

Texas Department of Insurance

HMO SUPPLEMENT

for filing

2026 Quarterly

Financial Analysis Section

TEXAS DEPARTMENT OF INSURANCE
2026 Quarterly
HMO SUPPLEMENT INSTRUCTIONS

1. HMO Supplement – Exhibits II & IV:

In addition to the NAIC quarterly statement blank, HMOs licensed in Texas are required to file HMO Supplemental Exhibits II and IV with the Texas Department of Insurance (the Department). Separate instructions specific to each exhibit accompany each respective exhibit.

Exhibit II has been developed to compare to the 2026 NAIC quarterly health statement blank, but some deviation does exist. Please note that “Fee-for-service” revenues are to be reported on line 6 in column 8 (for non-risk business) with the medical and hospital expenses associated with this fee-for-service income to be reported on line 11 in column 8 and any administrative expense associated with “fee-for-service” revenues on line 15 in column 8.

2. Quarterly Statement – Exhibit of Premiums, Enrollment and Utilization and Schedule E – Part 3 - Special Deposits:

Exhibit of Premiums, Enrollment and Utilization:

Separate exhibits are **required** to be filed for **each** Texas and out-of-state division. A consolidated exhibit is also required. Membership reflected in the primary Exhibit of Premiums, Enrollment and Utilization should include direct business, only. Neither provider HMO business nor non-risk business should be included within the primary Exhibit of Premiums, Enrollment and Utilization. Before completing the Exhibit of Premiums, Enrollment and Utilization form, page 7, make copies of the form. A copy of this form shall be completed with Provider HMO business and filed as a supplemental exhibit labeled, “Provider HMO Premiums, Enrollment and Utilization Exhibit”, under which the HMO shall report risk revenue, enrollment and utilization (relating to services under contract with Primary HMOs and ANHCs). Number the separate supplemental exhibit as Page 7 (a). At the HMO’s option, a copy of the form may also be either fully or partially completed for non-risk business and labeled as such, numbered Page 7 (b). Divisional reports should be numbered Page 7 (1) or Page 7 (a)(1), when a breakdown of direct business or provider HMO business as indicated.

Schedule E – Part 3, Special Deposits

This schedule, which is included with the annual statement filing, must also be included with the quarterly statement filing as an additional supplemental schedule. Instructions on completing this schedule for the quarterly filing are the same instructions used for the annual filing. When reporting deposits in this schedule, a detailed description should include the specific line each deposit is reported on page 2 of the financial statement.

3. Definition of Claims:

Amounts reported under the term “claims” include amounts paid or to be paid on a capitation, per diem, or fee-for-service basis for medical, hospital, and other health care services.

Reserves for capitation not paid, because a physician or other provider was not selected by an enrollee, shall be reported as Incurred but not Reported Claims (IBNR).

4. Electronic Data Filing:

- Pursuant to Title 28 of the Texas Administrative Code, §7.70, all health entities, including HMOs, licensed in Texas are required to file electronic data containing quarterly statement data with the NAIC. Electronic data filed with the NAIC must be completed in accordance with the current NAIC Annual Statement Diskette Filing Specifications for HMOs.
- In addition, the Department shall furnish each HMO formatted data forms and instructions for Texas-specific filings. These electronic forms shall be filed with the Department only. Instructions should be closely followed, and no changes made to the forms except as instructed. For instructions related to such electronic data filing, contact Richard Dunlap at (512) 676-6461.

5. Other Instructions:

In addition to the guidance provided by these instructions, all health entities, including HMOs, licensed in Texas should follow the directions found in the NAIC Annual and Quarterly Statement Instructions for health entities. Also, the March 2026 version of the NAIC Accounting Practices and Procedures Manual should be used in the preparation of the annual and quarterly statements.

INSTRUCTIONS FOR EXHIBITS II

EXHIBIT II

Separate pages are required to break out **Current Period information from Year-to-Date information** for each exhibit submitted.

DEFINITION OF A DIVISION

The division is an operation that meets at least one of the following conditions:

1. *A separate geographical area* whereby the geographical location of an enrollee or a group contract holder is used in determining charges or rates; or
2. *A service area that crosses state lines* or international boundaries is considered to have a separate divisional operation in each state or country and requires separate cost centers and reports.

For EXAMPLE, at a minimum, service areas for Dallas/Ft. Worth, Austin/San Antonio, Houston/Galveston/Beaumont, Corpus Christi/Rio Grande Valley, El Paso, and Lubbock/Amarillo shall each require separate divisional reporting. For HMOs writing Medicaid business, divisional reporting shall be, at a minimum, according to service areas defined by the Texas Health and Human Service Commission.

GENERAL INSTRUCTIONS

A separate form is required for the Consolidated and for each Division.

