

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: <b>Amerigroup / Wellpoint</b>	Program: <b>CHIP</b>
State Fiscal Year: <b>2018</b>	Service Area: <b>Jefferson</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		488	505	513	536	539	524	540	513	514	498	484	482	6,136
2 <b>Average Monthly Member Months</b>														<b>511</b>
<b>Revenues:</b>														
3 Medical Premiums		76,201	71,581	71,750	77,042	82,648	80,009	84,359	81,349	80,810	84,438	84,584	80,834	955,605
4 Delivery Supplemental Payments		3,100	3,100	0	0	0	0	0	0	0	0	0	0	6,200
5 Pharmacy Premiums		20,410	20,233	20,408	21,486	22,135	21,626	22,452	21,238	21,018	20,955	20,520	20,014	252,495
6 Investment Income		717	836	690	708	789	725	825	894	684	690	810	856	9,225
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		100,428	95,750	92,848	99,236	105,572	102,360	107,636	103,481	102,512	106,083	105,914	101,704	1,223,525
10 Health Insurance Providers Fee & Related Costs		0												0
11 Premium Taxes		1,745	830	806	862	917	889	935	898	891	922	920	882	11,498
12 Maintenance Taxes		32	33	33	35	35	34	35	33	33	32	31	31	399
13 <b>Net Revenues</b>		<b>98,651</b>	<b>94,887</b>	<b>92,008</b>	<b>98,339</b>	<b>104,620</b>	<b>101,437</b>	<b>106,666</b>	<b>102,550</b>	<b>101,588</b>	<b>105,128</b>	<b>104,963</b>	<b>100,790</b>	<b>1,211,628</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		49,642	342,696	46,918	65,014	1,617,839	42,004	44,462	38,018	46,609	41,544	44,327	167,588	2,546,661
15 Capitated Services		404	435	443	460	452	441	451	425	427	401	383	389	5,111
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		15	15	15	16	16	16	16	15	15	15	0	0	155
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		2,307	2,250	2,204	2,472	2,691	2,492	2,871	2,529	2,512	2,577	2,592	2,548	30,045
20 Total Medical Expenses		52,368	345,396	49,581	67,962	1,620,998	44,953	47,800	40,987	49,563	44,537	47,302	170,525	2,581,972
21 Prescription Expenses (excluding PBM Admin)		629,906	269,364	784,789	271,039	652,169	648,207	394,879	650,028	652,998	652,909	652,353	1,419,215	7,677,856
22 <b>Total Medical and Prescription Expenses</b>		<b>682,274</b>	<b>614,760</b>	<b>834,370</b>	<b>339,001</b>	<b>2,273,167</b>	<b>693,160</b>	<b>442,679</b>	<b>691,015</b>	<b>702,561</b>	<b>697,446</b>	<b>699,655</b>	<b>1,589,740</b>	<b>10,259,828</b>
23 <b>Administrative Expenses</b>		<b>4,252</b>	<b>4,687</b>	<b>4,217</b>	<b>4,992</b>	<b>5,013</b>	<b>4,519</b>	<b>4,787</b>	<b>4,865</b>	<b>4,742</b>	<b>5,061</b>	<b>4,900</b>	<b>5,133</b>	<b>57,169</b>
24 <b>Total Expenses</b>		<b>686,526</b>	<b>619,447</b>	<b>838,587</b>	<b>343,993</b>	<b>2,278,180</b>	<b>697,679</b>	<b>447,466</b>	<b>695,880</b>	<b>707,303</b>	<b>702,508</b>	<b>704,555</b>	<b>1,594,874</b>	<b>10,316,998</b>
25 <b>Net Income Before Taxes</b>		<b>(587,875)</b>	<b>(524,560)</b>	<b>(746,579)</b>	<b>(245,654)</b>	<b>(2,173,560)</b>	<b>(596,242)</b>	<b>(340,800)</b>	<b>(593,330)</b>	<b>(605,715)</b>	<b>(597,380)</b>	<b>(599,592)</b>	<b>(1,494,084)</b>	<b>(9,105,370)</b>
26 % Medical Exp to Net Revenues		53.1%	364.0%	53.9%	69.1%	1549.4%	44.3%	44.8%	40.0%	48.8%	42.4%	45.1%	169.2%	213.1%
27 % Prescription Exp to Net Revenues		638.5%	283.9%	853.0%	275.6%	623.4%	639.0%	370.2%	633.9%	642.8%	621.1%	621.5%	1408.1%	633.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		691.6%	647.9%	906.8%	344.7%	2172.8%	683.3%	415.0%	673.8%	691.6%	663.4%	666.6%	1577.3%	846.8%
29 % Admin Exp to Net Revenues		4.3%	4.9%	4.6%	5.1%	4.8%	4.5%	4.5%	4.7%	4.7%	4.8%	4.7%	5.1%	4.7%
30 <b>% Net Income to Net Revenues</b>		<b>-595.9%</b>	<b>-552.8%</b>	<b>-811.4%</b>	<b>-249.8%</b>	<b>-2077.6%</b>	<b>-587.8%</b>	<b>-319.5%</b>	<b>-578.6%</b>	<b>-596.2%</b>	<b>-568.2%</b>	<b>-571.2%</b>	<b>-1482.4%</b>	<b>-751.5%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.4%	6.3%	5.9%	6.5%	6.1%	5.7%	5.7%	6.0%	5.9%	6.0%	5.8%	6.4%	6.0%
<b>Post-income items:</b>														
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.

## 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.