

## 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 HMOs by HHSC
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP and CHIP Perinatal HMOs.
- **Bariatric Supplemental Payments** – A one-time per bariatric surgery supplemental payment made by HHSC to STAR, STAR+PLUS, and STARHealth HMOs.
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Income** – Any and all income generated from other sources.

### **Medical Expenses:**

- **Capitated Services:**
  - *Single Service* – Amounts paid to providers that do not pay claims to other providers from the capitation payments received.
  - *Delegated Networks* – Capitation amounts paid to subcontracted individual professional associations (IPAs). These funds are used to pay claims for services performed by an integrated delivery system under contract with the IPA.
- **IBNR Accrual Medical Expenses** – 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 Service Delivery Area (SDA) operations of the MCO. Administrative expenses include:

- Salaries, wages, and other benefits
- Employee bonuses and commissions
- Payroll taxes
- Legal fees and expenses
- Auditing, actuarial, and other consulting
- Travel expenses
- Marketing and advertising
- Postage, shipping, and telephone
- Printing and office supplies
- Space rental
- Utilities and maintenance
- Building depreciation
- Equipment depreciation
- Equipment rental
- Outsourced services
- Insurance, except on real estate, excludes reinsurance premiums
- Premium tax
- Regulatory authority licenses and fees
- Affiliated company allocations/charges – portion of any affiliated company management fees and/or other allocations/charges incurred by the affiliate on behalf of the MCO that are charged to the Texas Medicaid SDA operations
- Other administrative expenses – other expenses not specifically identified in any of the above administrative expense classifications.

## CHIP HMO Program Financial Statistical Report

**Organization:** Aetna Health Inc. Texas  
**Service Area:** Bexar  
**Submission Date:** 06/30/09  
**Submission Type:** Quarterly  
**Accrual Date:** 05/31/09

**Part 1: Summary Income Statements (Dollars), All Coverage Groups Combined**

Incurred Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
<b>1 Total Member Months</b>	<b>4,882</b>	<b>4,871</b>	<b>4,987</b>	<b>5,162</b>	<b>5,250</b>	<b>5,341</b>	<b>5,351</b>	<b>5,524</b>	<b>5,648</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,016</b>
<b>Revenues:</b>													
2 Premiums (HHSC Capitation)	388,174	387,231	395,721	408,552	416,161	422,649	422,822	436,278	446,101	0	0	0	<b>3,723,687</b>
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
4 Investment Income	(26,470)	5,056	4,971	10,139	2,166	(2,664)	8,212	3,433	6,864				<b>11,707</b>
5 Other Revenue	0	0	0	0	0	0	0	0	0				<b>0</b>
<b>6 Total Revenues</b>	<b>361,704</b>	<b>392,287</b>	<b>400,692</b>	<b>418,691</b>	<b>418,327</b>	<b>419,985</b>	<b>431,034</b>	<b>439,711</b>	<b>452,965</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,735,394</b>
<b>Medical Expenses:</b>													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
8 Delegated Networks	18,329	21,468	22,047	19,616	19,826	23,665	23,674	21,040	25,060	0	0	0	<b>194,725</b>
9 Fee-For-Service	148,219	162,918	134,451	183,598	260,103	163,424	137,692	168,740	45,919	0	0	0	<b>1,405,062</b>
10 IBNR Accrual	2,504	4,090	4,780	10,266	22,047	22,941	60,698	134,467	210,662	0	0	0	<b>472,454</b>
<b>11 Total Medical Expenses</b>	<b>169,051</b>	<b>188,476</b>	<b>161,277</b>	<b>213,480</b>	<b>301,976</b>	<b>210,029</b>	<b>222,064</b>	<b>324,248</b>	<b>281,640</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,072,241</b>
12 Total Administrative Expenses	39,580	39,593	40,378	41,744	42,593	43,197	43,130	44,507	45,592	0	0	0	<b>380,315</b>
<b>13 Total Expenses</b>	<b>208,631</b>	<b>228,069</b>	<b>201,655</b>	<b>255,224</b>	<b>344,569</b>	<b>253,226</b>	<b>265,194</b>	<b>368,755</b>	<b>327,232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,452,556</b>
<b>14 Net Income Before Taxes</b>	<b>153,073</b>	<b>164,218</b>	<b>199,037</b>	<b>163,467</b>	<b>73,758</b>	<b>166,759</b>	<b>165,840</b>	<b>70,956</b>	<b>125,733</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,282,838</b>
15 % of Medical Exp to Premiums + DSP	43.6%	48.7%	40.8%	52.3%	72.6%	49.7%	52.5%	74.3%	63.1%	0.0%	0.0%	0.0%	<b>55.7%</b>
16 % of Administrative Exp to Premiums + DSP	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	0.0%	0.0%	0.0%	<b>10.2%</b>
17 % of Net Income to Total Revenues	42.3%	41.9%	49.7%	39.0%	17.6%	39.7%	38.5%	16.1%	27.8%	0.0%	0.0%	0.0%	<b>34.3%</b>
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	0	0	0	0	0	0	(600)	0	0				<b>(600)</b>

Note: Reporting is on an incurred basis. All prior months' data must be updated to reflect each reported month on an incurred basis, including revised monthly IBNR estimates.