0.0%	8.8%
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.