

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:	STAR
State Fiscal Year:	2016	Service Area:	M-RSA West
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		68,021	68,805	69,370	70,273	70,559	70,776	70,791	70,865	70,848	0	0	0	630,308
2 Average Monthly Member Months														70,034
Revenues:														
3 Medical Premiums		11,586,447	11,725,731	11,788,364	11,954,814	11,987,612	12,063,294	12,089,731	12,100,274	12,053,670	0	0	0	107,349,937
4 Delivery Supplemental Payments		1,127,833	986,854	1,002,874	1,201,526	1,015,690	935,588	1,310,465	1,028,506	1,147,057	0	0	0	9,756,393
5 Pharmacy Premiums		2,397,777	2,428,647	2,449,811	2,475,989	2,490,691	2,499,237	2,495,519	2,498,614	2,504,724	0	0	0	22,241,009
6 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
7 Health Insurance Providers Fee Reimbursement		4,801,274												4,801,274
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		19,913,331	15,141,232	15,241,049	15,632,329	15,493,993	15,498,119	15,895,715	15,627,394	15,705,451	0	0	0	144,148,613
10 Health Insurance Providers Fee & Related Costs		4,717,252												4,717,252
11 Health Insurance Providers Fee (NAIP)		33,842	34,232	34,513	34,962	35,105	35,212	35,220	35,257	35,248				313,591
12 Premium Taxes		348,483	264,972	266,718	273,566	271,145	271,217	278,175	273,479	274,845				2,522,601
13 Maintenance Taxes		6,045	6,056	6,096	6,253	6,198	6,199	6,358	6,251	6,282				55,739
14 Net Revenues		14,807,709	14,835,972	14,933,721	15,317,548	15,181,546	15,185,490	15,575,962	15,312,407	15,389,075	0	0	0	136,539,430
Medical Expenses:														
15 Fee-For-Service		10,752,891	11,202,297	9,801,582	10,182,338	10,514,773	10,786,943	10,837,711	8,968,951	3,762,468	0	0	0	86,809,954
16 Capitated Services		606,100	613,086	618,120	626,166	589,780	591,594	591,719	592,338	592,196	0	0	0	5,421,098
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		6,122	6,192	6,243	6,325	2,822	2,831	2,832	2,835	2,834	0	0	0	39,036
19 IBNR Accrual - Medical		246,553	300,688	186,764	293,663	200,732	691,400	974,767	2,341,792	7,591,429	0	0	0	12,827,788
20 Total Medical Expenses		11,611,666	12,122,263	10,612,709	11,108,492	11,308,107	12,072,768	12,407,029	11,905,915	11,948,927	0	0	0	105,097,876
21 Prescription Expenses (excluding PBM Admin)		2,188,014	2,124,080	2,124,016	2,203,885	2,239,969	2,519,543	2,377,529	2,230,800	2,397,411	0	0	0	20,405,247
22 Total Medical and Prescription Expenses		13,799,680	14,246,343	12,736,725	13,312,377	13,548,076	14,592,311	14,784,558	14,136,715	14,346,338	0	0	0	125,503,123
23 Administrative Expenses		1,158,073	1,061,294	1,045,645	1,145,768	1,076,995	990,697	1,116,860	1,103,852	1,137,217				9,836,400
24 Total Expenses		14,957,753	15,307,636	13,782,370	14,458,145	14,625,071	15,583,008	15,901,418	15,240,566	15,483,555	0	0	0	135,339,522
25 Net Income Before Taxes		(150,044)	(471,664)	1,151,351	859,403	556,475	(397,518)	(325,456)	71,841	(94,480)	0	0	0	1,199,908
26 % Medical Exp to Net Revenues		78.4%	81.7%	71.1%	72.5%	74.5%	79.5%	79.7%	77.8%	77.6%	0.0%	0.0%	0.0%	77.0%
27 % Prescription Exp to Net Revenues		14.8%	14.3%	14.2%	14.4%	14.8%	16.6%	15.3%	14.6%	15.6%	0.0%	0.0%	0.0%	14.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		93.2%	96.0%	85.3%	86.9%	89.2%	96.1%	94.9%	92.3%	93.2%	0.0%	0.0%	0.0%	91.9%
29 % Admin Exp to Net Revenues		7.8%	7.2%	7.0%	7.5%	7.1%	6.5%	7.2%	7.2%	7.4%	0.0%	0.0%	0.0%	7.2%
30 % Net Income to Net Revenues		-1.0%	-3.2%	7.7%	5.6%	3.7%	-2.6%	-2.1%	0.5%	-0.6%	0.0%	0.0%	0.0%	0.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.3%	8.6%	8.4%	8.9%	8.5%	7.8%	8.5%	8.6%	8.8%	0.0%	0.0%	0.0%	8.6%
Post-income items:														
32 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.