

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: Amerigroup / Wellpoint	Program: CHIP
State Fiscal Year: 2016	Service Area: Dallas
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		31,192	31,847	31,897	32,571	32,489	32,863	33,995	34,051	34,580	0	0	0	295,485
2 Average Monthly Member Months														32,832
Revenues:														
3 Medical Premiums		3,556,907	3,634,400	3,635,922	3,701,505	3,698,447	3,750,880	3,892,106	3,701,889	3,814,090	0	0	0	33,386,146
4 Delivery Supplemental Payments		12,400	12,400	12,400	3,100	9,300	3,100	12,400	3,100	0	0	0	0	68,200
5 Pharmacy Premiums		921,229	940,264	941,637	962,838	960,009	970,284	1,001,848	1,017,357	1,029,380	0	0	0	8,744,846
6 Investment Income		41,135	34,567	33,013	40,654	33,376	33,594	37,126	35,184	35,336				323,984
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		4,531,671	4,621,631	4,622,972	4,708,097	4,701,132	4,757,858	4,943,480	4,757,530	4,878,806	0	0	0	42,523,176
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		74,647	80,274	80,324	81,680	81,686	82,675	85,861	82,641	84,761				734,548
12 Maintenance Taxes		2,027	2,070	2,073	2,117	2,112	2,136	2,210	2,213	2,248				19,207
13 Net Revenues		4,454,997	4,539,287	4,540,574	4,624,300	4,617,334	4,673,047	4,855,409	4,672,676	4,791,798	0	0	0	41,769,422
Medical Expenses:														
14 Fee-For-Service		2,252,430	2,589,337	2,440,588	2,359,570	2,445,255	2,678,720	2,741,439	2,503,964	1,216,833	0	0	0	21,228,136
15 Capitated Services		33,455	34,143	34,232	35,013	36,244	36,620	37,832	38,778	39,099	0	0	0	325,416
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		1,061	1,083	1,084	1,107	1,105	1,117	1,156	1,158	1,176	0	0	0	10,046
18 IBNR Accrual - Medical		(5,970)	(6,871)	(1,504)	7,466	29,674	13,472	38,595	349,572	1,500,039	0	0	0	1,924,473
19 Total Medical Expenses		2,280,975	2,617,692	2,474,401	2,403,156	2,512,278	2,729,929	2,819,022	2,893,472	2,757,147	0	0	0	23,488,072
20 Prescription Expenses (excluding PBM Admin)		850,920	884,418	799,961	794,927	883,252	980,282	960,925	885,143	787,560	0	0	0	7,827,390
21 Total Medical and Prescription Expenses		3,131,895	3,502,110	3,274,362	3,198,083	3,395,530	3,710,211	3,779,947	3,778,615	3,544,707	0	0	0	31,315,462
22 Administrative Expenses		336,734	328,697	316,921	414,840	335,585	334,674	377,034	353,911	353,355				3,151,751
23 Total Expenses		3,468,629	3,830,807	3,591,283	3,612,924	3,731,115	4,044,885	4,156,981	4,132,526	3,898,062	0	0	0	34,467,212
24 Net Income Before Taxes		986,368	708,480	949,291	1,011,376	886,219	628,162	698,428	540,150	893,736	0	0	0	7,302,210
25 % Medical Exp to Net Revenues		51.2%	57.7%	54.5%	52.0%	54.4%	58.4%	58.1%	61.9%	57.5%	0.0%	0.0%	0.0%	56.2%
26 % Prescription Exp to Net Revenues		19.1%	19.5%	17.6%	17.2%	19.1%	21.0%	19.8%	18.9%	16.4%	0.0%	0.0%	0.0%	18.7%
27 % Total Medical and Prescription to Net Rev. (MLR)		70.3%	77.2%	72.1%	69.2%	73.5%	79.4%	77.9%	80.9%	74.0%	0.0%	0.0%	0.0%	75.0%
28 % Admin Exp to Net Revenues		7.6%	7.2%	7.0%	9.0%	7.3%	7.2%	7.8%	7.6%	7.4%	0.0%	0.0%	0.0%	7.5%
29 % Net Income to Net Revenues		22.1%	15.6%	20.9%	21.9%	19.2%	13.4%	14.4%	11.6%	18.7%	0.0%	0.0%	0.0%	17.5%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.5%	9.1%	8.8%	11.3%	9.2%	9.0%	9.8%	9.7%	9.4%	0.0%	0.0%	0.0%	9.5%
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.