

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:	Superior / Bankers / Centene	Program:	STAR
State Fiscal Year:	2016	Service Area:	El Paso
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		56,871	57,111	57,008	56,615	55,475	55,008	54,433	54,165	53,951	0	0	0	500,637
2 Average Monthly Member Months														55,626
Revenues:														
3 Medical Premiums		10,092,621	10,142,956	10,103,091	10,075,023	9,905,572	9,879,824	9,816,928	9,799,998	9,757,889	0	0	0	89,573,902
4 Delivery Supplemental Payments		767,798	695,494	612,861	819,444	602,532	698,938	719,595	709,266	767,798	0	0	0	6,393,726
5 Pharmacy Premiums		2,128,557	2,142,396	2,139,725	2,124,485	2,085,405	2,070,643	2,049,982	2,041,230	2,035,927	0	0	0	18,818,350
6 Investment Income		36,571	33,828	39,836	40,619	37,348	20,301	33,064	40,686	45,902				328,157
7 Health Insurance Providers Fee Reimbursement		3,950,636												3,950,636
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		16,976,183	13,014,674	12,895,513	13,059,571	12,630,857	12,669,706	12,619,569	12,591,180	12,607,516	0	0	0	119,064,771
10 Health Insurance Providers Fee & Related Costs		3,881,500												3,881,500
11 Health Insurance Providers Fee (NAIP)		41,780	41,956	41,880	41,592	40,754	40,411	39,989	39,792	39,635				367,788
12 Premium Taxes		296,443	227,165	224,974	227,832	220,386	221,365	220,264	219,634	219,828				2,077,891
13 Maintenance Taxes		3,981	3,998	3,991	3,963	3,883	3,851	3,810	3,792	3,777				35,045
14 Net Revenues		12,752,479	12,741,555	12,624,668	12,786,185	12,365,833	12,404,080	12,355,506	12,327,963	12,344,277	0	0	0	112,702,546
Medical Expenses:														
15 Fee-For-Service		8,295,123	8,111,164	7,466,466	7,695,630	7,329,591	8,727,712	7,632,124	7,065,260	2,876,103	0	0	0	65,199,174
16 Capitated Services		685,889	688,784	687,542	682,802	660,660	655,098	648,250	645,059	642,510	0	0	0	5,996,593
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		5,118	5,140	5,131	5,095	2,219	2,200	2,177	2,167	2,158	0	0	0	31,406
19 IBNR Accrual - Medical		16,583	109,774	97,761	318,324	304,769	264,206	595,514	1,254,827	5,362,645	0	0	0	8,324,403
20 Total Medical Expenses		9,002,714	8,914,862	8,256,899	8,701,851	8,297,239	9,649,216	8,878,066	8,967,312	8,883,416	0	0	0	79,551,575
21 Prescription Expenses (excluding PBM Admin)		1,753,474	1,796,990	1,810,191	1,776,722	1,716,713	2,090,727	1,994,853	1,760,820	1,562,052	0	0	0	16,262,542
22 Total Medical and Prescription Expenses		10,756,188	10,711,852	10,067,090	10,478,573	10,013,952	11,739,943	10,872,919	10,728,132	10,445,468	0	0	0	95,814,117
23 Administrative Expenses		987,261	912,237	884,724	957,198	877,977	809,894	886,673	889,387	912,898				8,118,250
24 Total Expenses		11,743,449	11,624,089	10,951,814	11,435,771	10,891,929	12,549,837	11,759,592	11,617,519	11,358,367	0	0	0	103,932,367
25 Net Income Before Taxes		1,009,030	1,117,466	1,672,854	1,350,414	1,473,904	(145,757)	595,914	710,444	985,910	0	0	0	8,770,179
26 % Medical Exp to Net Revenues		70.6%	70.0%	65.4%	68.1%	67.1%	77.8%	71.9%	72.7%	72.0%	0.0%	0.0%	0.0%	70.6%
27 % Prescription Exp to Net Revenues		13.8%	14.1%	14.3%	13.9%	13.9%	16.9%	16.1%	14.3%	12.7%	0.0%	0.0%	0.0%	14.4%
28 % Total Medical and Prescription to Net Rev. (MLR)		84.3%	84.1%	79.7%	82.0%	81.0%	94.6%	88.0%	87.0%	84.6%	0.0%	0.0%	0.0%	85.0%
29 % Admin Exp to Net Revenues		7.7%	7.2%	7.0%	7.5%	7.1%	6.5%	7.2%	7.2%	7.4%	0.0%	0.0%	0.0%	7.2%
30 % Net Income to Net Revenues		7.9%	8.8%	13.3%	10.6%	11.9%	-1.2%	4.8%	5.8%	8.0%	0.0%	0.0%	0.0%	7.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.3%	8.6%	8.4%	9.0%	8.5%	7.8%	8.6%	8.6%	8.9%	0.0%	0.0%	0.0%	8.6%
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.