

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: Aetna Health	Program: CHIP
State Fiscal Year: 2016	Service Area: Bexar/San Antonio
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		3,076	3,021	2,984	2,972	3,008	2,975	3,128	3,149	3,116	0	0	0	27,429
2 Average Monthly Member Months														3,048
Revenues:														
3 Medical Premiums		266,134	262,597	255,768	257,734	264,329	265,316	277,510	272,033	261,857	0	0	0	2,383,278
4 Delivery Supplemental Payments		0	0	0	0	0	3,100	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		82,534	81,247	80,384	79,806	80,885	79,781	84,101	85,185	84,399	0	0	0	738,322
6 Investment Income		798	616	639	831	748	734	751	398	414	0	0	0	5,929
7 Health Insurance Providers Fee Reimbursement		111,286												111,286
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		460,752	344,460	336,791	338,371	345,962	348,931	362,362	357,616	346,670	0	0	0	3,241,915
10 Health Insurance Providers Fee & Related Costs		109,338												109,338
11 Premium Taxes		5,892	5,811	5,681	5,704	5,834	5,885	6,111	6,037	5,852	0	0	0	52,807
12 Maintenance Taxes		1	1	1	1	1	1	1	1	1	0	0	0	9
13 Net Revenues		345,520	338,648	331,109	332,666	340,127	343,045	356,250	351,578	340,817	0	0	0	3,079,760
Medical Expenses:														
14 Fee-For-Service		184,144	194,745	156,258	197,993	179,251	167,312	182,177	141,931	53,539	0	0	0	1,457,348
15 Capitated Services		3,292	1,829	2,078	1,628	1,660	1,367	1,602	1,806	2,222	0	0	0	17,483
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		537	531	514	520	528	532	556	542	517	0	0	0	4,777
18 IBNR Accrual - Medical		65	44	175	507	842	3,751	16,100	48,314	146,985	0	0	0	216,783
19 Total Medical Expenses		188,037	197,149	159,025	200,647	182,281	172,961	200,435	192,593	203,263	0	0	0	1,696,391
20 Prescription Expenses (excluding PBM Admin)		67,486	65,458	61,310	67,515	67,875	62,590	83,670	70,027	69,939	0	0	0	615,869
21 Total Medical and Prescription Expenses		255,523	262,607	220,335	268,162	250,156	235,551	284,105	262,620	273,202	0	0	0	2,312,260
22 Administrative Expenses		29,500	27,807	27,814	31,630	25,170	28,665	30,860	32,607	32,617	0	0	0	266,671
23 Total Expenses		285,023	290,414	248,148	299,791	275,327	264,216	314,965	295,227	305,819	0	0	0	2,578,930
24 Net Income Before Taxes		60,497	48,234	82,961	32,875	64,800	78,829	41,285	56,351	34,998	0	0	0	500,830
25 % Medical Exp to Net Revenues		54.4%	58.2%	48.0%	60.3%	53.6%	50.4%	56.3%	54.8%	59.6%	0.0%	0.0%	0.0%	55.1%
26 % Prescription Exp to Net Revenues		19.5%	19.3%	18.5%	20.3%	20.0%	18.2%	23.5%	19.9%	20.5%	0.0%	0.0%	0.0%	20.0%
27 % Total Medical and Prescription to Net Rev. (MLR)		74.0%	77.5%	66.5%	80.6%	73.5%	68.7%	79.7%	74.7%	80.2%	0.0%	0.0%	0.0%	75.1%
28 % Admin Exp to Net Revenues		8.5%	8.2%	8.4%	9.5%	7.4%	8.4%	8.7%	9.3%	9.6%	0.0%	0.0%	0.0%	8.7%
29 % Net Income to Net Revenues		17.5%	14.2%	25.1%	9.9%	19.1%	23.0%	11.6%	16.0%	10.3%	0.0%	0.0%	0.0%	16.3%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.2%	10.8%	11.1%	12.5%	9.7%	10.9%	11.3%	12.2%	12.7%	0.0%	0.0%	0.0%	11.4%
Post-income items:														
31 Performance Assessment														

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.