

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:	Lubbock
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		26,788	27,100	27,272	27,284	27,427	27,499	27,421	27,308	27,085	0	0	0	245,184
2 Average Monthly Member Months														27,243
Revenues:														
3 Medical Premiums		5,428,947	5,486,025	5,494,652	5,510,485	5,536,190	5,560,994	5,549,883	5,536,419	5,481,091	0	0	0	49,584,686
4 Delivery Supplemental Payments		474,867	400,568	449,024	549,166	445,794	452,255	484,559	491,019	497,480	0	0	0	4,244,732
5 Pharmacy Premiums		1,019,685	1,032,417	1,038,660	1,034,650	1,038,950	1,043,558	1,041,092	1,039,510	1,034,468	0	0	0	9,322,990
6 Investment Income		17,227	16,051	19,053	19,481	18,465	10,149	16,656	20,513	23,044				160,639
7 Health Insurance Providers Fee Reimbursement		2,182,785												2,182,785
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		9,123,512	6,935,061	7,001,389	7,113,782	7,039,399	7,066,956	7,092,190	7,087,461	7,036,083	0	0	0	65,495,833
10 Health Insurance Providers Fee & Related Costs		2,144,587												2,144,587
11 Health Insurance Providers Fee (NAIP)		17,352	17,554	17,666	17,673	17,766	17,813	17,762	17,689	17,545				158,820
12 Premium Taxes		159,360	121,083	122,191	124,150	122,866	123,494	123,822	123,672	122,728				1,143,366
13 Maintenance Taxes		1,875	1,897	1,909	1,910	1,920	1,925	1,919	1,912	1,896				17,163
14 Net Revenues		6,800,338	6,794,527	6,859,623	6,970,048	6,896,847	6,923,724	6,948,686	6,944,189	6,893,914	0	0	0	62,031,897
Medical Expenses:														
15 Fee-For-Service		4,048,577	4,307,485	3,791,443	4,494,629	4,229,097	5,179,413	4,017,836	3,715,887	1,592,336	0	0	0	35,376,703
16 Capitated Services		228,343	231,003	232,469	232,571	229,640	230,243	229,590	228,644	226,777	0	0	0	2,069,279
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		2,411	2,439	2,454	2,456	1,097	1,100	1,097	1,092	1,083	0	0	0	15,230
19 IBNR Accrual - Medical		34,108	91,763	81,780	336,917	233,123	204,806	524,163	944,664	3,078,179	0	0	0	5,529,503
20 Total Medical Expenses		4,313,439	4,632,690	4,108,146	5,066,573	4,692,957	5,615,562	4,772,686	4,890,287	4,898,375	0	0	0	42,990,715
21 Prescription Expenses (excluding PBM Admin)		1,163,414	1,266,617	1,281,537	1,086,941	1,093,561	1,222,944	1,113,063	1,031,251	1,024,581	0	0	0	10,283,909
22 Total Medical and Prescription Expenses		5,476,853	5,899,307	5,389,683	6,153,514	5,786,518	6,838,506	5,885,749	5,921,538	5,922,956	0	0	0	53,274,624
23 Administrative Expenses		530,584	486,099	480,345	521,403	489,312	451,746	498,309	500,628	509,476				4,467,902
24 Total Expenses		6,007,437	6,385,406	5,870,028	6,674,917	6,275,830	7,290,252	6,384,059	6,422,166	6,432,432	0	0	0	57,742,527
25 Net Income Before Taxes		792,901	409,121	989,595	295,131	621,017	(366,528)	564,627	522,023	461,482	0	0	0	4,289,370
26 % Medical Exp to Net Revenues		63.4%	68.2%	59.9%	72.7%	68.0%	81.1%	68.7%	70.4%	71.1%	0.0%	0.0%	0.0%	69.3%
27 % Prescription Exp to Net Revenues		17.1%	18.6%	18.7%	15.6%	15.9%	17.7%	16.0%	14.9%	14.9%	0.0%	0.0%	0.0%	16.6%
28 % Total Medical and Prescription to Net Rev. (MLR)		80.5%	86.8%	78.6%	88.3%	83.9%	98.8%	84.7%	85.3%	85.9%	0.0%	0.0%	0.0%	85.9%
29 % Admin Exp to Net Revenues		7.8%	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		11.7%	6.0%	14.4%	4.2%	9.0%	-5.3%	8.1%	7.5%	6.7%	0.0%	0.0%	0.0%	6.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.2%	8.4%	8.3%	8.8%	8.4%	7.7%	8.4%	8.5%	8.7%	0.0%	0.0%	0.0%	8.5%
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.