

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: 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		362	376	369	386	365	381	402	390	380	0	0	0	3,411
2 Average Monthly Member Months														379
Revenues:														
3 Medical Premiums		51,256	50,266	47,563	49,054	47,171	50,246	53,148	48,710	45,473	0	0	0	442,887
4 Delivery Supplemental Payments		0	3,100	0	0	3,100	0	0	0	0	0	0	0	6,200
5 Pharmacy Premiums		11,081	11,685	11,530	12,092	11,437	11,987	12,541	12,310	12,162	0	0	0	106,825
6 Investment Income		613	513	433	508	421	450	338	497	496				4,269
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		62,950	65,564	59,526	61,654	62,129	62,683	66,027	61,517	58,131	0	0	0	560,181
10 Health Insurance Providers Fee & Related Costs														0
11 Premium Taxes		1,091	569	517	1,070	540	545	575	534	504				5,945
12 Maintenance Taxes		24	24	24	25	24	25	26	25	25				222
13 Net Revenues		61,836	64,970	58,985	60,559	61,565	62,114	65,426	60,958	57,602	0	0	0	554,015
Medical Expenses:														
14 Fee-For-Service		51,041	103,395	34,836	29,887	74,288	26,815	160,801	33,412	12,802	0	0	0	527,278
15 Capitated Services		350	369	365	384	361	376	400	390	384	0	0	0	3,378
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		12	13	13	13	12	13	14	13	13	0	0	0	116
18 IBNR Accrual - Medical		(158)	(236)	(78)	(29)	150	370	14,511	41,961	80,501	0	0	0	136,992
19 Total Medical Expenses		51,245	103,541	35,135	30,255	74,812	27,574	175,726	75,776	93,700	0	0	0	667,764
20 Prescription Expenses (excluding PBM Admin)		9,650	8,326	12,048	7,686	6,444	14,279	13,621	17,459	10,216	0	0	0	99,730
21 Total Medical and Prescription Expenses		60,895	111,867	47,183	37,941	81,256	41,853	189,347	93,235	103,916	0	0	0	767,494
22 Administrative Expenses		4,678	4,663	4,081	5,432	4,435	4,409	5,036	4,576	4,210				41,520
23 Total Expenses		65,572	116,530	51,264	43,374	85,691	46,263	194,383	97,812	108,126	0	0	0	809,015
24 Net Income Before Taxes		(3,736)	(51,560)	7,721	17,185	(24,126)	15,851	(128,957)	(36,854)	(50,524)	0	0	0	(255,000)
25 % Medical Exp to Net Revenues		82.9%	159.4%	59.6%	50.0%	121.5%	44.4%	268.6%	124.3%	162.7%	0.0%	0.0%	0.0%	120.5%
26 % Prescription Exp to Net Revenues		15.6%	12.8%	20.4%	12.7%	10.5%	23.0%	20.8%	28.6%	17.7%	0.0%	0.0%	0.0%	18.0%
27 % Total Medical and Prescription to Net Rev. (MLR)		98.5%	172.2%	80.0%	62.7%	132.0%	67.4%	289.4%	153.0%	180.4%	0.0%	0.0%	0.0%	138.5%
28 % Admin Exp to Net Revenues		7.6%	7.2%	6.9%	9.0%	7.2%	7.1%	7.7%	7.5%	7.3%	0.0%	0.0%	0.0%	7.5%
29 % Net Income to Net Revenues		-6.0%	-79.4%	13.1%	28.4%	-39.2%	25.5%	-197.1%	-60.5%	-87.7%	0.0%	0.0%	0.0%	-46.0%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.2%	8.8%	8.6%	11.2%	8.8%	8.8%	9.5%	9.4%	9.3%	0.0%	0.0%	0.0%	9.3%
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.