

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:	Driscoll Children's Health Plan	Program:	STAR
State Fiscal Year:	2016	Service Area:	Hidalgo
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		78,389	78,669	79,232	80,762	81,078	81,330	81,702	81,025	79,517	0	0	0	721,704
2 Average Monthly Member Months														80,189
Revenues:														
3 Medical Premiums		13,202,220	13,156,113	13,169,556	13,449,997	13,398,553	13,388,117	13,471,760	13,230,906	12,832,860	0	0	0	119,300,082
4 Delivery Supplemental Payments		1,691,335	1,496,968	1,537,888	1,629,957	1,408,309	1,230,992	1,503,788	1,360,570	1,227,582	0	0	0	13,087,389
5 Pharmacy Premiums		3,685,402	3,696,290	3,721,222	3,797,208	3,810,670	3,821,709	3,837,850	3,803,719	3,730,487	0	0	0	33,904,557
6 Investment Income		11,087	11,611	11,310	14,311	12,269	13,271	17,831	37,231	26,429	0	0	0	155,350
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		18,590,044	18,360,982	18,439,976	18,891,473	18,629,801	18,454,089	18,831,229	18,432,426	17,817,358	0	0	0	166,447,378
10 Health Insurance Providers Fee & Related Costs		0	0	0	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	0	0	0
12 Premium Taxes		325,132	321,114	322,502	330,350	325,807	322,714	329,234	321,916	311,341	0	0	0	2,910,110
13 Maintenance Taxes		5,294	5,313	5,351	5,455	5,476	5,493	5,518	5,472	5,370	0	0	0	48,743
14 Net Revenues		18,259,618	18,034,555	18,112,123	18,555,668	18,298,518	18,125,882	18,496,476	18,105,038	17,500,646	0	0	0	163,488,524
Medical Expenses:														
15 Fee-For-Service		13,135,919	12,172,138	12,337,771	13,419,003	11,402,031	12,218,805	12,195,289	10,084,818	4,324,395	0	0	0	101,290,169
16 Capitated Services		224,269	225,252	226,373	228,883	229,913	230,788	232,574	233,283	233,527	0	0	0	2,064,861
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		25,868	25,961	26,147	26,651	26,756	26,839	26,962	26,738	26,241	0	0	0	238,162
19 IBNR Accrual - Medical		143,755	129,228	155,016	738,897	469,984	373,545	1,852,006	2,843,643	7,555,403	0	0	0	14,261,477
20 Total Medical Expenses		13,529,811	12,552,579	12,745,307	14,413,434	12,128,683	12,849,977	14,306,831	13,188,482	12,139,565	0	0	0	117,854,669
21 Prescription Expenses (excluding PBM Admin)		3,260,867	3,227,419	3,281,559	3,398,156	3,622,800	3,600,872	3,345,524	3,331,662	3,177,747	0	0	0	30,246,606
22 Total Medical and Prescription Expenses		16,790,678	15,779,998	16,026,866	17,811,590	15,751,483	16,450,849	17,652,355	16,520,144	15,317,312	0	0	0	148,101,275
23 Administrative Expenses		1,286,597	1,332,254	1,362,055	1,365,851	1,366,413	1,352,495	1,801,924	1,549,927	1,398,100	0	0	0	12,815,616
24 Total Expenses		18,077,275	17,112,252	17,388,921	19,177,441	17,117,896	17,803,343	19,454,279	18,070,071	16,715,412	0	0	0	160,916,890
25 Net Income Before Taxes		182,343	922,303	723,202	(621,773)	1,180,622	322,539	(957,803)	34,967	785,234	0	0	0	2,571,634
26 % Medical Exp to Net Revenues		74.1%	69.6%	70.4%	77.7%	66.3%	70.9%	77.3%	72.8%	69.4%	0.0%	0.0%	0.0%	72.1%
27 % Prescription Exp to Net Revenues		17.9%	17.9%	18.1%	18.3%	19.8%	19.9%	18.1%	18.4%	18.2%	0.0%	0.0%	0.0%	18.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		92.0%	87.5%	88.5%	96.0%	86.1%	90.8%	95.4%	91.2%	87.5%	0.0%	0.0%	0.0%	90.6%
29 % Admin Exp to Net Revenues		7.0%	7.4%	7.5%	7.4%	7.5%	7.5%	9.7%	8.6%	8.0%	0.0%	0.0%	0.0%	7.8%
30 % Net Income to Net Revenues		1.0%	5.1%	4.0%	-3.4%	6.5%	1.8%	-5.2%	0.2%	4.5%	0.0%	0.0%	0.0%	1.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.8%	9.3%	9.5%	9.3%	9.4%	9.5%	12.3%	10.8%	10.2%	0.0%	0.0%	0.0%	9.9%
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.