

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Amerigroup / Wellpoint**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **10/8/2019** Service Area: **Lubbock**
 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		6,448	6,427	6,408	6,425	6,404	6,396	6,379	6,371	6,393	6,387	6,384	6,429	76,851
2 Average Monthly Member Months														6,404
Revenues:														
3 Medical Premiums		7,659,394	7,582,863	7,517,678	7,513,069	7,465,534	7,408,855	7,753,223	7,771,770	7,763,007	7,795,414	7,815,785	7,839,919	91,886,511
4 Pharmacy Premiums		1,145,220	1,139,919	1,132,432	1,143,506	1,144,096	1,151,536	1,152,740	1,153,827	1,158,858	1,165,601	1,158,999	1,162,770	13,809,504
5 Investment Income		63,627	68,398	64,920	66,587	66,168	63,168	66,609	70,099	60,251	60,963	62,673	64,121	777,583
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		8,868,241	8,791,180	8,715,030	8,723,162	8,675,798	8,623,559	8,972,572	8,995,696	8,982,116	9,021,978	9,037,457	9,066,810	106,473,598
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		150,143	152,649	151,377	151,490	150,669	149,807	155,854	156,198	156,133	156,818	157,059	157,547	1,845,743
12 Maintenance Taxes		419	418	417	418	416	416	415	414	416	415	415	418	4,995
13 Net Revenues		8,717,679	8,638,114	8,563,237	8,571,254	8,524,713	8,473,336	8,816,303	8,839,084	8,825,568	8,864,745	8,879,983	8,908,845	104,622,861
Medical Expenses:														
14 Fee-For-Service		5,709,861	6,311,460	5,743,118	5,605,658	5,949,091	5,517,087	6,443,804	6,119,434	6,329,041	6,332,106	6,378,495	6,541,914	72,981,069
15 Capitated Services		2,292	2,282	2,269	2,288	2,290	2,303	2,307	2,310	2,320	2,328	2,315	2,328	27,632
16 Net Reinsurance cost		71	71	70	71	71	71	71	71	72	72	0	0	711
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		261,749	286,775	267,765	254,773	287,054	248,657	274,039	265,681	281,777	265,263	273,347	285,331	3,252,211
20 Quality Incentive Payment Program (QIPP)		335,575	344,702	1,279,900	349,616	331,012	344,351	1,242,807	337,009	343,727	1,230,045	322,615	1,388,590	7,849,949
21 Other Medical Expenses		56,584	60,341	58,326	57,132	51,682	54,454	56,521	53,974	50,322	50,568	56,450	61,305	667,639
22 Total Medical Expenses		6,366,132	7,005,631	7,351,448	6,269,538	6,621,180	6,166,923	8,019,549	6,778,479	7,007,259	7,880,382	7,033,222	8,279,468	84,779,211
23 Prescription Expenses (excluding PBM Admin)		1,137,106	1,133,738	1,070,028	1,081,135	1,101,907	1,072,965	1,160,685	1,134,901	1,155,598	1,054,558	1,090,217	1,155,334	13,348,170
24 Total Medical and Prescription Expenses		7,503,238	8,139,369	8,421,476	7,350,673	7,723,087	7,239,887	9,180,233	7,913,380	8,162,857	8,934,940	8,123,439	9,434,802	98,127,381
25 Administrative Expenses		375,486	430,342	395,864	438,808	411,944	380,717	399,083	422,905	415,508	430,447	418,104	457,628	4,976,836
26 Total Expenses		7,878,724	8,569,711	8,817,339	7,789,482	8,135,031	7,620,604	9,579,316	8,336,284	8,578,365	9,365,387	8,541,543	9,892,430	103,104,216
27 Net Income Before Taxes		838,955	68,403	(254,102)	781,772	389,682	852,732	(763,013)	502,800	247,203	(500,642)	338,440	(983,585)	1,518,645
28 % Medical Exp to Net Revenues		73.0%	81.1%	85.8%	73.1%	77.7%	72.8%	91.0%	76.7%	79.4%	88.9%	79.2%	92.9%	81.0%
29 % Prescription Exp to Net Revenues		13.0%	13.1%	12.5%	12.6%	12.9%	12.7%	13.2%	12.8%	13.1%	11.9%	12.3%	13.0%	12.8%
30 % Total Medical and Prescription to Net Rev. (MLR)		86.1%	94.2%	98.3%	85.8%	90.6%	85.4%	104.1%	89.5%	92.5%	100.8%	91.5%	105.9%	93.8%
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		9.6%	0.8%	-3.0%	9.1%	4.6%	10.1%	-8.7%	5.7%	2.8%	-5.6%	3.8%	-11.0%	1.5%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.0%	5.7%	5.3%	5.9%	5.6%	5.2%	5.2%	5.5%	5.4%	5.6%	5.4%	5.9%	5.5%
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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