

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	Amerigroup / Wellpoint	Program:	CHIP
State Fiscal Year:	2018	Service Area:	Dallas
Submission Date:	10/8/2019	Rptg Period End Date:	8/31/2018
Submission Type:	Yr-End 334-Day		

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	YTD
1 Member Months		38,895	39,152	39,557	39,661	39,507	39,395	39,740	39,449	39,279	38,733	38,081	37,886	469,335
2 Average Monthly Member Months														39,111
Revenues:														
3 Medical Premiums		4,283,961	4,312,088	4,338,619	4,336,525	4,330,804	4,310,586	4,349,701	4,326,705	4,330,624	4,286,415	4,205,113	4,177,574	51,588,715
4 Delivery Supplemental Payments		12,400	0	9,300	15,500	15,500	12,400	6,200	9,300	3,100	9,300	6,200	6,200	105,400
5 Pharmacy Premiums		1,095,192	1,101,947	1,113,671	1,116,289	1,111,934	1,108,819	1,118,726	1,110,655	1,104,977	1,089,302	1,070,841	1,064,239	13,206,592
6 Investment Income		39,837	42,108	41,024	42,317	43,653	41,050	42,228	43,618	37,301	36,782	38,893	39,003	487,816
7 Health Insurance Providers Fee Reimbursement		0												0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		5,431,390	5,456,143	5,502,614	5,510,631	5,501,891	5,472,855	5,516,855	5,490,278	5,476,002	5,421,799	5,321,047	5,287,016	65,388,523
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		90,415	94,746	95,578	95,695	95,519	95,057	95,806	95,317	95,177	94,238	92,438	91,840	1,131,825
12 Maintenance Taxes		2,528	2,545	2,571	2,578	2,568	2,561	2,583	2,564	2,553	2,518	2,475	2,463	30,507
13 Net Revenues		5,338,447	5,358,853	5,404,465	5,412,358	5,403,804	5,375,238	5,418,466	5,392,397	5,378,272	5,325,044	5,226,134	5,192,713	64,226,189
Medical Expenses:														
14 Fee-For-Service		3,566,395	3,922,850	4,166,657	4,038,280	4,268,065	3,674,576	4,296,069	4,341,233	3,737,658	3,412,156	3,319,603	3,524,072	46,267,614
15 Capitated Services		35,649	35,892	36,328	36,469	36,444	36,527	37,121	36,521	36,297	35,749	35,181	35,037	433,214
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		1,167	1,175	1,187	1,190	1,185	1,182	1,192	1,183	1,178	1,162	0	0	11,801
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		124,776	128,178	130,637	137,271	140,221	133,261	147,152	134,177	134,161	131,708	130,242	132,469	1,604,253
20 Total Medical Expenses		3,727,987	4,088,094	4,334,809	4,213,210	4,445,915	3,845,546	4,481,534	4,513,114	3,909,294	3,580,775	3,485,026	3,691,578	48,316,882
21 Prescription Expenses (excluding PBM Admin)		867,076	963,648	978,302	1,093,381	1,284,579	1,131,539	906,779	833,005	773,861	656,902	686,514	789,268	10,964,853
22 Total Medical and Prescription Expenses		4,595,063	5,051,742	5,313,111	5,306,591	5,730,494	4,977,085	5,388,313	5,346,119	4,683,155	4,237,677	4,171,540	4,480,846	59,281,735
23 Administrative Expenses		229,968	267,087	249,946	277,206	261,241	241,618	245,379	258,108	253,317	258,679	246,170	266,851	3,055,570
24 Total Expenses		4,825,031	5,318,829	5,563,056	5,583,796	5,991,734	5,218,703	5,633,692	5,604,227	4,936,472	4,496,356	4,417,710	4,747,697	62,337,303
25 Net Income Before Taxes		513,416	40,024	(158,591)	(171,438)	(587,930)	156,535	(215,226)	(211,830)	441,800	828,688	808,424	445,016	1,888,886
26 % Medical Exp to Net Revenues		69.8%	76.3%	80.2%	77.8%	82.3%	71.5%	82.7%	83.7%	72.7%	67.2%	66.7%	71.1%	75.2%
27 % Prescription Exp to Net Revenues		16.2%	18.0%	18.1%	20.2%	23.8%	21.1%	16.7%	15.4%	14.4%	12.3%	13.1%	15.2%	17.1%
28 % Total Medical and Prescription to Net Rev. (MLR)		86.1%	94.3%	98.3%	98.0%	106.0%	92.6%	99.4%	99.1%	87.1%	79.6%	79.8%	86.3%	92.3%
29 % Admin Exp to Net Revenues		4.3%	5.0%	4.6%	5.1%	4.8%	4.5%	4.5%	4.8%	4.7%	4.9%	4.7%	5.1%	4.8%
30 % Net Income to Net Revenues		9.6%	0.7%	-2.9%	-3.2%	-10.9%	2.9%	-4.0%	-3.9%	8.2%	15.6%	15.5%	8.6%	2.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.4%	6.3%	5.8%	6.5%	6.1%	5.7%	5.7%	6.0%	5.9%	6.1%	5.9%	6.5%	6.0%

Post-income items:
32 Performance Assessment

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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.

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.