

## 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:	Texas Children's Health Plan		
State Fiscal Year:	2016	Program:	CHIP
Submission Date:	6/30/2016	Service Area:	Jefferson
Submission Type:	Quarterly	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		3,471	3,414	3,432	3,467	3,430	3,464	3,514	3,481	3,483	0	0	0	31,156
2 <b>Average Monthly Member Months</b>														<b>3,462</b>
<b>Revenues:</b>														
3 Medical Premiums		448,514	437,461	434,317	435,609	431,750	429,839	432,900	423,110	422,377	0	0	0	3,895,877
4 Delivery Supplemental Payments		0	0	0	0	0	0	0	0	0	0	0	0	0
5 Pharmacy Premiums		139,657	137,409	138,068	139,637	138,904	140,655	142,637	141,006	140,991	0	0	0	1,258,964
6 Investment Income		1,788	267	(1,033)	(1,455)	2,765	722	6,945	3,299	(227)	0	0	0	13,072
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		589,959	575,137	571,352	573,791	573,419	571,216	582,482	567,415	563,141	0	0	0	5,167,913
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		10,293	10,060	10,017	10,067	9,958	9,984	10,072	9,872	9,859	0	0	0	90,182
12 Maintenance Taxes		246	246	246	246	257	257	257	257	257	0	0	0	2,269
13 <b>Net Revenues</b>		<b>579,420</b>	<b>564,831</b>	<b>561,090</b>	<b>563,479</b>	<b>563,203</b>	<b>560,975</b>	<b>572,153</b>	<b>557,286</b>	<b>553,025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,075,461</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		369,256	350,478	418,938	393,064	459,507	378,188	429,167	347,949	153,503	0	0	0	3,300,049
15 Capitated Services		4,505	4,446	4,476	4,526	4,472	4,563	4,609	4,585	4,592	0	0	0	40,774
16 Patient Centered Medical Home Services		2,525	2,056	2,786	1,767	2,091	1,679	1,139	1,187	1,187	0	0	0	16,417
17 Net Reinsurance Cost		226	222	245	248	245	248	251	249	249	0	0	0	2,183
18 IBNR Accrual - Medical		143	185	415	712	1,632	3,752	22,998	65,847	251,579	0	0	0	347,263
19 Total Medical Expenses		376,654	357,387	426,860	400,317	467,947	388,430	458,164	419,817	411,110	0	0	0	3,706,686
20 Prescription Expenses (excluding PBM Admin)		114,878	139,884	130,828	165,058	141,970	148,577	194,485	162,699	142,346	0	0	0	1,340,725
21 <b>Total Medical and Prescription Expenses</b>		<b>491,532</b>	<b>497,271</b>	<b>557,688</b>	<b>565,375</b>	<b>609,917</b>	<b>537,007</b>	<b>652,649</b>	<b>582,516</b>	<b>553,456</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,047,411</b>
22 <b>Administrative Expenses</b>		<b>43,508</b>	<b>40,480</b>	<b>43,566</b>	<b>47,336</b>	<b>42,716</b>	<b>46,811</b>	<b>46,765</b>	<b>50,499</b>	<b>52,305</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>413,986</b>
23 <b>Total Expenses</b>		<b>535,040</b>	<b>537,751</b>	<b>601,254</b>	<b>612,711</b>	<b>652,633</b>	<b>583,818</b>	<b>699,414</b>	<b>633,015</b>	<b>605,761</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,461,397</b>
24 <b>Net Income Before Taxes</b>		<b>44,380</b>	<b>27,080</b>	<b>(40,164)</b>	<b>(49,232)</b>	<b>(89,430)</b>	<b>(22,843)</b>	<b>(127,261)</b>	<b>(75,729)</b>	<b>(52,736)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(385,936)</b>
25 % Medical Exp to Net Revenues		65.0%	63.3%	76.1%	71.0%	83.1%	69.2%	80.1%	75.3%	74.3%	0.0%	0.0%	0.0%	73.0%
26 % Prescription Exp to Net Revenues		19.8%	24.8%	23.3%	29.3%	25.2%	26.5%	34.0%	29.2%	25.7%	0.0%	0.0%	0.0%	26.4%
27 % Total Medical and Prescription to Net Rev. (MLR)		84.8%	88.0%	99.4%	100.3%	108.3%	95.7%	114.1%	104.5%	100.1%	0.0%	0.0%	0.0%	99.4%
28 % Admin Exp to Net Revenues		7.5%	7.2%	7.8%	8.4%	7.6%	8.3%	8.2%	9.1%	9.5%	0.0%	0.0%	0.0%	8.2%
29 <b>% Net Income to Net Revenues</b>		<b>7.7%</b>	<b>4.8%</b>	<b>-7.2%</b>	<b>-8.7%</b>	<b>-15.9%</b>	<b>-4.1%</b>	<b>-22.2%</b>	<b>-13.6%</b>	<b>-9.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-7.6%</b>
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		9.9%	9.5%	10.3%	11.2%	10.1%	11.1%	10.9%	12.1%	12.7%	0.0%	0.0%	0.0%	10.8%
<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.