“Fee-for-service” revenues are to be reported on line 6, column 8 (for other business) and the medical and hospital expenses associated with this fee-for-service income are to be reported on line 11, column 8. Any administrative, and/or other miscellaneous expenses associated with “Fee-for-service” revenue are to be reported under their respective line items in column 8.

Additional information, by specific type of business, may be requested at any time throughout the reporting year. The HMO should be prepared to report its financial condition at this level of detail when requested.

Disclosure must be made in the **Management’s Discussion & Analysis (MDA)** stating how **indirect costs are apportioned along lines of business and divisional operations**. The MDA must be filed annually.

HMO DEFINITIONS

Commercial risk is defined as all business generated under HMO coverage contracts **directly** issued to individuals or groups, whether single service HMO coverage, limited-service HMO coverage, or basic service HMO coverage, with the exception of Medicare and Medicaid premiums paid by the Federal Government or the State of Texas. Medicare supplement premiums paid by an individual or on that individual’s behalf by an employer would be included in “Commercial risk business.”

Medicare business to be reported in this exhibit pertains to premiums paid by the Federal Government for coverage under the Medicare program. This business is to include premiums paid directly to the HMO by the Federal Government and supplemental charges as allowed by the Federal Government to be charged to Medicare enrollees as a part of Medicare risk coverage but is not to include indirect Medicare business obtained through another HMO. Medicare business is divided into Basic, Medicare Advantage and stand-alone Medicare Part D Prescription Drug Coverage.

A **Point-of-service rider** is defined in Texas Insurance Code, §843.108.

Assumed risk pertains to indirect business obtained from other HMOs (or Approved non-profit health corporations) for a set capitation and which places the reporting HMO at risk. In this instance, another HMO is the direct writer of business and the reporting HMO obtained this business as a provider. Assumed risk includes Medicare and Medicaid business obtained from another HMO.

Children’s Health Insurance Plan is to include all business generated under the Children’s Health Insurance Plan.

Non-Risk & Other HMO:

Non-risk business pertains to business without underwriting risk. Examples of this type of business include “Administrative Services Only” plan, Administrative Services Contract (ASC) plan, fee-for-service revenues, whether directly from the public at large or from another carrier for services provided to beneficiaries of that carrier, and management or administrative fees received for managing or administering operations of another company. The reporting of non-risk enrollees and member months that lends itself to maintenance of an enrollee count is optional.

NON-HMO: other products (e.g., PPO, Life, P&C)

Non-HMO business includes Life and/or P&C business for companies that carry “dual license” to do HMO and Life (or P&C). This column also includes PPO business provided by the HMO.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF _____ OF THE _____

REPORT FOR DIVISION: _____
(Location)

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A & H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
Total Members at end of:														
1. Prior Year	0													
2. First Quarter	0													
3. Second Quarter	0													
4. Third Quarter	0													
5. Current Year	0													
6. Current Year Member Months	0													
Total Member Ambulatory Encounters for Year:														
7. Physician	0													
8. Non-Physician	0													
9. Total	0													
10. Hospital Patient Days Incurred	0													
11. Number of Inpatient Admissions	0													
12. Health Premiums Written	0													
13. Life Premiums Direct	0													
14. Property & Casualty Premiums Written	0													
15. Health Premiums Earned	0													
Property/Casualty														
16. Premiums Earned	0													
17. Amount Paid for Provision of Health Care Services	0													
18. Amount Incurred for Provision of Health Care Services	0													

EXHIBIT II (Quarter/Annual)

Indicate Reporting Period:

ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES

Current Quarter: ____ Year-to-date: ____

	1. TOTAL	2. COMMERCIAL Risk (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business) BASIC ADVANTAGE PART D			4. MEDICAID (Omit Provider HMO Business)	5. POINT OF SERVICE RIDER COVERAGE	6. ASSUMED RISK (as a Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. NON-RISK & OTHER HMO*	9. NON- HMO
1. ENROLLEES AT THE END OF REPORTING PERIOD											
2. MEMBER MONTHS											
3. Direct premium income							XXXXXX				
4. Net premium income											
5. Change in unearned premium reserves and reserves for rate credits											
6. Fee-for-service (gross revenues)		XXXXXXXX				XXXXXX	XXXXXX	XXXXXXXX			
7. Risk revenue		XXXXXXXX			XXXXX	XXXXXX		XXXXXXXX			
8. Aggregate write-ins for other health related revenues											
9. Aggregate write-ins for other non-health revenues											
10. TOTAL REVENUE (Lines 4 to 9)											
11. Hospital & medical benefits											
12. Net reinsurance recoveries											
13. TOTAL HOSPITAL & MEDICAL (Lines 11 minus 12)											
14. Claims adjustment expenses											
15. General administrative expenses											
16. Increase in reserves for accident and health contracts											
17. TOTAL UNDERWRITING DEDUCTIONS (Lines 13 to 16)											
18. NET UNDERWRITING GAIN/(LOSS) (Lines 10 minus 17)											
19. Net Investment Gains / (Losses)											
20. Aggregate write-ins for other expenses or income											
21. INCOME /(LOSSES) after cap. gains tax before FIT Items (Lines 18 to 20)											
22. Federal and foreign income taxes incurred											
23. NET INCOME / (LOSS) (Lines 21 minus 22)											
24. Medical Loss Ratio											
25a. NON-TAXABLE COMMERCIAL RISK ENROLLEES			(Examples of non-taxable enrollees are State of Texas enrollees & Federal employees.)			*Non-Risk & Other HMO: identify product(s): e.g. ASO, Non-Risk Business. (Note: PPO should be reported under NON-HMO.): _____					
25b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS											

