

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Amerigroup / Anthem**  
 State Fiscal Year: **2018** Program: **STAR**  
 Submission Date: **10/8/2019** Service Area: **Dallas**  
 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		206,360	203,578	202,987	203,205	202,120	201,450	201,586	200,849	200,814	200,850	200,560	200,859	<b>2,425,218</b>
2 <b>Average Monthly Member Months</b>														<b>202,102</b>
<b>Revenues:</b>														
3 Medical Premiums		35,367,234	34,778,502	34,566,799	34,551,082	34,308,104	34,193,235	37,185,096	36,991,602	36,976,097	36,956,826	36,921,409	37,058,482	429,854,468
4 Delivery Supplemental Payments		2,451,231	2,327,432	2,511,362	2,306,209	2,267,300	2,069,221	1,966,644	1,878,216	2,012,627	2,009,090	2,055,073	2,249,615	26,104,020
5 Pharmacy Premiums		7,536,024	7,437,311	7,400,389	7,388,300	7,344,569	7,319,196	7,301,938	7,273,432	7,262,011	7,250,309	7,256,459	7,269,033	88,038,971
6 Investment Income		316,355	338,996	320,738	327,345	339,172	310,574	342,651	355,201	304,954	304,191	323,520	300,968	3,884,665
7 Health Insurance Providers Fee Reimbursement		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		45,670,844	44,882,241	44,799,288	44,572,936	44,259,145	43,892,226	46,796,329	46,498,451	46,555,689	46,520,416	46,556,461	46,878,098	547,882,124
10 Health Insurance Providers Fee & Related Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		789,766	779,507	778,375	774,298	768,600	762,679	812,939	807,507	809,388	808,784	809,076	815,100	9,516,018
13 Maintenance Taxes		13,413	13,233	13,194	13,208	13,138	13,094	13,103	13,055	13,053	13,055	13,036	13,056	157,639
14 <b>Net Revenues</b>		<b>44,867,665</b>	<b>44,089,502</b>	<b>44,007,719</b>	<b>43,785,430</b>	<b>43,477,408</b>	<b>43,116,453</b>	<b>45,970,287</b>	<b>45,677,889</b>	<b>45,733,248</b>	<b>45,698,577</b>	<b>45,734,348</b>	<b>46,049,942</b>	<b>538,208,467</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		31,239,584	33,679,376	33,653,651	31,885,141	36,462,213	33,011,845	35,264,703	35,764,787	34,777,341	33,352,587	32,865,163	37,100,725	409,057,117
16 Capitated Services		215,114	212,437	211,894	212,418	212,777	211,962	212,948	211,914	211,671	211,348	212,501	212,695	2,549,680
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		6,191	6,107	6,090	6,096	6,064	6,044	6,048	6,025	6,024	6,026	0	0	60,714
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		826,761	855,735	848,622	868,491	867,046	842,966	898,592	835,804	848,260	827,604	844,340	869,822	10,234,043
21 Total Medical Expenses		32,287,650	34,753,656	34,720,257	32,972,146	37,548,100	34,072,817	36,382,290	36,818,531	35,843,296	34,397,565	33,922,004	38,183,242	<b>421,901,554</b>
22 Prescription Expenses (excluding PBM Admin)		7,166,690	7,556,470	7,834,250	8,254,745	10,914,766	9,501,817	7,502,309	7,153,310	7,163,117	6,561,433	6,101,614	7,081,028	<b>92,791,549</b>
23 <b>Total Medical and Prescription Expenses</b>		<b>39,454,340</b>	<b>42,310,126</b>	<b>42,554,507</b>	<b>41,226,891</b>	<b>48,462,866</b>	<b>43,574,634</b>	<b>43,884,599</b>	<b>43,971,841</b>	<b>43,006,413</b>	<b>40,958,998</b>	<b>40,023,618</b>	<b>45,264,270</b>	<b>514,693,103</b>
24 <b>Administrative Expenses</b>		<b>1,933,728</b>	<b>2,197,054</b>	<b>2,034,922</b>	<b>2,242,189</b>	<b>2,101,511</b>	<b>1,937,775</b>	<b>2,081,412</b>	<b>2,185,981</b>	<b>2,153,644</b>	<b>2,219,534</b>	<b>2,153,862</b>	<b>2,366,072</b>	<b>25,607,684</b>
25 <b>Total Expenses</b>		<b>41,388,068</b>	<b>44,507,180</b>	<b>44,589,430</b>	<b>43,469,080</b>	<b>50,564,376</b>	<b>45,512,408</b>	<b>45,966,011</b>	<b>46,157,822</b>	<b>45,160,057</b>	<b>43,178,533</b>	<b>42,177,479</b>	<b>47,630,341</b>	<b>540,300,785</b>
26 <b>Net Income Before Taxes</b>		<b>3,479,597</b>	<b>(417,678)</b>	<b>(581,711)</b>	<b>316,350</b>	<b>(7,086,968)</b>	<b>(2,395,955)</b>	<b>4,276</b>	<b>(479,933)</b>	<b>573,191</b>	<b>2,520,044</b>	<b>3,556,869</b>	<b>(1,580,399)</b>	<b>(2,092,318)</b>
27 % Medical Exp to Net Revenues		72.0%	78.8%	78.9%	75.3%	86.4%	79.0%	79.1%	80.6%	78.4%	75.3%	74.2%	82.9%	78.4%
28 % Prescription Exp to Net Revenues		16.0%	17.1%	17.8%	18.9%	25.1%	22.0%	16.3%	15.7%	15.7%	14.4%	13.3%	15.4%	17.2%
29 % Total Medical and Prescription to Net Rev. (MLR)		87.9%	96.0%	96.7%	94.2%	111.5%	101.1%	95.5%	96.3%	94.0%	89.6%	87.5%	98.3%	95.6%
30 % 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%
31 <b>% Net Income to Net Revenues</b>		<b>7.8%</b>	<b>-0.9%</b>	<b>-1.3%</b>	<b>0.7%</b>	<b>-16.3%</b>	<b>-5.6%</b>	<b>0.0%</b>	<b>-1.1%</b>	<b>1.3%</b>	<b>5.5%</b>	<b>7.8%</b>	<b>-3.4%</b>	<b>-0.4%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		5.2%	6.0%	5.6%	6.2%	5.8%	5.4%	5.4%	5.7%	5.6%	5.8%	5.6%	6.1%	5.7%
<b>Post-income items:</b>														
33 Performance Assessment														<b>0</b>

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.