

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Amerigroup / Wellpoint**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **10/8/2019** Service Area: **Ft. Worth / Tarrant**  
 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		29,284	29,418	29,649	29,739	29,236	29,356	29,233	29,041	29,326	29,471	29,595	29,703	353,051
2 <b>Average Monthly Member Months</b>														<b>29,421</b>
<b>Revenues:</b>														
3 Medical Premiums		36,297,353	36,597,685	37,110,657	37,427,965	36,548,064	36,672,912	40,045,228	39,603,989	40,350,763	40,639,377	40,773,375	41,010,786	463,078,154
4 Pharmacy Premiums		8,410,076	8,448,032	8,501,833	8,520,464	8,495,750	8,537,562	8,533,485	8,551,443	8,572,626	8,602,847	8,613,326	8,644,040	102,431,484
5 Investment Income		328,218	352,551	342,215	352,681	353,952	332,846	368,331	378,633	324,765	335,718	351,643	364,232	4,185,785
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		45,035,647	45,398,268	45,954,705	46,301,110	45,397,766	45,543,320	48,947,044	48,534,065	49,248,154	49,577,942	49,738,344	50,019,058	569,695,423
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		778,443	788,300	798,219	804,098	788,267	791,183	850,127	842,720	856,159	861,739	864,267	868,959	9,892,481
12 Maintenance Taxes		1,903	1,912	1,927	1,933	1,900	1,908	1,900	1,888	1,906	1,916	1,924	1,931	22,948
13 <b>Net Revenues</b>		<b>44,255,301</b>	<b>44,608,056</b>	<b>45,154,559</b>	<b>45,495,079</b>	<b>44,607,599</b>	<b>44,750,229</b>	<b>48,095,016</b>	<b>47,689,457</b>	<b>48,390,089</b>	<b>48,714,287</b>	<b>48,872,153</b>	<b>49,148,168</b>	<b>559,779,994</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		28,899,164	29,217,561	28,132,303	28,746,175	29,330,334	26,109,411	31,238,396	30,916,860	32,919,124	31,543,966	34,379,271	33,049,375	364,481,940
15 Capitated Services		14,635	14,687	14,758	14,771	14,731	14,779	14,755	14,777	14,797	14,838	14,844	14,874	177,246
16 Net Reinsurance cost		453	454	456	457	456	457	456	457	458	459	0	0	4,563
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		1,329,252	1,480,928	1,411,933	1,352,294	1,502,061	1,313,220	1,494,936	1,433,414	1,544,957	1,457,683	1,504,385	1,574,094	17,399,157
20 Quality Incentive Payment Program (QIPP)		898,411	939,387	3,396,041	1,028,372	980,974	1,012,165	3,636,678	941,487	967,699	3,544,835	1,011,698	4,126,816	22,484,563
21 Other Medical Expenses		153,415	158,271	150,379	166,395	150,383	165,054	339,223	192,112	164,105	163,003	192,102	204,692	2,199,134
22 Total Medical Expenses		31,295,330	31,811,288	33,105,870	31,308,464	31,978,939	28,615,086	36,724,444	33,499,107	35,611,140	36,724,784	37,102,300	38,969,851	406,746,603
23 Prescription Expenses (excluding PBM Admin)		7,329,823	7,886,183	7,477,165	7,327,935	8,030,445	7,341,549	7,855,077	7,618,391	7,974,030	7,896,494	8,125,955	8,422,934	93,285,981
24 <b>Total Medical and Prescription Expenses</b>		<b>38,625,154</b>	<b>39,697,470</b>	<b>40,583,035</b>	<b>38,636,399</b>	<b>40,009,384</b>	<b>35,956,635</b>	<b>44,579,521</b>	<b>41,117,498</b>	<b>43,585,171</b>	<b>44,621,278</b>	<b>45,228,255</b>	<b>47,392,785</b>	<b>500,032,585</b>
25 <b>Administrative Expenses</b>		<b>1,906,834</b>	<b>2,222,315</b>	<b>2,087,405</b>	<b>2,329,123</b>	<b>2,155,574</b>	<b>2,010,668</b>	<b>2,177,072</b>	<b>2,281,679</b>	<b>2,278,196</b>	<b>2,365,412</b>	<b>2,301,067</b>	<b>2,524,605</b>	<b>26,639,949</b>
26 <b>Total Expenses</b>		<b>40,531,987</b>	<b>41,919,785</b>	<b>42,670,440</b>	<b>40,965,522</b>	<b>42,164,959</b>	<b>37,967,303</b>	<b>46,756,593</b>	<b>43,399,177</b>	<b>45,863,367</b>	<b>46,986,690</b>	<b>47,529,322</b>	<b>49,917,389</b>	<b>526,672,534</b>
27 <b>Net Income Before Taxes</b>		<b>3,723,314</b>	<b>2,688,271</b>	<b>2,484,119</b>	<b>4,529,557</b>	<b>2,442,640</b>	<b>6,782,926</b>	<b>1,338,423</b>	<b>4,290,280</b>	<b>2,526,722</b>	<b>1,727,597</b>	<b>1,342,831</b>	<b>(769,221)</b>	<b>33,107,460</b>
28 % Medical Exp to Net Revenues		70.7%	71.3%	73.3%	68.8%	71.7%	63.9%	76.4%	70.2%	73.6%	75.4%	75.9%	79.3%	72.7%
29 % Prescription Exp to Net Revenues		16.6%	17.7%	16.6%	16.1%	18.0%	16.4%	16.3%	16.0%	16.5%	16.2%	16.8%	17.1%	16.7%
30 % Total Medical and Prescription to Net Rev. (MLR)		87.3%	89.0%	89.9%	84.9%	89.7%	80.3%	92.7%	86.2%	90.1%	91.6%	92.5%	96.4%	89.3%
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 <b>% Net Income to Net Revenues</b>		<b>8.4%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>10.0%</b>	<b>5.5%</b>	<b>15.2%</b>	<b>2.8%</b>	<b>9.0%</b>	<b>5.2%</b>	<b>2.7%</b>	<b>-1.6%</b>	<b>5.9%</b>	
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.3%	6.1%	5.7%	6.3%	6.0%	5.6%	5.5%	5.8%	5.7%	5.9%	5.7%	6.2%	5.8%
<b>Post-income items:</b>														
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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