

## 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>Sendero Health Plans</b>	Program:	<b>CHIP</b>
State Fiscal Year:	<b>2016</b>	Service Area:	<b>Travis / Austin</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		2,150	2,171	2,123	2,102	2,109	2,109	2,076	2,010	1,931	0	0	0	<b>18,781</b>
2 <b>Average Monthly Member Months</b>														<b>2,087</b>
<b>Revenues:</b>														
3 Medical Premiums		328,802	330,733	320,946	318,958	318,191	312,871	300,323	272,283	257,168	0	0	0	2,760,275
4 Delivery Supplemental Payments		0	3,100	0	0	0	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		40,621	41,063	40,166	39,788	40,008	39,998	39,304	38,083	36,603	0	0	0	355,634
6 Investment Income		5	4	5	4	5	5	5	6	5				44
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		369,428	374,900	361,117	358,750	358,204	352,874	339,632	310,372	293,776	0	0	0	3,119,053
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		6,465	6,561	6,319	6,278	6,268	6,175	5,943	5,431	5,141				54,583
12 Maintenance Taxes		110	112	108	107	107	105	101	93	88				930
13 <b>Net Revenues</b>		<b>362,853</b>	<b>368,228</b>	<b>354,690</b>	<b>352,365</b>	<b>351,829</b>	<b>346,594</b>	<b>333,587</b>	<b>304,848</b>	<b>288,547</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,063,540</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		266,197	253,975	221,740	305,431	271,836	245,903	265,296	203,072	63,814	0	0	0	2,097,264
15 Capitated Services		2,743	2,766	2,703	2,665	2,689	2,712	2,698	2,672	2,573	0	0	0	24,221
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		10,385	10,486	10,254	10,153	10,186	10,186	1,412	1,367	1,313	0	0	0	65,742
18 IBNR Accrual - Medical		0	0	0	0	11,129	22,441	34,017	105,806	235,102	0	0	0	408,495
19 Total Medical Expenses		279,325	267,227	234,697	318,249	295,840	281,242	303,423	312,917	302,802	0	0	0	2,595,722
20 Prescription Expenses (excluding PBM Admin)		45,606	47,799	26,767	56,218	24,045	42,773	28,278	44,629	24,519	0	0	0	340,634
21 <b>Total Medical and Prescription Expenses</b>		<b>324,931</b>	<b>315,026</b>	<b>261,464</b>	<b>374,467</b>	<b>319,885</b>	<b>324,015</b>	<b>331,701</b>	<b>357,546</b>	<b>327,321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,936,356</b>
22 <b>Administrative Expenses</b>		<b>71,307</b>	<b>62,212</b>	<b>56,544</b>	<b>54,182</b>	<b>67,443</b>	<b>58,885</b>	<b>60,583</b>	<b>64,393</b>	<b>51,989</b>				<b>547,540</b>
23 <b>Total Expenses</b>		<b>396,238</b>	<b>377,238</b>	<b>318,008</b>	<b>428,649</b>	<b>387,328</b>	<b>382,900</b>	<b>392,284</b>	<b>421,940</b>	<b>379,311</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,483,896</b>
24 <b>Net Income Before Taxes</b>		<b>(33,385)</b>	<b>(9,010)</b>	<b>36,682</b>	<b>(76,284)</b>	<b>(35,499)</b>	<b>(36,306)</b>	<b>(58,697)</b>	<b>(117,092)</b>	<b>(90,764)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(420,356)</b>
25 % Medical Exp to Net Revenues		77.0%	72.6%	66.2%	90.3%	84.1%	81.1%	91.0%	102.6%	104.9%	0.0%	0.0%	0.0%	84.7%
26 % Prescription Exp to Net Revenues		12.5%	13.0%	7.5%	16.0%	6.8%	12.3%	8.5%	14.6%	8.5%	0.0%	0.0%	0.0%	11.1%
27 % Total Medical and Prescription to Net Rev. (MLR)		89.5%	85.6%	73.7%	106.3%	90.9%	93.5%	99.4%	117.3%	113.4%	0.0%	0.0%	0.0%	95.8%
28 % Admin Exp to Net Revenues		19.7%	16.9%	15.9%	15.4%	19.2%	17.0%	18.2%	21.1%	18.0%	0.0%	0.0%	0.0%	17.9%
29 <b>% Net Income to Net Revenues</b>		<b>-9.2%</b>	<b>-2.4%</b>	<b>10.3%</b>	<b>-21.6%</b>	<b>-10.1%</b>	<b>-10.5%</b>	<b>-17.6%</b>	<b>-38.4%</b>	<b>-31.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-13.7%</b>
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		22.1%	19.0%	18.0%	17.3%	21.6%	19.2%	20.6%	24.1%	20.6%	0.0%	0.0%	0.0%	20.2%
<b>Post-income items:</b>														
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.