

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: **Blue Cross Blue Shield of Texas / Health Care Service Corporation**
 State Fiscal Year: **2016** Program: **STAR**
 Submission Date: **6/30/2016** Service Area: **Travis / Austin**
 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		25,196	25,252	25,164	25,155	25,095	25,176	25,198	24,782	24,026	0	0	0	225,044
2 Average Monthly Member Months														25,005
Revenues:														
3 Medical Premiums		5,616,178	5,574,677	5,516,053	5,517,399	5,502,384	5,531,555	5,539,411	5,406,120	5,150,045	0	0	0	49,353,822
4 Delivery Supplemental Payments		529,341	558,568	558,568	571,559	571,558	571,558	571,558	561,816	545,578	0	0	0	5,040,104
5 Pharmacy Premiums		786,327	787,585	784,093	783,904	780,874	784,021	784,373	767,189	739,948	0	0	0	6,998,314
6 Investment Income		48,265	48,565	27,068	46,589	44,415	57,930	50,062	68,585	69,404				460,883
7 Health Insurance Providers Fee Reimbursement		1,787,031												1,787,031
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		8,767,141	6,969,395	6,885,782	6,919,451	6,899,231	6,945,064	6,945,404	6,803,710	6,504,975	0	0	0	63,640,154
10 Health Insurance Providers Fee & Related Costs		1,787,031												1,787,031
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		121,307	121,115	120,027	120,275	119,959	120,525	120,668	117,865	112,622				1,074,364
13 Maintenance Taxes		3,150	3,157	3,146	3,144	3,137	3,147	3,150	3,098	3,003				28,131
14 Net Revenues		6,855,654	6,845,124	6,762,609	6,796,032	6,776,135	6,821,392	6,821,586	6,682,748	6,389,349	0	0	0	60,750,628
Medical Expenses:														
15 Fee-For-Service		4,328,171	4,088,290	3,795,470	4,600,048	3,976,236	3,650,839	3,942,757	2,704,519	62,117	0	0	0	31,148,446
16 Capitated Services		126,866	127,230	126,785	126,972	132,511	132,248	132,117	131,956	125,437	0	0	0	1,162,123
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
19 IBNR Accrual - Medical		73,000	79,000	138,000	140,000	343,000	563,000	949,000	2,133,000	4,678,000	0	0	0	9,096,000
20 Total Medical Expenses		4,528,037	4,294,520	4,060,255	4,867,020	4,451,747	4,346,087	5,023,874	4,969,475	4,865,554	0	0	0	41,406,569
21 Prescription Expenses (excluding PBM Admin)		629,320	645,500	590,442	574,973	629,327	651,978	674,754	632,380	700,897	0	0	0	5,729,570
22 Total Medical and Prescription Expenses		5,157,357	4,940,020	4,650,697	5,441,993	5,081,074	4,998,065	5,698,628	5,601,855	5,566,451	0	0	0	47,136,139
23 Administrative Expenses		1,522,562	1,668,926	1,734,233	2,352,323	2,039,670	1,414,537	1,718,345	2,105,068	1,546,394				16,102,059
24 Total Expenses		6,679,919	6,608,946	6,384,930	7,794,316	7,120,744	6,412,602	7,416,973	7,706,923	7,112,845	0	0	0	63,238,198
25 Net Income Before Taxes		175,735	236,178	377,679	(998,284)	(344,609)	408,790	(595,387)	(1,024,175)	(723,496)	0	0	0	(2,487,570)
26 % Medical Exp to Net Revenues		66.0%	62.7%	60.0%	71.6%	65.7%	63.7%	73.6%	74.4%	76.2%	0.0%	0.0%	0.0%	68.2%
27 % Prescription Exp to Net Revenues		9.2%	9.4%	8.7%	8.5%	9.3%	9.6%	9.9%	9.5%	11.0%	0.0%	0.0%	0.0%	9.4%
28 % Total Medical and Prescription to Net Rev. (MLR)		75.2%	72.2%	68.8%	80.1%	75.0%	73.3%	83.5%	83.8%	87.1%	0.0%	0.0%	0.0%	77.6%
29 % Admin Exp to Net Revenues		22.2%	24.4%	25.6%	34.6%	30.1%	20.7%	25.2%	31.5%	24.2%	0.0%	0.0%	0.0%	26.5%
30 % Net Income to Net Revenues		2.6%	3.5%	5.6%	-14.7%	-5.1%	6.0%	-8.7%	-15.3%	-11.3%	0.0%	0.0%	0.0%	-4.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		25.1%	27.6%	29.0%	39.1%	34.0%	23.4%	28.5%	35.6%	27.4%	0.0%	0.0%	0.0%	30.0%
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.