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Administrative Expenses Financial Statistical Report (Admin FSR) Instructions		Version 2.0

DOCUMENT HISTORY LOG

STATUS ¹	DOCUMENT REVISION ²	EFFECTIVE DATE	DESCRIPTION ³
Baseline	2.0	November 15, 2016	<p>Initial version Uniform Managed Care Manual Chapter 5.3.1.66, "Admin Financial Statistical Report (FSR) Instructions."</p> <p>Version 2.0 applies to contracts issued as a result of HHSC RFP numbers 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, 529-13-0042, 529-13-0071, and 529-15-0001 for reporting transactions occurring on or after September 1, 2016.</p>

¹ Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions.

² Revisions should be numbered according to the version of the issuance and sequential numbering of the revision—e.g., "1.2" refers to the first version of the document and the second revision.

³ Brief description of the changes to the document made in the revision.



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Objective

Chapter 5.3.1.66 provides instructions necessary to complete the Administrative Expenses Financial Statistical Report (Admin FSR) and the Data Certification Form. All MCOs contracting with the State of Texas to arrange for or to provide healthcare to enrollees in the STAR, STAR+PLUS, CHIP, STAR Health, STAR Kids, or the Dental Program must submit an aggregate Admin FSR in accordance with the Contract for Services between HHSC and MCO, and in accordance with the instructions below. Please note this Chapter does not apply to the Texas Dual Eligibles Integrated Care Demonstration (Dual Demonstration) Project or administrative expenses incurred from participation in Dual Eligibles Medicare-Medicaid Plan (MMP). Do not include any MMP costs in the aggregate Admin FSR.

General

All Admin FSRs must be completed using the locked Microsoft Excel template provided by HHSC. Data integrity is critical to the automated compilation of the data. Do not alter the file name, sheet names, existing cell locations, or formatting of the data in the file and sheets. Do not add or delete any columns or rows. **Any deviations from the locked template will render the Admin FSR unreadable by the software application and therefore unacceptable to HHSC.**

All shaded data fields in the FSR represent fields where data input is required. In order to maintain consistency please ensure that the data input is in black. All data fields not shaded represents referenced data or calculations. All line numbers in these instructions refer to the line numbers in column A on each worksheet.

Cells can be linked within the template but there can be no outside links to the MCO Accounting Systems or other contractor sources.

FSR Page Headers

Header information entered on Part 1 populates header data for all the other sheets; please make sure Part 1 is entered correctly. Enter the following information on Part 1:

MCO Name: Select the MCO's name from the drop-down menu.

State Fiscal Year: Select the State Fiscal Year (SFY) from the drop-down menu.

Submission Date: Enter the month, day, and year, e.g., 6/30/2017.



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Submission Type: Enter the type of FSR, e.g., Quarterly; Year End + 90 Days; Year End + 334 Days,
Rptg Period End Date: Enter month, day, and year, e.g., 5/31/2017,

Part 1: Administrative Expenses

See **Cost Principles for Expenses**, Chapter 6.1 of the Uniform Managed Care Manual for allowable administrative expenses. Include only administrative expenses that are directly or indirectly in support of the Texas Medicaid service delivery area operations of the MCO. For all expenses other than depreciation, include only paid administrative expenses in the Final FSR.

The following note is included on Part 1 of the Admin FSR **“Note: Unless an item is specifically stated otherwise, reporting of all amounts in the Admin expenses FSR is on an incurred basis (that is, reported in the period corresponding to dates the services were incurred, rather than to date paid). All prior quarters’ data must be updated to reflect the most recent actuals.”**

Enter the appropriate amounts on the following lines.

Line 1 Salaries, wages, and benefits, excl. bonuses Enter amounts incurred as salary, wages, or benefits to employees and other staff. Include Temps, Part-time staff, and non-employee staff that are paid as independent contractors. Include payroll taxes and overtime. Also include reimbursement of employee relocation expenses and professional licensing fees such as RNs and CPAs. Exclude bonuses, and the payroll taxes on bonuses.

Line 2 Bonuses Include bonuses and the payroll taxes on bonuses, and any associated gross-ups.

Line 3 Rent, Lease, or Mortgage Payment for Office Space Enter rent paid for space used by the MCO.

Line 4 Utilities (if not incl. in rent), excl. Phone/Telecom Enter payments for utility services used by the MCO.

Line 5 Phone / Telecom / Cell phones / T1 / Broadband Enter the monthly operating expense, but do not include hardware purchases.

Line 6 Equipment Lease or Rent, excl. Phone/Telecom Enter monthly operating leases or rental payments.



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Line 7 Computer Hardware/Software purch. uncapitalized Enter computer hardware and software purchases (including licenses) which by their nature or amount were not eligible for depreciation. See HHSC's Cost Principles for rules regarding capitalized items.

Line 8 Furniture, Fixtures, and other Equipment Purchased, uncapitalized Enter furniture, fixture or equipment purchases that by their nature or amount were not eligible for depreciation.

