

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:	Amerigroup / Wellpoint	Program:	STAR
State Fiscal Year:	2016	Service Area:	Dallas
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		209,239	210,619	210,880	208,509	207,797	207,173	206,894	204,680	200,516	0	0	0	1,866,307
2 Average Monthly Member Months														207,367
Revenues:														
3 Medical Premiums		35,072,429	35,248,307	35,183,311	34,743,337	34,701,191	34,710,387	34,754,957	34,267,327	33,334,761	0	0	0	312,016,007
4 Delivery Supplemental Payments		2,447,694	2,642,236	2,483,065	2,415,860	2,444,157	2,168,260	2,302,672	1,952,496	1,779,176	0	0	0	20,635,616
5 Pharmacy Premiums		7,753,907	7,804,600	7,809,567	7,713,150	7,685,382	7,665,081	7,649,186	7,573,713	7,419,073	0	0	0	69,073,659
6 Investment Income		377,575	316,223	298,088	354,245	294,162	292,840	327,214	287,559	289,419				2,837,326
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0				0
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		45,651,605	46,011,366	45,774,031	45,226,592	45,124,892	44,836,568	45,034,029	44,081,095	42,822,429	0	0	0	404,562,608
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0				0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		788,358	799,665	795,829	785,266	784,538	779,515	782,369	766,387	744,328				7,026,255
13 Maintenance Taxes		13,601	13,690	13,707	13,553	13,507	13,466	13,448	13,304	13,034				121,310
14 Net Revenues		44,849,646	45,198,011	44,964,495	44,427,773	44,326,847	44,043,587	44,238,212	43,301,404	42,065,068	0	0	0	397,415,042
Medical Expenses:														
15 Fee-For-Service		30,257,634	30,814,863	30,365,285	31,995,341	31,277,575	32,926,261	31,762,735	27,756,398	14,942,294	0	0	0	262,098,385
16 Capitated Services		441,497	438,223	436,762	434,847	371,253	302,403	302,014	301,492	298,684	0	0	0	3,327,174
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		7,114	7,161	7,170	7,089	7,065	7,044	7,034	6,959	6,818	0	0	0	63,454
19 IBNR Accrual - Medical		(70,774)	177,954	214,298	2,169,267	1,371,490	1,057,240	2,799,958	6,074,419	17,101,371	0	0	0	30,895,223
20 Total Medical Expenses		30,635,471	31,438,201	31,023,515	34,606,544	33,027,383	34,292,947	34,871,741	34,139,268	32,349,166	0	0	0	296,384,236
21 Prescription Expenses (excluding PBM Admin)		6,992,357	7,057,509	6,565,643	6,923,988	7,294,447	7,924,778	8,380,111	7,591,295	7,457,353	0	0	0	66,187,482
22 Total Medical and Prescription Expenses		37,627,828	38,495,710	37,589,158	41,530,532	40,321,830	42,217,725	43,251,852	41,730,563	39,806,519	0	0	0	362,571,718
23 Administrative Expenses		3,392,227	3,272,392	3,137,971	3,985,009	3,221,189	3,153,860	3,434,700	3,279,175	3,101,481	0	0	0	29,978,005
24 Total Expenses		41,020,055	41,768,102	40,727,129	45,515,541	43,543,020	45,371,586	46,686,552	45,009,738	42,908,001	0	0	0	392,549,724
25 Net Income Before Taxes		3,829,591	3,429,909	4,237,366	(1,087,768)	783,827	(1,327,999)	(2,448,340)	(1,708,334)	(842,933)	0	0	0	4,865,318
26 % Medical Exp to Net Revenues		68.3%	69.6%	69.0%	77.9%	74.5%	77.9%	78.8%	78.8%	76.9%	0.0%	0.0%	0.0%	74.6%
27 % Prescription Exp to Net Revenues		15.6%	15.6%	14.6%	15.6%	16.5%	18.0%	18.9%	17.5%	17.7%	0.0%	0.0%	0.0%	16.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		83.9%	85.2%	83.6%	93.5%	91.0%	95.9%	97.8%	96.4%	94.6%	0.0%	0.0%	0.0%	91.2%
29 % Admin Exp to Net Revenues		7.6%	7.2%	7.0%	9.0%	7.3%	7.2%	7.8%	7.6%	7.4%	0.0%	0.0%	0.0%	7.5%
30 % Net Income to Net Revenues		8.5%	7.6%	9.4%	-2.4%	1.8%	-3.0%	-5.5%	-3.9%	-2.0%	0.0%	0.0%	0.0%	1.2%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.1%	8.8%	8.4%	10.9%	8.8%	8.7%	9.4%	9.2%	9.0%	0.0%	0.0%	0.0%	9.1%
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.