

## 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:	<b>Driscoll Children's Health Plan</b>	Program:	<b>STAR</b>
State Fiscal Year:	<b>2016</b>	Service Area:	<b>Corpus / Nueces</b>
Submission Date:	<b>6/30/2016</b>	Rptg Period End Date:	<b>5/31/2016</b>
Submission Type:	<b>Quarterly</b>		

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		59,777	60,006	60,337	61,133	61,262	61,242	61,307	60,423	59,076	0	0	0	544,563
2 <b>Average Monthly Member Months</b>														<b>60,507</b>
<b>Revenues:</b>														
3 Medical Premiums		15,167,137	15,137,264	15,112,173	15,253,332	15,259,124	15,234,688	15,239,002	14,833,659	14,244,850	0	0	0	135,481,229
4 Delivery Supplemental Payments		1,246,286	1,179,006	1,015,611	1,166,191	1,172,598	977,165	1,018,815	973,961	929,108	0	0	0	9,678,741
5 Pharmacy Premiums		2,906,411	2,923,897	2,942,050	2,981,177	2,986,614	2,985,162	2,987,884	2,953,094	2,893,478	0	0	0	26,559,767
6 Investment Income		11,842	12,411	12,124	15,126	12,912	14,069	18,899	33,400	26,838	0	0	0	157,620
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		19,331,676	19,252,578	19,081,958	19,415,826	19,431,248	19,211,084	19,264,600	18,794,114	18,094,274	0	0	0	171,877,357
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		338,097	336,703	333,722	339,512	339,821	335,948	336,800	328,312	316,180	0	0	0	3,005,095
13 Maintenance Taxes		4,035	4,051	4,073	4,127	4,135	4,134	4,138	4,079	3,988	0	0	0	36,760
14 <b>Net Revenues</b>		<b>18,989,544</b>	<b>18,911,824</b>	<b>18,744,163</b>	<b>19,072,187</b>	<b>19,087,292</b>	<b>18,871,002</b>	<b>18,923,662</b>	<b>18,461,723</b>	<b>17,774,106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>168,835,502</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		14,891,330	14,201,403	13,020,339	15,510,071	13,826,137	14,772,944	13,521,166	11,478,827	5,018,243	0	0	0	116,240,460
16 Capitated Services		622,638	624,658	624,248	644,542	639,994	642,198	646,265	637,466	643,014	0	0	0	5,725,021
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		(6,526)	1,644	(69,210)	(48,152)	20,216	20,210	20,231	19,940	19,495	0	0	0	(22,151)
19 IBNR Accrual - Medical		20,787	33,540	45,151	392,249	174,955	781,116	1,126,231	1,867,111	7,601,216	0	0	0	12,042,356
20 Total Medical Expenses		15,528,229	14,861,245	13,620,528	16,498,710	14,661,302	16,216,468	15,313,894	14,003,343	13,281,968	0	0	0	133,985,687
21 Prescription Expenses (excluding PBM Admin)		2,591,102	2,554,574	2,437,908	2,511,899	2,797,626	2,634,035	2,767,018	2,658,337	2,629,880	0	0	0	23,582,379
22 <b>Total Medical and Prescription Expenses</b>		<b>18,119,331</b>	<b>17,415,819</b>	<b>16,058,436</b>	<b>19,010,609</b>	<b>17,458,928</b>	<b>18,850,503</b>	<b>18,080,912</b>	<b>16,661,680</b>	<b>15,911,848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>157,568,066</b>
23 <b>Administrative Expenses</b>		<b>1,337,924</b>	<b>1,396,948</b>	<b>1,409,475</b>	<b>1,403,762</b>	<b>1,425,196</b>	<b>1,407,975</b>	<b>1,843,392</b>	<b>1,580,340</b>	<b>1,419,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,224,840</b>
24 <b>Total Expenses</b>		<b>19,457,255</b>	<b>18,812,767</b>	<b>17,467,911</b>	<b>20,414,371</b>	<b>18,884,123</b>	<b>20,258,478</b>	<b>19,924,304</b>	<b>18,242,021</b>	<b>17,331,676</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170,792,906</b>
25 <b>Net Income Before Taxes</b>		<b>(467,711)</b>	<b>99,057</b>	<b>1,276,252</b>	<b>(1,342,184)</b>	<b>203,169</b>	<b>(1,387,476)</b>	<b>(1,000,642)</b>	<b>219,702</b>	<b>442,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,957,404)</b>
26 % Medical Exp to Net Revenues		81.8%	78.6%	72.7%	86.5%	76.8%	85.9%	80.9%	75.9%	74.7%	0.0%	0.0%	0.0%	79.4%
27 % Prescription Exp to Net Revenues		13.6%	13.5%	13.0%	13.2%	14.7%	14.0%	14.6%	14.4%	14.8%	0.0%	0.0%	0.0%	14.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		95.4%	92.1%	85.7%	99.7%	91.5%	99.9%	95.5%	90.2%	89.5%	0.0%	0.0%	0.0%	93.3%
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 <b>% Net Income to Net Revenues</b>		<b>-2.5%</b>	<b>0.5%</b>	<b>6.8%</b>	<b>-7.0%</b>	<b>1.1%</b>	<b>-7.4%</b>	<b>-5.3%</b>	<b>1.2%</b>	<b>2.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-1.2%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		8.3%	8.7%	8.9%	8.7%	8.9%	8.9%	11.6%	10.2%	9.5%	0.0%	0.0%	0.0%	9.3%
<b>Post-income items:</b>														
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.