

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Wellpoint**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **10/8/2019** Service Area: **Harris / Houston**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

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		39,352	39,322	39,462	39,505	39,049	39,089	38,933	38,715	38,963	38,972	38,975	39,040	469,377
2 Average Monthly Member Months														39,115
Revenues:														
3 Medical Premiums		39,733,279	39,728,508	40,050,085	40,270,373	39,571,789	39,519,232	42,162,516	41,824,400	42,219,180	42,239,385	42,192,439	42,397,810	491,908,996
4 Pharmacy Premiums		10,235,357	10,223,476	10,248,832	10,235,042	10,206,720	10,222,336	10,200,845	10,179,527	10,179,505	10,171,243	10,131,604	10,148,251	122,382,738
5 Investment Income		359,043	384,104	375,492	387,887	386,089	361,176	390,954	405,206	347,780	349,546	369,067	394,726	4,511,070
6 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		50,327,679	50,336,088	50,674,409	50,893,302	50,164,598	50,102,744	52,754,315	52,409,133	52,746,465	52,760,174	52,693,110	52,940,787	618,802,804
9 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		870,514	874,160	880,231	883,845	871,124	870,477	916,359	910,069	916,977	917,186	915,671	919,556	10,746,168
12 Maintenance Taxes		2,558	2,556	2,565	2,568	2,538	2,541	2,531	2,516	2,533	2,533	2,533	2,538	30,510
13 Net Revenues		49,454,607	49,459,372	49,791,613	50,006,889	49,290,936	49,229,726	51,835,426	51,496,548	51,826,955	51,840,455	51,774,906	52,018,693	608,026,127
Medical Expenses:														
14 Fee-For-Service		31,138,940	32,549,000	30,904,243	31,773,941	31,219,873	28,322,881	34,502,849	33,701,107	35,170,945	34,002,529	35,631,797	37,002,960	395,921,065
15 Capitated Services		18,487	18,455	18,475	18,424	18,349	18,369	18,309	18,267	18,259	18,212	18,137	18,136	219,879
16 Net Reinsurance cost		572	571	571	570	567	568	566	565	565	563	0	0	5,678
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		1,485,449	1,642,003	1,556,944	1,486,416	1,659,780	1,444,689	1,611,217	1,547,861	1,654,702	1,551,247	1,593,755	1,666,040	18,900,103
20 Quality Incentive Payment Program (QIPP)		444,853	441,103	2,086,476	523,839	471,338	491,026	2,096,223	453,545	483,760	2,061,986	460,088	2,280,732	12,294,969
21 Other Medical Expenses		517,595	525,331	517,312	526,328	492,315	513,702	499,841	498,681	507,411	495,599	540,034	530,296	6,164,445
22 Total Medical Expenses		33,605,896	35,176,463	35,084,021	34,329,518	33,862,222	30,791,235	38,729,005	36,220,026	37,835,642	38,130,136	38,243,811	41,498,164	433,506,139
23 Prescription Expenses (excluding PBM Admin)		10,099,663	10,637,037	10,557,128	9,810,568	10,675,616	9,924,250	10,516,038	9,618,641	10,419,376	10,187,219	10,288,053	10,793,634	123,527,224
24 Total Medical and Prescription Expenses		43,705,559	45,813,501	45,641,148	44,140,086	44,537,838	40,715,485	49,245,043	45,838,667	48,255,019	48,317,355	48,531,864	52,291,798	557,033,362
25 Administrative Expenses		2,130,901	2,464,028	2,301,789	2,560,128	2,381,913	2,211,960	2,346,412	2,463,853	2,440,027	2,517,239	2,437,764	2,672,073	28,928,087
26 Total Expenses		45,836,460	48,277,529	47,942,937	46,700,214	46,919,751	42,927,445	51,591,455	48,302,520	50,695,045	50,834,594	50,969,628	54,963,870	585,961,448
27 Net Income Before Taxes		3,618,147	1,181,843	1,848,676	3,306,675	2,371,185	6,302,281	243,971	3,194,028	1,131,910	1,005,861	805,278	(2,945,177)	22,064,679
28 % Medical Exp to Net Revenues		68.0%	71.1%	70.5%	68.6%	68.7%	62.5%	74.7%	70.3%	73.0%	73.6%	73.9%	79.8%	71.3%
29 % Prescription Exp to Net Revenues		20.4%	21.5%	21.2%	19.6%	21.7%	20.2%	20.3%	18.7%	20.1%	19.7%	19.9%	20.7%	20.3%
30 % Total Medical and Prescription to Net Rev. (MLR)		88.4%	92.6%	91.7%	88.3%	90.4%	82.7%	95.0%	89.0%	93.1%	93.2%	93.7%	100.5%	91.6%
31 % 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%
32 % Net Income to Net Revenues		7.3%	2.4%	3.7%	6.6%	4.8%	12.8%	0.5%	6.2%	2.2%	1.9%	1.6%	-5.7%	3.6%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.4%	6.3%	5.8%	6.4%	6.1%	5.7%	5.6%	6.0%	5.9%	6.0%	5.9%	6.4%	6.0%
Post-income items:														
34 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.

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