

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:	El Paso First Health Plans / EP County Hosp Distr
State Fiscal Year:	2016
Submission Date:	6/24/2016
Submission Type:	Quarterly
Program:	CHIP
Service Area:	El Paso
Rptg Period End Date:	5/31/2016

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		10,149	10,137	10,053	10,113	10,151	10,259	10,624	10,620	10,579	0	0	0	92,685
2 Average Monthly Member Months														10,298
Revenues:														
3 Medical Premiums		925,616	912,605	895,998	894,136	896,238	900,888	931,859	918,411	909,225	0	0	0	8,184,976
4 Delivery Supplemental Payments		6,200	3,100	3,100	3,100	0	0	0	0	0	0	0	0	15,500
5 Pharmacy Premiums		248,531	247,852	245,461	246,519	247,261	249,758	258,513	258,080	256,671	0	0	0	2,258,646
6 Investment Income		147	112	108	108	108	106	110	114	123				1,036
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		1,180,494	1,163,669	1,144,667	1,143,863	1,143,607	1,150,752	1,190,482	1,176,605	1,166,019	0	0	0	10,460,158
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		20,656	20,362	20,030	20,016	19,742	20,136	20,832	20,589	20,403				182,765
12 Maintenance Taxes		714	714	714	714	714	714	714	714	714				6,423
13 Net Revenues		1,159,124	1,142,593	1,123,924	1,123,134	1,123,151	1,129,902	1,168,937	1,155,303	1,144,902	0	0	0	10,270,969
Medical Expenses:														
14 Fee-For-Service		697,652	700,461	647,018	645,565	610,960	733,293	746,068	627,771	255,426	0	0	0	5,664,215
15 Capitated Services		13,256	13,294	13,234	13,353	13,406	13,574	14,062	14,127	14,098	0	0	0	122,404
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		7,855	7,863	7,816	7,847	7,867	7,944	8,217	8,259	8,252	0	0	0	71,920
18 IBNR Accrual - Medical		0	331	3,930	3,837	39,946	1,123	11,546	38,651	404,143	0	0	0	503,507
19 Total Medical Expenses		718,764	721,949	671,998	670,602	672,179	755,934	779,892	688,809	681,919	0	0	0	6,362,046
20 Prescription Expenses (excluding PBM Admin)		209,602	232,477	208,629	215,122	198,158	266,134	270,801	226,380	233,346	0	0	0	2,060,648
21 Total Medical and Prescription Expenses		928,366	954,426	880,627	885,724	870,337	1,022,068	1,050,693	915,189	915,265	0	0	0	8,422,694
22 Administrative Expenses		83,737	84,880	78,436	83,866	75,285	76,649	92,702	92,203	91,478				759,237
23 Total Expenses		1,012,102	1,039,306	959,063	969,590	945,622	1,098,717	1,143,396	1,007,392	1,006,743	0	0	0	9,181,931
24 Net Income Before Taxes		147,022	103,287	164,861	153,544	177,529	31,185	25,541	147,911	138,159	0	0	0	1,089,038
25 % Medical Exp to Net Revenues		62.0%	63.2%	59.8%	59.7%	59.8%	66.9%	66.7%	59.6%	59.6%	0.0%	0.0%	0.0%	61.9%
26 % Prescription Exp to Net Revenues		18.1%	20.3%	18.6%	19.2%	17.6%	23.6%	23.2%	19.6%	20.4%	0.0%	0.0%	0.0%	20.1%
27 % Total Medical and Prescription to Net Rev. (MLR)		80.1%	83.5%	78.4%	78.9%	77.5%	90.5%	89.9%	79.2%	79.9%	0.0%	0.0%	0.0%	82.0%
28 % Admin Exp to Net Revenues		7.2%	7.4%	7.0%	7.5%	6.7%	6.8%	7.9%	8.0%	8.0%	0.0%	0.0%	0.0%	7.4%
29 % Net Income to Net Revenues		12.7%	9.0%	14.7%	13.7%	15.8%	2.8%	2.2%	12.8%	12.1%	0.0%	0.0%	0.0%	10.6%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.2%	9.5%	8.9%	9.6%	8.6%	8.7%	10.2%	10.3%	10.3%	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.