

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:	Sendero Health Plans	Program:	STAR
State Fiscal Year:	2016	Service Area:	Travis / Austin
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		11,905	11,979	12,391	12,865	12,614	12,531	12,448	12,510	12,350	0	0	0	111,593
2 Average Monthly Member Months														12,399
Revenues:														
3 Medical Premiums		2,600,613	2,574,699	2,611,701	2,687,641	2,582,095	2,551,291	2,513,810	2,497,904	2,448,594	0	0	0	23,068,348
4 Delivery Supplemental Payments		185,107	194,849	162,375	165,622	142,889	168,869	165,622	103,919	45,465	0	0	0	1,334,717
5 Pharmacy Premiums		360,103	360,656	372,100	387,901	380,254	378,361	376,174	379,123	372,873	0	0	0	3,367,545
6 Investment Income		45	47	46	46	46	46	45	46	46				413
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		3,145,868	3,130,251	3,146,222	3,241,210	3,105,284	3,098,567	3,055,651	2,980,992	2,866,978	0	0	0	27,771,023
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		55,052	54,779	55,058	56,720	54,342	54,224	53,473	52,167	50,171				485,986
13 Maintenance Taxes		1,059	1,054	1,059	1,091	1,045	1,043	1,029	1,003	965				9,348
14 Net Revenues		3,089,757	3,074,419	3,090,105	3,183,399	3,049,897	3,043,300	3,001,149	2,927,822	2,815,842	0	0	0	27,275,690
Medical Expenses:														
15 Fee-For-Service		2,004,782	2,227,727	2,058,364	1,953,107	1,962,129	2,011,404	2,071,234	1,595,031	523,325	0	0	0	16,407,104
16 Capitated Services		16,421	16,604	17,267	17,927	17,630	17,524	17,414	17,521	17,379	0	0	0	155,686
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		57,501	57,859	59,849	62,138	60,926	60,525	8,465	8,507	8,398	0	0	0	384,168
19 IBNR Accrual - Medical		0	0	0	0	242,218	215,182	560,530	984,007	1,589,189	0	0	0	3,591,126
20 Total Medical Expenses		2,078,704	2,302,190	2,135,480	2,033,172	2,282,903	2,304,635	2,657,643	2,605,066	2,138,291	0	0	0	20,538,084
21 Prescription Expenses (excluding PBM Admin)		262,114	250,353	247,844	249,895	250,024	221,458	218,733	221,954	232,052	0	0	0	2,154,426
22 Total Medical and Prescription Expenses		2,340,818	2,552,543	2,383,324	2,283,067	2,532,927	2,526,093	2,876,376	2,827,020	2,370,343	0	0	0	22,692,510
23 Administrative Expenses		607,214	519,445	492,639	489,519	584,669	517,068	545,066	618,470	507,368				4,881,457
24 Total Expenses		2,948,032	3,071,988	2,875,963	2,772,586	3,117,595	3,043,161	3,421,441	3,445,490	2,877,710	0	0	0	27,573,966
25 Net Income Before Taxes		141,725	2,431	214,142	410,813	(67,698)	139	(420,292)	(517,668)	(61,868)	0	0	0	(298,276)
26 % Medical Exp to Net Revenues		67.3%	74.9%	69.1%	63.9%	74.9%	75.7%	88.6%	89.0%	75.9%	0.0%	0.0%	0.0%	75.3%
27 % Prescription Exp to Net Revenues		8.5%	8.1%	8.0%	7.8%	8.2%	7.3%	7.3%	7.6%	8.2%	0.0%	0.0%	0.0%	7.9%
28 % Total Medical and Prescription to Net Rev. (MLR)		75.8%	83.0%	77.1%	71.7%	83.0%	83.0%	95.8%	96.6%	84.2%	0.0%	0.0%	0.0%	83.2%
29 % Admin Exp to Net Revenues		19.7%	16.9%	15.9%	15.4%	19.2%	17.0%	18.2%	21.1%	18.0%	0.0%	0.0%	0.0%	17.9%
30 % Net Income to Net Revenues		4.6%	0.1%	6.9%	12.9%	-2.2%	0.0%	-14.0%	-17.7%	-2.2%	0.0%	0.0%	0.0%	-1.1%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		22.2%	19.1%	18.1%	17.5%	21.9%	19.4%	20.8%	24.3%	20.8%	0.0%	0.0%	0.0%	20.4%
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.