Line 9 Maintenance, Repairs, Custodial, and Security Enter expenses paid for maintenance, repairs, custodial and security services.

Line 10 Supplies, Postage, Freight, Printing Enter amounts paid for supplies, postage, freight, and printing services.

Line 11 Legal & Prof. Services, incl. External Audit, Tax, Consulting Enter the cost of professional or consulting services rendered by persons or organizations that are members of a particular profession or possess a special skill.

Line 12 Travel Expenses Enter the direct cost for transportation, lodging, subsistence, etc. incurred by employees traveling on official business specifically related to an HHSC program.

Line 13 Marketing, PR, and Outreach (excl. Salaries) Enter paid cost of marketing, public relations, and outreach.

Line 14 Taxes (excl. income taxes & premium taxes) & Licensing Enter all applicable taxes and licensing expenses; exclude Income Taxes, Premium Taxes, and Maintenance Taxes.

Line 15 Insurance Enter paid insurance premiums; exclude reinsurance premiums.

Line 16 Depreciation & Amortization Enter applicable depreciation and amortization charges for the period.

Line 17 Other Administrative Expenses Enter all other expenses not specifically identified in the above administrative expense classifications.

Line 18 Subtotal (specified in-house services) Calculated as sum of lines 1 through 17.

Line 19 Outsourced Services (Non-Capitated Arrangements) Enter all outsourced services not paid under a capitated arrangement, e.g., Third-Party Administrator (TPA).



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Line 20 Outsourced Services (Capitated Arrangements) Enter the administrative component of the capitated subcontract in which the capitation is the funding source for paying claims for health care services performed. Example: BH, Vision

Line 21 PBM Admin Fees – Fees based on \$PMPM Enter the expenses associated with the administration of pharmacy services provided by a Pharmacy Benefit Manager (PBM) under a capitated arrangement.

Line 22 PBM Admin Fees – Fees based on transaction volume Enter the expenses associated with the administration of pharmacy services provided by a Pharmacy Benefit Manager (PBM) under a fee-based arrangement.

Line 23 PBM Fees – Other Enter the expenses associated with the administration of pharmacy services provided by a Pharmacy Benefit Manager (PBM) under an arrangement other than a \$PMPM or fee-based arrangement.

Line 24 Corporate Allocations Enter expenses allocated by the MCO’s parent or affiliates.

Line 25 Total Administrative Expenses Calculated as sum of lines 18 through 24 above.

Not Included in Total Administrative Above:

Line 26 Total Administrative Value Added Services Enter the administrative expenses paid by the MCO for healthcare services to Medicaid enrollees that are not covered under the HHSC Capitation nor reimbursed by HHSC. These expenses are the financial responsibility of the MCO. They are not included in Total Administrative Expenses in the FSR. The specific Value Added Services are included in the Contract for Services between HHSC and MCO.

Line 27 Outsourced Services (Non-Capitated Arrangements) Identify each vendor included in Line 19 of this part. Include the YTD dollar amount associated with each if more than one.

Line 28 Outsourced Services (Capitated Arrangements) Identify each vendor included in Line 20 of this part. Include the YTD dollar amount associated with each if more than one.

Part 2: Administrative Expenses – Allocation to Programs / SDAs

Line 1 Total Administrative Expenses Referenced from Part 1, Line 25, “Total Administrative Expenses.”



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Line 2 Total Gross Revenues Referenced from Line 25, “Total Gross Revenues.”

Line 3 Admin Cost as % of Gross Revenues Calculated as Line 1, “Total Administrative Expenses,” divided by Line 2, “Total Gross Revenues.”

Lines 4 through 35 Gross Revenues, per FSR Select the Program/Service Delivery Area from the drop-down menu. Enter the monthly gross revenues for each program/service area.

Line 36 Total Gross Revenues Calculated as sum of lines 4 through 35 above.

Lines 37 through 68 Allocated Administrative Expenses Each cell in this matrix is calculated as “Gross Revenues, per FSR” in the matrix of Lines 4 through 35, multiplied by Line 3, “Admin Cost as % of Gross Revenues.”

Line 69 Total Allocated Administrative Expenses Calculated as sum of lines 37 through 68 above.

Data Certification Form

General Instructions:

1. The Data Certification Form must be submitted with the FSR Reports, and it must be signed by the CEO, CFO, or equivalent.
2. Certification of certain financial data is a Federal requirement.
3. It is acceptable to include the Data Certification Form pasted into the Certification tab as a PDF.

Instructions for Completing Specific Data Fields:

The name of the MCO, Document name, date of submission, state fiscal year (SFY), Program and service area will populate from header information entered in Part 1.

Data Field 4 – Enter the quarter designation, e.g., “Q3.”

Data Field 7 – Type or print the name and title of the person signing the Certification.

Data Field 9 – Sign the Certification.

Data Field 10 – Enter the date the form is signed without using a formula.