

## 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: <b>Driscoll Children's Health Plan</b>	Program: <b>CHIP</b>
State Fiscal Year: <b>2016</b>	Service Area: <b>Corpus / Nueces</b>
Submission Date: <b>6/30/2016</b>	Rptg Period End Date: <b>5/31/2016</b>
Submission Type: <b>Quarterly</b>	

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		6,541	6,609	6,567	6,550	6,528	6,538	6,754	6,868	6,914	0	0	0	59,869
2 <b>Average Monthly Member Months</b>														<b>6,652</b>
<b>Revenues:</b>														
3 Medical Premiums		906,276	911,794	903,465	899,270	896,654	899,152	928,386	938,432	943,171	0	0	0	8,226,600
4 Delivery Supplemental Payments		0	3,100	0	3,100	0	3,100	0	0	0	0	0	0	9,300
5 Pharmacy Premiums		240,157	243,072	241,439	240,769	239,847	240,061	248,166	252,272	254,131	0	0	0	2,199,914
6 Investment Income		762	789	770	953	808	880	1,172	5,494	194	0	0	0	11,821
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		1,147,195	1,158,755	1,145,674	1,144,092	1,137,309	1,143,193	1,177,724	1,196,198	1,197,496	0	0	0	10,447,636
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		20,063	20,264	20,036	20,005	15,951	19,990	20,590	20,837	20,953	0	0	0	178,689
12 Maintenance Taxes		447	451	448	447	446	446	461	469	472	0	0	0	4,087
13 <b>Net Revenues</b>		<b>1,126,686</b>	<b>1,138,039</b>	<b>1,125,190</b>	<b>1,123,640</b>	<b>1,120,912</b>	<b>1,122,756</b>	<b>1,156,673</b>	<b>1,174,892</b>	<b>1,176,071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,264,859</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		997,537	819,828	846,808	1,041,581	700,554	936,595	845,549	902,109	350,305	0	0	0	7,440,866
15 Capitated Services		52,614	54,078	53,930	55,998	56,700	56,544	58,162	58,807	59,454	0	0	0	506,286
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		2,159	2,181	2,167	2,162	2,154	2,158	2,229	2,266	2,282	0	0	0	19,757
18 IBNR Accrual - Medical		70	167	205	248,525	2,452	8,287	21,265	108,734	587,647	0	0	0	977,352
19 Total Medical Expenses		1,052,380	876,254	903,110	1,348,266	761,860	1,003,583	927,204	1,071,916	999,688	0	0	0	8,944,261
20 Prescription Expenses (excluding PBM Admin)		203,845	198,618	185,764	214,380	208,094	208,653	213,663	218,149	210,209	0	0	0	1,861,376
21 <b>Total Medical and Prescription Expenses</b>		<b>1,256,225</b>	<b>1,074,872</b>	<b>1,088,874</b>	<b>1,562,646</b>	<b>969,954</b>	<b>1,212,236</b>	<b>1,140,867</b>	<b>1,290,065</b>	<b>1,209,897</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,805,637</b>
22 <b>Administrative Expenses</b>		<b>79,396</b>	<b>84,078</b>	<b>84,624</b>	<b>82,718</b>	<b>83,417</b>	<b>83,784</b>	<b>112,694</b>	<b>100,585</b>	<b>93,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>805,262</b>
23 <b>Total Expenses</b>		<b>1,335,621</b>	<b>1,158,950</b>	<b>1,173,498</b>	<b>1,645,364</b>	<b>1,053,371</b>	<b>1,296,020</b>	<b>1,253,561</b>	<b>1,390,649</b>	<b>1,303,863</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,610,897</b>
24 <b>Net Income Before Taxes</b>		<b>(208,935)</b>	<b>(20,911)</b>	<b>(48,308)</b>	<b>(521,724)</b>	<b>67,541</b>	<b>(173,264)</b>	<b>(96,888)</b>	<b>(215,757)</b>	<b>(127,792)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,346,038)</b>
25 % Medical Exp to Net Revenues		93.4%	77.0%	80.3%	120.0%	68.0%	89.4%	80.2%	91.2%	85.0%	0.0%	0.0%	0.0%	87.1%
26 % Prescription Exp to Net Revenues		18.1%	17.5%	16.5%	19.1%	18.6%	18.6%	18.5%	18.6%	17.9%	0.0%	0.0%	0.0%	18.1%
27 % Total Medical and Prescription to Net Rev. (MLR)		111.5%	94.4%	96.8%	139.1%	86.5%	108.0%	98.6%	109.8%	102.9%	0.0%	0.0%	0.0%	105.3%
28 % Admin Exp to Net Revenues		7.0%	7.4%	7.5%	7.4%	7.4%	7.5%	9.7%	8.6%	8.0%	0.0%	0.0%	0.0%	7.8%
29 <b>% Net Income to Net Revenues</b>		<b>-18.5%</b>	<b>-1.8%</b>	<b>-4.3%</b>	<b>-46.4%</b>	<b>6.0%</b>	<b>-15.4%</b>	<b>-8.4%</b>	<b>-18.4%</b>	<b>-10.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-13.1%</b>
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.0%	9.4%	9.6%	9.4%	9.5%	9.5%	12.4%	10.9%	10.2%	0.0%	0.0%	0.0%	10.0%
<b>Post-income items:</b>														
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.