

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:	CHIP
State Fiscal Year:	2016	Service Area:	Ft. 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		21,620	21,797	21,631	21,636	21,409	21,255	21,670	21,651	21,491	0	0	0	194,160
2 Average Monthly Member Months														21,573
Revenues:														
3 Medical Premiums		2,706,273	2,720,202	2,691,585	2,688,018	2,661,206	2,638,986	2,681,522	2,645,883	2,623,074	0	0	0	24,056,749
4 Delivery Supplemental Payments		3,100	0	3,100	6,200	3,100	6,200	3,100	6,200	0	0	0	0	31,000
5 Pharmacy Premiums		708,486	714,469	708,157	708,147	701,563	697,151	710,758	709,506	704,568	0	0	0	6,362,805
6 Investment Income		10,710	9,180	8,189	8,488	12,010	12,356	12,678	13,375	62				87,048
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		3,428,569	3,443,851	3,411,031	3,410,853	3,377,879	3,354,693	3,408,058	3,374,964	3,327,704	0	0	0	30,537,602
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		59,813	60,107	59,550	59,541	58,903	58,491	59,419	58,828	58,234				532,885
12 Maintenance Taxes		1,564	1,576	1,564	1,565	1,549	1,538	1,567	1,566	1,555				14,043
13 Net Revenues		3,367,193	3,382,168	3,349,917	3,349,747	3,317,427	3,294,664	3,347,072	3,314,570	3,267,916	0	0	0	29,990,674
Medical Expenses:														
14 Fee-For-Service		2,423,278	2,137,042	2,181,413	2,194,794	2,033,028	1,951,039	1,824,766	1,534,581	201,186	0	0	0	16,481,127
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		30,917	31,170	30,932	30,939	30,615	30,395	30,988	30,961	30,732	0	0	0	277,649
18 IBNR Accrual - Medical		25,034	26,435	28,097	31,311	74,975	103,780	177,013	700,098	2,366,176	0	0	0	3,532,919
19 Total Medical Expenses		2,479,229	2,194,647	2,240,442	2,257,044	2,138,618	2,085,214	2,032,767	2,265,640	2,598,094	0	0	0	20,291,695
20 Prescription Expenses (excluding PBM Admin)		604,819	603,402	515,964	546,291	513,099	551,456	638,183	556,128	553,718	0	0	0	5,083,062
21 Total Medical and Prescription Expenses		3,084,048	2,798,049	2,756,406	2,803,335	2,651,717	2,636,670	2,670,950	2,821,768	3,151,812	0	0	0	25,374,757
22 Administrative Expenses		286,177	282,731	265,422	291,168	286,392	283,183	290,444	304,890	305,870				2,596,277
23 Total Expenses		3,370,225	3,080,780	3,021,828	3,094,503	2,938,110	2,919,853	2,961,394	3,126,658	3,457,682	0	0	0	27,971,033
24 Net Income Before Taxes		(3,032)	301,388	328,089	255,244	379,317	374,811	385,678	187,912	(189,766)	0	0	0	2,019,641
25 % Medical Exp to Net Revenues		73.6%	64.9%	66.9%	67.4%	64.5%	63.3%	60.7%	68.4%	79.5%	0.0%	0.0%	0.0%	67.7%
26 % Prescription Exp to Net Revenues		18.0%	17.8%	15.4%	16.3%	15.5%	16.7%	19.1%	16.8%	16.9%	0.0%	0.0%	0.0%	16.9%
27 % Total Medical and Prescription to Net Rev. (MLR)		91.6%	82.7%	82.3%	83.7%	79.9%	80.0%	79.8%	85.1%	96.4%	0.0%	0.0%	0.0%	84.6%
28 % 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%
29 % Net Income to Net Revenues		-0.1%	8.9%	9.8%	7.6%	11.4%	11.4%	11.5%	5.7%	-5.8%	0.0%	0.0%	0.0%	6.7%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		10.8%	10.6%	10.0%	11.0%	10.9%	10.9%	11.0%	11.7%	11.9%	0.0%	0.0%	0.0%	11.0%
Post-income items:														
31 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.