

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:	Superior / Bankers / Centene	Program:	CHIP
State Fiscal Year:	2016	Service Area:	Corpus / Nueces
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		1,086	1,080	1,054	1,073	1,059	1,068	1,134	1,208	1,242	0	0	0	10,004
2 Average Monthly Member Months														1,112
Revenues:														
3 Medical Premiums		146,701	145,052	140,528	142,180	141,259	142,167	149,493	157,565	160,844	0	0	0	1,325,789
4 Delivery Supplemental Payments		3,100	0	0	0	0	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		37,612	37,434	36,589	37,272	36,891	37,170	39,399	41,985	43,266	0	0	0	347,618
6 Investment Income		700	640	738	767	713	394	689	907	1,057				6,605
7 Health Insurance Providers Fee Reimbursement		65,345												65,345
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		253,458	183,126	177,855	180,219	178,863	179,731	189,581	200,457	205,167	0	0	0	1,748,457
10 Health Insurance Providers Fee & Related Costs		64,202												64,202
11 Premium Taxes		4,423	3,194	3,100	3,140	3,118	3,138	3,306	3,492	3,572				30,482
12 Maintenance Taxes		76	76	74	75	74	75	79	85	87				700
13 Net Revenues		184,757	179,857	174,682	177,003	175,671	176,518	186,196	196,880	201,508	0	0	0	1,653,073
Medical Expenses:														
14 Fee-For-Service		109,520	75,498	69,134	63,716	136,813	107,121	66,896	82,849	65,678	0	0	0	777,226
15 Capitated Services		10,493	10,462	10,247	10,452	10,159	10,281	10,981	11,783	12,128	0	0	0	96,986
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		98	97	95	97	42	43	45	48	50	0	0	0	615
18 IBNR Accrual - Medical		34	96	116	122	744	1,080	4,496	10,700	50,157	0	0	0	67,545
19 Total Medical Expenses		120,145	86,153	79,592	74,386	147,759	118,525	82,419	105,380	128,013	0	0	0	942,372
20 Prescription Expenses (excluding PBM Admin)		37,600	45,943	29,049	42,846	47,269	36,817	33,335	30,875	42,098	0	0	0	345,632
21 Total Medical and Prescription Expenses		157,745	132,096	108,641	117,232	195,028	155,342	115,754	136,055	170,111	0	0	0	1,288,004
22 Administrative Expenses		14,740	12,836	12,202	13,209	12,433	11,489	13,320	14,159	14,856				119,245
23 Total Expenses		172,485	144,932	120,843	130,441	207,461	166,831	129,075	150,214	184,967	0	0	0	1,407,249
24 Net Income Before Taxes		12,272	34,925	53,839	46,562	(31,790)	9,687	57,121	46,666	16,541	0	0	0	245,824
25 % Medical Exp to Net Revenues		65.0%	47.9%	45.6%	42.0%	84.1%	67.1%	44.3%	53.5%	63.5%	0.0%	0.0%	0.0%	57.0%
26 % Prescription Exp to Net Revenues		20.4%	25.5%	16.6%	24.2%	26.9%	20.9%	17.9%	15.6%	20.9%	0.0%	0.0%	0.0%	20.9%
27 % Total Medical and Prescription to Net Rev. (MLR)		85.4%	73.4%	62.2%	66.2%	111.0%	88.0%	62.2%	69.1%	84.4%	0.0%	0.0%	0.0%	77.9%
28 % Admin Exp to Net Revenues		8.0%	7.1%	7.0%	7.5%	7.1%	6.5%	7.2%	7.2%	7.4%	0.0%	0.0%	0.0%	7.2%
29 % Net Income to Net Revenues		6.6%	19.4%	30.8%	26.3%	-18.1%	5.5%	30.7%	23.7%	8.2%	0.0%	0.0%	0.0%	14.9%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		10.0%	9.0%	8.8%	9.5%	9.0%	8.2%	9.1%	9.1%	9.4%	0.0%	0.0%	0.0%	9.1%
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.