

The Fiscal Soundness Reporting Requirements Data Elements Dictionary

1. Net Worth equals Total Assets minus Total Liabilities. It represents the total value (the equity) of an organization once all liabilities are accounted for. This figure is also referred to as “Total Capital and Surplus”, “Total Net Assets”, or simply “Surplus.”

2. Total Assets represents the total value of all the classes of assets of an organization. This figure is found in the audited financial statements on the Balance Sheet.

3. Cash & Short Term (ST) Investments represents the portion of the Total Assets that is cash and investment instruments which mature within 1 year (i.e., cash equivalents and short term investments). However, this figure does not represent the true liquidity of the organization (see number 4. below for more detail). This information is obtained from the Asset portion of the Balance Sheet. _

4. Long Term (LT) Liquid Investments represents investment instruments—such as bonds—whose maturity is longer than 1 year. This figure is included in recognition that most MAOs as well as MCOs outside of the program move their cash into asset classes that mature in more than one year (longer term investments provide higher yields). When added to cash, cash equivalents, and short term investments, they provide a more realistic presentation of the organization’s liquidity position. This figure is found on the Balance Sheet under Assets.

5. Total Liabilities equals the total value of all the classes of liabilities of organization. This figure is found in the audited financial statements on the Balance Sheet.

6. Claims represent the portion of Total Liabilities that are currently committed to cover future Medical and Hospital expenses. This figure is located under the liability side of the Balance Sheet.

7. Total Revenue equals the total value of all the sources of revenue of an organization in a given year. This figure is found on the Revenue and Expense Statement (also referred to as the Income Statement) in the audited financial Statements.

8. Total Expenses equals the total value of all the categories of expenses of an organization in a given year. This figure is found on the Revenue and Expense Statement (also referred to as the Income Statement) in the audited financial Statements.

9. Total Medical and Hospital Expenses represents the portion of Total Expenses dedicated to paying for direct medical expenses such as doctors visits as well as expenses associated with hospital stays. This figure is found on the Revenue and Expense Statement (also referred to as the Income Statement) in the audited financial Statements

10. Total Administrative Expenses is the portion of the total expenses dedicated to paying for all the general and administrative expenses associated with running the plan. This figure is

found on the audited Revenue and Expense Statement (also referred to as the Income Statement) in the audited financial statements.

11. Net Income is the portion of revenue remaining after all business expenses, all additional non-operating expenses, and taxes have been taken out. This figure is found as a line item on the Revenue and Expense Statement (it is the last line item on the Revenue and Expense statement). If this figure is negative, it's referred to as a Net Loss.

12. Cash Flow from Operations represents the total amount of cash generated from the organization's primary business and is found on the Cash Flow Statement. It is the first sub-totaled figure before accounting for cash flow from investing and financing activities.

13. Total Member Months represents the cumulative number of members per month for the number of months elapsed during the period being calculated. Thus if there were 1,000 members in Month 1; 1,500 members in Month 2; and 2,000 members in Month 3; then the member months for that quarter would be 4,500. This figure is located at the top of the Revenue and Expense Statement in the National Association of Insurance Companies Annual Health Blank.