

## 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: **FirstCare Health Plans / SHA**  
 State Fiscal Year: **2016** Program: **STAR**  
 Submission Date: **6/30/2016** Service Area: **Lubbock**  
 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		40,497	40,649	40,734	41,001	40,784	40,738	40,875	40,358	39,694	0	0	0	365,330
2 <b>Average Monthly Member Months</b>														<b>40,592</b>
<b>Revenues:</b>														
3 Medical Premiums		8,276,083	8,271,872	8,249,279	8,316,436	8,237,726	8,222,937	8,234,450	8,083,694	7,825,456	0	0	0	73,717,933
4 Delivery Supplemental Payments		668,691	497,480	484,559	581,470	529,784	552,397	636,387	549,166	642,848	0	0	0	5,142,782
5 Pharmacy Premiums		1,648,985	1,656,923	1,656,690	1,666,213	1,655,111	1,653,553	1,661,168	1,648,372	1,630,534	0	0	0	14,877,549
6 Investment Income		35,637	42,122	26,372	35,540	52,965	24,539	25,851	37,363	26,628				306,017
7 Health Insurance Providers Fee Reimbursement														0
8 Other Revenue														0
9 Total Gross Revenues		10,629,396	10,468,397	10,416,900	10,599,659	10,475,586	10,453,426	10,557,856	10,318,595	10,124,466	0	0	0	94,044,281
10 Health Insurance Providers Fee & Related Costs														0
11 Health Insurance Providers Fee (NAIP)														0
12 Premium Taxes		185,063	182,132	181,506	184,544	182,068	182,177	183,982	179,593	176,402				1,637,466
13 Maintenance Taxes		3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653				32,880
14 <b>Net Revenues</b>		<b>10,440,680</b>	<b>10,282,612</b>	<b>10,231,741</b>	<b>10,411,462</b>	<b>10,289,865</b>	<b>10,267,595</b>	<b>10,370,221</b>	<b>10,135,348</b>	<b>9,944,411</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92,373,935</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		7,368,417	6,910,361	7,091,776	6,447,177	8,248,666	7,238,178	6,918,627	6,208,083	3,441,772	0	0	0	59,873,057
16 Capitated Services		31,588	31,706	31,773	31,981	31,812	31,776	31,883	31,479	30,961	0	0	0	284,959
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		90,106	90,307	78,633	90,579	79,856	84,227	90,928	89,998	88,518	0	0	0	783,152
19 IBNR Accrual - Medical		24,938	33,251	108,066	78,844	105,126	341,658	936,031	1,248,041	4,056,134	0	0	0	6,932,089
20 Total Medical Expenses		7,515,049	7,065,625	7,310,248	6,648,581	8,465,480	7,695,839	7,977,469	7,577,601	7,617,385	0	0	0	67,873,257
21 Prescription Expenses (excluding PBM Admin)		1,446,934	1,463,243	1,451,316	1,401,316	1,457,450	1,663,210	1,724,764	1,621,531	1,790,967	0	0	0	14,020,731
22 <b>Total Medical and Prescription Expenses</b>		<b>8,961,983</b>	<b>8,528,868</b>	<b>8,761,564</b>	<b>8,049,897</b>	<b>9,922,910</b>	<b>9,359,049</b>	<b>9,702,233</b>	<b>9,199,132</b>	<b>9,408,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,893,988</b>
23 <b>Administrative Expenses</b>		<b>888,030</b>	<b>888,504</b>	<b>865,876</b>	<b>895,946</b>	<b>841,272</b>	<b>887,540</b>	<b>931,216</b>	<b>1,012,907</b>	<b>817,485</b>				<b>8,028,777</b>
24 <b>Total Expenses</b>		<b>9,850,013</b>	<b>9,417,373</b>	<b>9,627,440</b>	<b>8,945,843</b>	<b>10,764,182</b>	<b>10,246,589</b>	<b>10,633,449</b>	<b>10,212,038</b>	<b>10,225,838</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,922,765</b>
25 <b>Net Income Before Taxes</b>		<b>590,667</b>	<b>865,239</b>	<b>604,301</b>	<b>1,465,619</b>	<b>(474,317)</b>	<b>21,006</b>	<b>(263,228)</b>	<b>(76,690)</b>	<b>(281,427)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,451,170</b>
26 % Medical Exp to Net Revenues		72.0%	68.7%	71.4%	63.9%	82.3%	75.0%	76.9%	74.8%	76.6%	0.0%	0.0%	0.0%	73.5%
27 % Prescription Exp to Net Revenues		13.9%	14.2%	14.2%	13.5%	14.2%	16.2%	16.6%	16.0%	18.0%	0.0%	0.0%	0.0%	15.2%
28 % Total Medical and Prescription to Net Rev. (MLR)		85.8%	82.9%	85.6%	77.3%	96.4%	91.2%	93.6%	90.8%	94.6%	0.0%	0.0%	0.0%	88.7%
29 % Admin Exp to Net Revenues		8.5%	8.6%	8.5%	8.6%	8.2%	8.6%	9.0%	10.0%	8.2%	0.0%	0.0%	0.0%	8.7%
30 <b>% Net Income to Net Revenues</b>		<b>5.7%</b>	<b>8.4%</b>	<b>5.9%</b>	<b>14.1%</b>	<b>-4.6%</b>	<b>0.2%</b>	<b>-2.5%</b>	<b>-0.8%</b>	<b>-2.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>2.7%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		10.1%	10.3%	10.1%	10.2%	9.7%	10.3%	10.7%	11.9%	9.8%	0.0%	0.0%	0.0%	10.4%

**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.