

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Amerigroup / Wellpoint**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **10/8/2019** Service Area: **Travis / Austin**  
 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		12,012	11,951	11,944	11,903	11,805	11,724	11,662	11,614	11,589	11,556	11,564	11,570	140,894
2 <b>Average Monthly Member Months</b>														<b>11,741</b>
<b>Revenues:</b>														
3 Medical Premiums		15,262,398	15,219,888	15,177,797	15,143,666	14,916,617	14,749,435	14,824,306	14,747,939	14,828,908	14,770,785	14,788,557	14,794,823	179,225,119
4 Pharmacy Premiums		2,650,649	2,644,824	2,641,672	2,632,147	2,610,892	2,598,186	2,583,827	2,578,331	2,566,280	2,565,348	2,566,287	2,567,306	31,205,749
5 Investment Income		132,171	139,487	134,670	137,526	138,201	126,807	131,487	138,112	117,651	115,386	123,906	124,880	1,560,284
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		18,045,218	18,004,199	17,954,139	17,913,339	17,665,710	17,474,428	17,539,620	17,464,382	17,512,839	17,451,519	17,478,750	17,487,009	211,991,152
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		309,541	312,632	311,841	311,077	306,731	303,583	304,642	303,210	304,416	303,382	303,710	303,837	3,678,603
12 Maintenance Taxes		781	777	776	774	767	762	758	755	753	751	752	752	9,158
13 <b>Net Revenues</b>		<b>17,734,896</b>	<b>17,690,790</b>	<b>17,641,522</b>	<b>17,601,489</b>	<b>17,358,211</b>	<b>17,170,083</b>	<b>17,234,220</b>	<b>17,160,417</b>	<b>17,207,670</b>	<b>17,147,386</b>	<b>17,174,289</b>	<b>17,182,420</b>	<b>208,303,391</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		11,750,805	11,820,105	11,441,608	11,676,784	12,133,962	10,887,610	11,664,109	11,542,423	12,113,877	11,568,018	11,721,808	11,678,712	139,999,821
15 Capitated Services		4,959	4,939	4,944	4,920	4,876	4,863	4,832	4,811	4,787	4,780	4,788	4,794	58,292
16 Net Reinsurance cost		153	153	153	152	151	150	149	149	148	148	0	0	1,506
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		532,614	587,311	551,631	523,186	584,500	503,867	535,694	515,796	549,393	513,107	528,662	550,314	6,476,075
20 Quality Incentive Payment Program (QIPP)		537,396	533,560	1,919,735	555,004	555,662	532,941	1,993,599	580,540	590,215	2,077,027	575,484	2,354,918	12,806,081
21 Other Medical Expenses		(75,842)	(40,253)	(51,387)	(48,501)	(86,546)	(82,945)	(112,331)	(103,145)	(104,816)	(90,201)	(100,743)	(110,284)	(1,006,994)
22 Total Medical Expenses		12,750,085	12,905,815	13,866,684	12,711,545	13,192,605	11,846,486	14,086,052	12,540,574	13,153,604	14,072,879	12,729,999	14,478,454	158,334,781
23 Prescription Expenses (excluding PBM Admin)		2,385,873	2,965,926	2,772,330	2,619,984	2,767,197	2,511,074	3,037,864	2,381,451	2,690,342	2,690,461	2,749,854	2,566,309	32,138,666
24 <b>Total Medical and Prescription Expenses</b>		<b>15,135,957</b>	<b>15,871,741</b>	<b>16,639,014</b>	<b>15,331,529</b>	<b>15,959,803</b>	<b>14,357,560</b>	<b>17,123,915</b>	<b>14,922,026</b>	<b>15,843,946</b>	<b>16,763,341</b>	<b>15,479,853</b>	<b>17,044,763</b>	<b>190,473,447</b>
25 <b>Administrative Expenses</b>		<b>764,044</b>	<b>881,333</b>	<b>815,533</b>	<b>901,109</b>	<b>838,802</b>	<b>771,469</b>	<b>780,129</b>	<b>821,034</b>	<b>810,136</b>	<b>832,629</b>	<b>808,627</b>	<b>882,619</b>	<b>9,907,465</b>
26 <b>Total Expenses</b>		<b>15,900,002</b>	<b>16,753,074</b>	<b>17,454,547</b>	<b>16,232,639</b>	<b>16,798,605</b>	<b>15,129,029</b>	<b>17,904,044</b>	<b>15,743,059</b>	<b>16,654,082</b>	<b>17,595,970</b>	<b>16,288,480</b>	<b>17,927,382</b>	<b>200,380,913</b>
27 <b>Net Income Before Taxes</b>		<b>1,834,894</b>	<b>937,716</b>	<b>186,975</b>	<b>1,368,850</b>	<b>659,606</b>	<b>2,041,054</b>	<b>(669,824)</b>	<b>1,417,358</b>	<b>553,588</b>	<b>(448,584)</b>	<b>885,809</b>	<b>(744,962)</b>	<b>7,922,478</b>
28 % Medical Exp to Net Revenues		71.9%	73.0%	78.6%	72.2%	76.0%	69.0%	81.7%	73.1%	76.4%	82.1%	74.1%	84.3%	76.0%
29 % Prescription Exp to Net Revenues		13.5%	16.8%	15.7%	14.9%	15.9%	14.6%	17.6%	13.9%	15.6%	15.7%	16.0%	14.9%	15.4%
30 % Total Medical and Prescription to Net Rev. (MLR)		85.3%	89.7%	94.3%	87.1%	91.9%	83.6%	99.4%	87.0%	92.1%	97.8%	90.1%	99.2%	91.4%
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>10.3%</b>	<b>5.3%</b>	<b>1.1%</b>	<b>7.8%</b>	<b>3.2%</b>	<b>11.9%</b>	<b>-3.9%</b>	<b>8.3%</b>	<b>3.2%</b>	<b>-2.6%</b>	<b>5.2%</b>	<b>-4.3%</b>	<b>3.8%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		5.1%	5.9%	5.4%	6.0%	5.7%	5.3%	5.3%	5.6%	5.5%	5.7%	5.5%	6.0%	5.6%
<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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