HMO SUPPLEMENT - ANNUAL and QUARTERLY

STATEMENT FOR THE PERIOD ENDING _____, OF THE _____

**EXHIBIT IV
Supplemental Interrogatories**

1. Complete information below for each line of business.

	(1)	(2)	(3)	(4)	(5)	(6)
	Ending Enrollment	Member Months	Premiums Earned	Medical & Hospital Expenses Incurred*	Administrative & Other Expenses Incurred**	Net Income/Loss
Direct Business:						
	<i>(Total Year-To-Date)</i>					
a. Medicare						
b. Medicaid						
c. CHIP						
Commercial:						
d. Large group						
e. Small group						
f. Individual						
ACO Business						
Assumed Risk:						
h. Medicare						
i. Medicaid						
j. CHIP						
Commercial:						
k. Large group						
l. Small group						
m. Individual						

* Medical & Hospital Expense also means "benefit" expense.

** Administrative & Other Expenses include claim adjustment expenses as well as administrative and all other non-benefit expenses.

2. Does the HMO participate in the State of Texas Employee Retirement System's Uniform Group Insurance Program (write coverage for Texas state employees)?

YES / NO

If "YES", then in relation to the Uniform Group Insurance Program coverage what are the:

- a. number of enrollees _____
- b. number of member months _____
- c. premium revenue _____
- d. medical and hospital expense _____
- e. loss ratio _____
- f. net income/loss from business _____
- g. major metropolitan area(s) covered _____

**HMO SUPPLEMENT
2025 QUARTERLY**

STATEMENT FOR THE PERIOD ENDING:

OF THE: _____
(Name of Company)

SCHEDULE E--PART 3--SPECIAL DEPOSITS

States	1. Type of Deposit	2. Purpose of Deposit	3. Deposits with the State of Domicile for the Benefit of All Policyholders		5. All Other Special Deposits		6. Fair Value
			Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value	
1. Alabama.....AL							
2. Alaska.....AK							
3. Arizona.....AZ							
4. Arkansas.....AR							
5. California.....CA							
6. Colorado.....CO							
7. Connecticut.....CT							
8. Delaware.DE							
9. District of Columbia....DC							
10. Florida.....FL							
11. Georgia.....GA							
12. Hawaii.....HI							
13. Idaho.....ID							
14. Illinois.....IL							
15. Indiana.....IN							
16. Iowa.....IA							
17. Kansas.....KS							
18. Kentucky.....KY							
19. Louisiana.....LA							
20. Maine.....ME							
21. Maryland.....MD							
22. Massachusetts.....MA							
23. Michigan.....MI							
24. Minnesota.....MN							
25. Mississippi.....MS							
26. Missouri.....MO							
27. Montana.....MT							
28. Nebraska.....NE							
29. Nevada.....NV							
30. New Hampshire.....NH							
31. New Jersey.....NJ							
32. New Mexico.....NM							
33. New York.....NY							
34. North Carolina.....NC							
35. North Dakota.....ND							
36. Ohio.....OH							
37. Oklahoma.....OK							
38. Oregon.....OR							
39. Pennsylvania.....PA							
40. Rhode Island.....RI							
41. South Carolina.....SC							
42. South Dakota.....SD							
43. Tennessee.....TN							
44. Texas.....TX							
45. Utah.....UT							
46. Vermont.....VT							
47. Virginia.....VA							
48. Washington.....WA							
49. West Virginia.....WV							
50. Wisconsin.....WI							
51. Wyoming.....WY							
52. America Samoa.....AS							
53. Guam.....GU							
54. Puerto Rico.....PR							
55. US Virgin Islands.....VI							
56. No. Mariana Island....MP							
57. Canada.....CN							
58. Aggr. other alienOT	XXX	XXX					
59. Total	XXX	XXX					