

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:	Seton Health Plan / Ascension Health	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		17,400	17,346	17,236	17,335	17,331	17,510	17,628	17,682	17,526	0	0	0	156,994
2 Average Monthly Member Months														17,444
Revenues:														
3 Medical Premiums		2,982,365	2,964,219	2,912,796	2,943,652	2,934,938	2,988,563	3,006,014	3,011,937	2,963,559	0	0	0	26,708,043
4 Delivery Supplemental Payments		133,147	152,632	136,395	198,097	142,889	123,405	136,395	74,692	0	0	0	0	1,097,652
5 Pharmacy Premiums		520,459	517,253	512,600	515,102	515,576	523,903	526,457	531,403	526,626	0	0	0	4,689,379
6 Investment Income		(158,006)	471,540	(46,045)	(177,482)	(14,930)	3,348	54,903	13,873	4,794				151,995
7 Health Insurance Providers Fee Reimbursement		748,868												748,868
8 Other Revenue														0
9 Total Gross Revenues		4,226,833	4,105,644	3,515,746	3,479,369	3,578,473	3,639,219	3,723,769	3,631,905	3,494,979	0	0	0	33,395,937
10 Health Insurance Providers Fee & Related Costs		740,350												740,350
11 Health Insurance Providers Fee (NAIP)														0
12 Premium Taxes		62,472	61,367	61,142	62,948	62,338	63,272	64,337	64,956	65,564				568,395
13 Maintenance Taxes		1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777				15,994
14 Net Revenues		3,422,234	4,042,500	3,452,827	3,414,644	3,514,358	3,574,170	3,657,655	3,565,172	3,427,638	0	0	0	32,071,199
Medical Expenses:														
15 Fee-For-Service		2,480,319	2,232,536	2,324,231	2,261,112	2,442,176	2,339,646	2,121,629	1,880,690	352,911	0	0	0	18,435,248
16 Capitated Services		20,211	20,139	19,997	20,125	19,946	20,207	20,503	20,698	20,961	0	0	0	182,787
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		31,816	31,062	28,214	16,135	43,743	44,379	40,122	40,504	41,019	0	0	0	316,994
19 IBNR Accrual - Medical		0	0	0	111,972	169,188	214,500	334,354	769,118	2,307,241	0	0	0	3,906,373
20 Total Medical Expenses		2,532,345	2,283,737	2,372,442	2,409,344	2,675,053	2,618,732	2,516,608	2,711,009	2,722,132	0	0	0	22,841,402
21 Prescription Expenses (excluding PBM Admin)		482,013	508,988	464,374	504,645	495,025	526,224	555,541	596,229	557,906	0	0	0	4,690,945
22 Total Medical and Prescription Expenses		3,014,358	2,792,725	2,836,816	2,913,989	3,170,078	3,144,956	3,072,149	3,307,238	3,280,038	0	0	0	27,532,347
23 Administrative Expenses		394,336	404,065	408,761	457,840	433,147	472,479	390,554	390,568	420,243				3,771,993
24 Total Expenses		3,408,694	3,196,790	3,245,578	3,371,829	3,603,224	3,617,434	3,462,703	3,697,807	3,700,281	0	0	0	31,304,340
25 Net Income Before Taxes		13,540	845,710	207,249	42,815	(88,866)	(43,264)	194,952	(132,635)	(272,643)	0	0	0	766,859
26 % Medical Exp to Net Revenues		74.0%	56.5%	68.7%	70.6%	76.1%	73.3%	68.8%	76.0%	79.4%	0.0%	0.0%	0.0%	71.2%
27 % Prescription Exp to Net Revenues		14.1%	12.6%	13.4%	14.8%	14.1%	14.7%	15.2%	16.7%	16.3%	0.0%	0.0%	0.0%	14.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		88.1%	69.1%	82.2%	85.3%	90.2%	88.0%	84.0%	92.8%	95.7%	0.0%	0.0%	0.0%	85.8%
29 % Admin Exp to Net Revenues		11.5%	10.0%	11.8%	13.4%	12.3%	13.2%	10.7%	11.0%	12.3%	0.0%	0.0%	0.0%	11.8%
30 % Net Income to Net Revenues		0.4%	20.9%	6.0%	1.3%	-2.5%	-1.2%	5.3%	-3.7%	-8.0%	0.0%	0.0%	0.0%	2.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		13.6%	11.5%	13.9%	15.8%	14.4%	15.5%	12.5%	12.9%	14.5%	0.0%	0.0%	0.0%	13.8%
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.