

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

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

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		11,765	12,512	12,707	12,904	12,925	12,906	12,732	12,397	12,090	11,452	11,300	11,069	<b>146,759</b>
2 <b>Average Monthly Member Months</b>														<b>12,230</b>
<b>Revenues:</b>														
3 Medical Premiums		1,707,783	1,747,199	1,738,978	1,753,816	1,802,770	1,817,704	1,828,644	1,835,926	1,829,302	1,770,927	1,773,872	1,737,346	21,344,267
4 Delivery Supplemental Payments		9,300	3,100	3,100	6,200	3,100	3,100	3,100	3,100	3,100	3,100	3,100	0	43,400
5 Pharmacy Premiums		494,555	519,087	524,803	532,836	538,414	539,751	536,576	525,934	517,343	492,353	488,800	477,738	6,188,190
6 Investment Income		16,254	17,190	17,413	17,587	18,030	17,955	18,196	18,620	16,498	15,442	16,476	16,683	206,343
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		2,227,892	2,286,576	2,284,294	2,310,439	2,362,314	2,378,510	2,386,516	2,383,580	2,366,243	2,281,822	2,282,248	2,231,767	27,782,200
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		34,766	39,714	39,670	40,125	41,025	41,310	41,446	41,387	41,121	39,662	39,651	38,764	478,640
12 Maintenance Taxes		765	813	826	839	840	839	828	806	786	744	735	719	9,539
13 <b>Net Revenues</b>		<b>2,192,361</b>	<b>2,246,048</b>	<b>2,243,798</b>	<b>2,269,475</b>	<b>2,320,449</b>	<b>2,336,361</b>	<b>2,344,243</b>	<b>2,341,387</b>	<b>2,324,337</b>	<b>2,241,416</b>	<b>2,241,862</b>	<b>2,192,284</b>	<b>27,294,022</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		1,260,066	1,279,819	1,268,083	1,263,926	1,184,153	1,221,723	1,240,490	1,303,889	1,174,418	1,137,660	1,711,559	1,182,897	15,228,683
15 Capitated Services		9,936	10,740	10,992	11,191	11,105	11,008	10,781	10,370	10,022	9,406	9,220	9,033	123,804
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		353	375	381	387	388	387	382	372	363	344	0	0	3,732
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		51,181	53,717	54,231	57,554	60,206	57,916	63,656	58,252	57,972	55,431	55,862	55,918	681,896
20 Total Medical Expenses		1,321,536	1,344,651	1,333,688	1,333,058	1,255,851	1,291,034	1,315,309	1,372,883	1,242,775	1,202,841	1,776,641	1,247,848	16,038,115
21 Prescription Expenses (excluding PBM Admin)		406,546	332,544	431,088	434,989	430,546	444,865	418,344	367,937	311,379	327,515	312,591	354,187	4,572,530
22 <b>Total Medical and Prescription Expenses</b>		<b>1,728,082</b>	<b>1,677,195</b>	<b>1,764,776</b>	<b>1,768,047</b>	<b>1,686,397</b>	<b>1,735,899</b>	<b>1,733,653</b>	<b>1,740,820</b>	<b>1,554,154</b>	<b>1,530,356</b>	<b>2,089,232</b>	<b>1,602,035</b>	<b>20,610,645</b>
23 <b>Administrative Expenses</b>		<b>94,330</b>	<b>111,931</b>	<b>103,760</b>	<b>116,224</b>	<b>112,167</b>	<b>105,008</b>	<b>106,148</b>	<b>112,057</b>	<b>109,461</b>	<b>108,868</b>	<b>105,585</b>	<b>112,644</b>	<b>1,298,182</b>
24 <b>Total Expenses</b>		<b>1,822,412</b>	<b>1,789,127</b>	<b>1,868,535</b>	<b>1,884,271</b>	<b>1,798,564</b>	<b>1,840,906</b>	<b>1,839,800</b>	<b>1,852,876</b>	<b>1,663,615</b>	<b>1,639,224</b>	<b>2,194,816</b>	<b>1,714,678</b>	<b>21,908,824</b>
25 <b>Net Income Before Taxes</b>		<b>369,949</b>	<b>456,921</b>	<b>375,263</b>	<b>385,204</b>	<b>521,885</b>	<b>495,455</b>	<b>504,443</b>	<b>488,511</b>	<b>660,722</b>	<b>602,192</b>	<b>47,046</b>	<b>477,606</b>	<b>5,385,198</b>
26 % Medical Exp to Net Revenues		60.3%	59.9%	59.4%	58.7%	54.1%	55.3%	56.1%	58.6%	53.5%	53.7%	79.2%	56.9%	58.8%
27 % Prescription Exp to Net Revenues		18.5%	14.8%	19.2%	19.2%	18.6%	19.0%	17.8%	15.7%	13.4%	14.6%	13.9%	16.2%	16.8%
28 % Total Medical and Prescription to Net Rev. (MLR)		78.8%	74.7%	78.7%	77.9%	72.7%	74.3%	74.0%	74.3%	66.9%	68.3%	93.2%	73.1%	75.5%
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 <b>% Net Income to Net Revenues</b>		<b>16.9%</b>	<b>20.3%</b>	<b>16.7%</b>	<b>17.0%</b>	<b>22.5%</b>	<b>21.2%</b>	<b>21.5%</b>	<b>20.9%</b>	<b>28.4%</b>	<b>26.9%</b>	<b>2.1%</b>	<b>21.8%</b>	<b>19.7%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.6%	6.5%	6.0%	6.7%	6.3%	5.8%	5.9%	6.2%	6.1%	6.2%	6.0%	6.6%	6.2%
<b>Post-income items:</b>														
32 Performance Assessment														<b>0</b>

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.