

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:	Lubbock
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		8,391	8,343	8,345	8,211	8,133	8,204	8,104	8,102	7,893	0	0	0	73,726
2 Average Monthly Member Months														8,192
Revenues:														
3 Medical Premiums		2,022,659	2,000,011	1,980,909	1,945,835	1,924,652	1,956,680	1,947,644	1,940,592	1,853,246	0	0	0	17,572,228
4 Delivery Supplemental Payments		116,294	148,598	93,681	142,137	122,755	151,829	80,760	119,524	64,608	0	0	0	1,040,186
5 Pharmacy Premiums		324,883	322,829	322,055	315,081	312,573	315,491	311,676	313,864	305,396	0	0	0	2,843,848
6 Investment Income		16,961	15,463	13,841	16,835	13,927	13,695	15,036	14,287	13,481				133,527
7 Health Insurance Providers Fee Reimbursement		0												0
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		2,480,797	2,486,901	2,410,486	2,419,888	2,373,907	2,437,695	2,355,116	2,388,267	2,236,731	0	0	0	21,589,789
10 Health Insurance Providers Fee & Related Costs		0												0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		39,180	43,250	41,941	42,053	41,300	42,420	40,951	41,545	38,907				371,547
13 Maintenance Taxes		545	542	542	534	529	533	527	527	513				4,792
14 Net Revenues		2,441,072	2,443,109	2,368,002	2,377,301	2,332,079	2,394,742	2,313,638	2,346,196	2,197,311	0	0	0	21,213,449
Medical Expenses:														
15 Fee-For-Service		1,459,345	1,516,211	1,618,721	1,498,626	1,440,266	1,517,883	1,413,082	1,297,399	792,910	0	0	0	12,554,443
16 Capitated Services		9,596	9,531	9,543	9,380	9,291	9,379	9,272	9,350	9,215	0	0	0	84,555
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		285	284	284	279	277	279	276	275	268	0	0	0	2,507
19 IBNR Accrual - Medical		(3,206)	(2,489)	(2,665)	(1,055)	2,069	15,141	112,497	928,353	700,682	0	0	0	1,749,327
20 Total Medical Expenses		1,466,020	1,523,537	1,625,883	1,507,230	1,451,902	1,542,681	1,535,127	2,235,377	1,503,075	0	0	0	14,390,832
21 Prescription Expenses (excluding PBM Admin)		255,304	284,651	267,098	247,047	267,835	321,762	346,496	239,140	254,120	0	0	0	2,483,452
22 Total Medical and Prescription Expenses		1,721,324	1,808,188	1,892,981	1,754,277	1,719,737	1,864,443	1,881,623	2,474,517	1,757,195	0	0	0	16,874,284
23 Administrative Expenses		184,340	176,872	165,247	213,221	169,459	171,471	179,622	177,662	161,999				1,599,893
24 Total Expenses		1,905,664	1,985,060	2,058,228	1,967,498	1,889,196	2,035,913	2,061,245	2,652,179	1,919,194	0	0	0	18,474,177
25 Net Income Before Taxes		535,408	458,049	309,774	409,803	442,883	358,829	252,393	(305,983)	278,117	0	0	0	2,739,272
26 % Medical Exp to Net Revenues		60.1%	62.4%	68.7%	63.4%	62.3%	64.4%	66.4%	95.3%	68.4%	0.0%	0.0%	0.0%	67.8%
27 % Prescription Exp to Net Revenues		10.5%	11.7%	11.3%	10.4%	11.5%	13.4%	15.0%	10.2%	11.6%	0.0%	0.0%	0.0%	11.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		70.5%	74.0%	79.9%	73.8%	73.7%	77.9%	81.3%	105.5%	80.0%	0.0%	0.0%	0.0%	79.5%
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		21.9%	18.7%	13.1%	17.2%	19.0%	15.0%	10.9%	-13.0%	12.7%	0.0%	0.0%	0.0%	12.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.7%	8.3%	8.1%	10.3%	8.4%	8.2%	9.0%	8.7%	8.6%	0.0%	0.0%	0.0%	8.7%
Post-income items:														
32 Performance Assessment														

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.