

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:	Cook Children's Health Plan	Program:	STAR
State Fiscal Year:	2016	Service Area:	Fl. Worth / Tarrant
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		99,311	99,786	100,315	101,767	101,522	100,890	100,175	98,868	96,733	0	0	0	899,367
2 Average Monthly Member Months														99,930
Revenues:														
3 Medical Premiums		17,374,434	17,426,606	17,457,500	17,739,753	17,711,115	17,598,961	17,519,333	17,238,763	16,737,418	0	0	0	156,803,883
4 Delivery Supplemental Payments		1,297,923	1,108,870	1,112,506	1,072,513	1,127,048	1,090,692	1,090,692	1,090,692	1,090,692	0	0	0	10,081,628
5 Pharmacy Premiums		3,716,647	3,736,725	3,761,049	3,819,761	3,805,428	3,780,390	3,751,766	3,706,257	3,623,989	0	0	0	33,702,012
6 Investment Income		66,101	56,684	51,246	54,145	77,083	79,291	80,071	83,541	0				548,160
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0				0
8 Other Revenue		21,739	21,739	21,739	11,770	11,770	22,333	9,587	0	0				120,678
9 Total Gross Revenues		22,476,844	22,350,624	22,404,040	22,697,942	22,732,445	22,571,667	22,451,449	22,119,253	21,452,099	0	0	0	201,256,361
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		391,808	389,764	390,793	396,060	392,325	393,226	391,331	385,625	375,412				3,506,344
13 Maintenance Taxes		7,135	7,168	7,205	7,307	7,290	7,246	7,196	7,104	6,955				64,605
14 Net Revenues		22,077,901	21,953,692	22,006,041	22,294,575	22,332,830	22,171,196	22,052,922	21,726,524	21,069,733	0	0	0	197,685,414
Medical Expenses:														
15 Fee-For-Service		16,513,768	16,131,633	13,889,069	14,384,139	15,831,795	16,330,167	14,591,130	10,527,221	1,562,208	0	0	0	119,761,129
16 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		142,015	142,694	143,450	140,959	128,114	129,534	134,695	141,381	138,328	0	0	0	1,241,171
19 IBNR Accrual - Medical		96,712	154,214	234,621	322,429	608,548	1,232,484	1,939,692	4,332,701	15,642,276	0	0	0	24,563,677
20 Total Medical Expenses		16,752,495	16,428,541	14,267,140	14,847,527	16,568,457	17,692,185	16,665,517	15,001,303	17,342,812	0	0	0	145,565,977
21 Prescription Expenses (excluding PBM Admin)		3,324,978	3,252,479	3,011,828	3,180,187	3,340,012	3,457,871	3,565,670	3,337,455	3,095,463	0	0	0	29,565,943
22 Total Medical and Prescription Expenses		20,077,473	19,681,020	17,278,968	18,027,714	19,908,469	21,150,056	20,231,187	18,338,758	20,438,275	0	0	0	175,131,920
23 Administrative Expenses		1,876,102	1,834,926	1,743,322	1,937,616	1,927,364	1,905,366	1,913,375	1,998,222	1,971,793				17,108,086
24 Total Expenses		21,953,575	21,515,946	19,022,289	19,965,330	21,835,832	23,055,422	22,144,562	20,336,980	22,410,068	0	0	0	192,240,004
25 Net Income Before Taxes		124,326	437,746	2,983,752	2,329,245	496,998	(884,226)	(91,640)	1,389,544	(1,340,335)	0	0	0	5,445,410
26 % Medical Exp to Net Revenues		75.9%	74.8%	64.8%	66.6%	74.2%	79.8%	75.6%	69.0%	82.3%	0.0%	0.0%	0.0%	73.6%
27 % Prescription Exp to Net Revenues		15.1%	14.8%	13.7%	14.3%	15.0%	15.6%	16.2%	15.4%	14.7%	0.0%	0.0%	0.0%	15.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		90.9%	89.6%	78.5%	80.9%	89.1%	95.4%	91.7%	84.4%	97.0%	0.0%	0.0%	0.0%	88.6%
29 % Admin Exp to Net Revenues		8.5%	8.4%	7.9%	8.7%	8.6%	8.6%	8.7%	9.2%	9.4%	0.0%	0.0%	0.0%	8.7%
30 % Net Income to Net Revenues		0.6%	2.0%	13.6%	10.4%	2.2%	-4.0%	-0.4%	6.4%	-6.4%	0.0%	0.0%	0.0%	2.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		10.2%	10.1%	9.6%	10.5%	10.4%	10.4%	10.5%	11.1%	11.3%	0.0%	0.0%	0.0%	10.4%
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.