

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 / Centena**
 State Fiscal Year: **2016** Program: **STAR Health**
 Submission Date: **6/30/2016** Service Area: **Statewide**
 Submission Type: **Quarterly** Rptg Period End Date: **5/31/2016**

Part 1: Summary Income Statement

HHSC Managed Care contract costs	Incurred Months:												YTD
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
1 Member Months	32,330	32,358	31,854	31,686	32,067	32,271	32,657	32,775	32,127	0	0	0	290,125
2 Average Monthly Member Months													32,236
Revenues:													
3 Medical Premiums	23,372,253	23,465,151	23,345,602	22,975,533	22,999,138	23,400,427	23,568,710	23,775,066	23,945,633	0	0	0	210,847,513
4 Pharmacy Premiums	4,915,951	4,935,491	4,910,345	4,832,508	4,837,473	4,921,877	4,957,272	5,000,676	5,036,552	0	0	0	44,348,145
5 Investment Income	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Health Insurance Providers Fee Reimbursement	10,012,374												10,012,374
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	38,300,578	28,400,642	28,255,947	27,808,041	27,836,611	28,322,304	28,525,982	28,775,742	28,982,185	0	0	0	265,206,032
9 Health Insurance Providers Fee & Related Costs	9,837,157												9,837,157
10 Premium Taxes	670,260	497,011	494,479	486,641	487,141	495,640	499,205	503,575	507,188	0	0	0	4,641,141
11 Maintenance Taxes	2,263	2,265	2,230	2,218	2,245	2,259	2,286	2,294	2,249	0	0	0	20,309
12 Net Revenues	27,790,898	27,901,366	27,759,238	27,319,182	27,347,226	27,824,405	28,024,491	28,269,872	28,472,748	0	0	0	250,709,426
Medical Expenses:													
13 Fee-For-Service	12,510,554	12,403,884	11,706,978	12,773,311	12,507,282	13,205,856	12,526,208	10,908,326	4,197,188	0	0	0	102,739,587
14 Capitated Services	8,045,556	8,073,410	8,018,360	7,905,083	7,909,763	8,033,183	8,097,270	8,161,274	8,183,580	0	0	0	72,427,478
15 Net Reinsurance cost	2,762	2,773	2,759	2,716	1,208	1,229	1,238	1,249	1,258	0	0	0	17,193
16 IBNR Accrual - Medical	382,988	208,633	723,034	1,074,682	921,903	431,364	1,477,264	2,118,129	8,828,532	0	0	0	16,164,527
17 Total Medical Expenses	20,941,859	20,688,701	20,451,131	21,755,791	21,340,156	21,671,632	22,101,980	21,186,978	21,210,558	0	0	0	191,348,786
18 Prescription Expenses (excluding PBM Admin)	4,378,747	4,268,874	4,237,027	4,485,924	4,309,545	4,525,744	4,674,236	4,174,031	4,487,706	0	0	0	39,541,834
19 Total Medical and Prescription Expenses	25,320,606	24,957,575	24,688,158	26,241,715	25,649,701	26,197,376	26,776,216	25,361,009	25,698,264	0	0	0	230,890,620
20 Administrative Expenses	2,227,396	1,990,685	1,938,560	2,038,184	1,934,936	1,810,466	2,004,284	2,032,594	2,098,573				18,075,679
21 Total Expenses	27,548,002	26,948,260	26,626,718	28,279,899	27,584,637	28,007,842	28,780,501	27,393,603	27,796,837	0	0	0	248,968,299
22 Net Income Before Taxes	242,896	953,106	1,132,520	(960,717)	(237,411)	(183,437)	(756,010)	876,269	675,911	0	0	0	1,743,127
23 % Medical Exp to Net Revenues	75.4%	74.1%	73.7%	79.6%	78.0%	77.9%	78.9%	74.5%	74.5%	0.0%	0.0%	0.0%	76.3%
24 % Prescription Exp to Net Revenues	15.8%	15.3%	15.3%	16.4%	15.8%	16.3%	16.7%	14.8%	15.8%	0.0%	0.0%	0.0%	15.8%
25 % Total Medical and Prescription to Net Rev. (MLR)	91.1%	89.4%	88.9%	96.1%	93.8%	94.2%	95.5%	89.7%	90.3%	0.0%	0.0%	0.0%	92.1%
26 % 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%
27 % Net Income to Net Revenues	0.9%	3.4%	4.1%	-3.5%	-0.9%	-0.7%	-2.7%	3.1%	2.4%	0.0%	0.0%	0.0%	0.7%
28 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	9.7%	8.7%	8.5%	9.1%	8.6%	7.9%	8.7%	8.7%	9.0%	0.0%	0.0%	0.0%	8.8%
Post-income items:													
29 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.