

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:	Texas Children's Health Plan	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		28,286	28,429	28,529	29,201	29,309	29,188	29,137	28,629	27,998	0	0	0	258,706
2 Average Monthly Member Months														28,745
Revenues:														
3 Medical Premiums		4,720,509	4,715,769	4,703,967	4,835,637	4,838,454	4,820,316	4,829,625	4,702,077	4,504,237	0	0	0	42,670,591
4 Delivery Supplemental Payments		431,112	441,295	336,064	424,323	329,274	390,377	383,587	281,750	142,572	0	0	0	3,160,354
5 Pharmacy Premiums		1,348,683	1,357,876	1,364,257	1,401,450	1,406,909	1,399,459	1,394,969	1,373,980	1,343,568	0	0	0	12,391,151
6 Investment Income		14,527	2,208	(8,695)	(12,272)	23,565	6,067	58,082	27,442	(1,872)	0	0	0	109,052
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		6,514,831	6,517,148	6,395,593	6,649,138	6,598,202	6,616,219	6,666,263	6,385,249	5,988,505	0	0	0	58,331,148
10 Health Insurance Providers Fee & Related Costs		0	0	0	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	0	0	0
12 Premium Taxes		113,755	114,011	112,016	116,575	114,503	115,559	115,227	108,826	102,337	0	0	0	1,012,809
13 Maintenance Taxes		1,994	1,994	1,994	1,994	2,045	2,045	2,045	2,045	2,045	0	0	0	18,203
14 Net Revenues		6,399,082	6,401,142	6,281,583	6,530,569	6,481,653	6,498,615	6,548,990	6,274,378	5,884,123	0	0	0	57,300,136
Medical Expenses:														
15 Fee-For-Service		4,354,403	4,105,505	5,036,972	3,799,262	4,098,400	4,348,215	3,920,161	3,238,579	1,642,991	0	0	0	34,544,489
16 Capitated Services		57,765	58,186	58,409	59,359	59,423	59,046	58,865	58,107	57,538	0	0	0	526,699
17 Patient Centered Medical Home Services		7,349	6,518	6,662	3,980	3,842	4,376	6,415	6,448	6,841	0	0	0	52,431
18 Net Reinsurance cost		6,435	6,468	6,676	6,833	6,858	6,830	6,818	6,699	6,552	0	0	0	60,169
19 IBNR Accrual - Medical		58,729	67,462	125,319	174,301	200,358	288,595	445,985	1,102,134	3,042,298	0	0	0	5,505,181
20 Total Medical Expenses		4,484,681	4,244,139	5,234,038	4,043,735	4,368,881	4,707,062	4,438,244	4,411,968	4,756,220	0	0	0	40,688,968
21 Prescription Expenses (excluding PBM Admin)		1,183,850	1,209,944	1,110,879	1,195,195	1,319,241	1,280,805	1,367,728	1,334,512	1,198,856	0	0	0	11,201,010
22 Total Medical and Prescription Expenses		5,668,531	5,454,083	6,344,917	5,238,930	5,688,122	5,987,867	5,805,972	5,746,480	5,955,076	0	0	0	51,889,978
23 Administrative Expenses		480,457	458,701	487,668	548,533	491,521	542,203	535,201	568,277	555,768	0	0	0	4,668,329
24 Total Expenses		6,148,987	5,912,784	6,832,585	5,787,463	6,179,643	6,530,070	6,341,173	6,314,757	6,510,844	0	0	0	56,558,306
25 Net Income Before Taxes		250,095	488,358	(551,002)	743,106	302,010	(31,455)	207,817	(40,379)	(626,721)	0	0	0	741,830
26 % Medical Exp to Net Revenues		70.1%	66.3%	83.3%	61.9%	67.4%	72.4%	67.8%	70.3%	80.8%	0.0%	0.0%	0.0%	71.0%
27 % Prescription Exp to Net Revenues		18.5%	18.9%	17.7%	18.3%	20.4%	19.7%	20.9%	21.3%	20.4%	0.0%	0.0%	0.0%	19.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		88.6%	85.2%	101.0%	80.2%	87.8%	92.1%	88.7%	91.6%	101.2%	0.0%	0.0%	0.0%	90.6%
29 % Admin Exp to Net Revenues		7.5%	7.2%	7.8%	8.4%	7.6%	8.3%	8.2%	9.1%	9.4%	0.0%	0.0%	0.0%	8.1%
30 % Net Income to Net Revenues		3.9%	7.6%	-8.8%	11.4%	4.7%	-0.5%	3.2%	-0.6%	-10.7%	0.0%	0.0%	0.0%	1.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.5%	9.1%	9.9%	10.7%	9.7%	10.6%	10.4%	11.6%	12.2%	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.