

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: AMERIGROUP Texas, Inc.
Service Area: Nueces
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
1 Total Member Months	926	930	929	947	939	962	972	942	980	0	0	0	8,527
Revenues:													
2 Premiums (HHSC Capitation)	90,699	91,517	91,286	92,522	91,510	93,575	95,537	92,850	97,425	0	0	0	836,920
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	1,912	1,969	1,917	1,661	1,472	1,261	1,258	1,140	1,424	0	0	0	14,014
5 Other Revenue													0
6 Total Revenues	92,611	93,486	93,203	94,183	92,982	94,836	96,795	93,990	98,849	0	0	0	850,934
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	1,251	1,257	1,254	1,278	1,266	1,297	1,283	1,241	1,295	0	0	0	11,422
9 Fee-For-Service	34,709	45,183	46,215	45,855	48,325	48,967	50,033	51,084	15,741	0	0	0	386,112
10 IBNR Accrual	287	512	754	1,096	1,807	2,831	6,086	5,723	29,181	0	0	0	48,277
11 Total Medical Expenses	36,247	46,952	48,223	48,229	51,398	53,095	57,402	58,048	46,217	0	0	0	445,811
12 Total Administrative Expenses	16,637	15,727	25,859	23,542	21,670	17,396	20,718	27,637	21,693	0	0	0	190,878
13 Total Expenses	52,884	62,679	74,082	71,771	73,068	70,491	78,120	85,685	67,910	0	0	0	636,689
14 Net Income Before Taxes	39,727	30,807	19,121	22,412	19,914	24,345	18,675	8,305	30,939	0	0	0	214,245
15 % of Medical Exp to Premiums + DSP	40.0%	51.3%	52.8%	52.1%	56.2%	56.7%	60.1%	62.5%	47.4%	0.0%	0.0%	0.0%	53.3%
16 % of Administrative Exp to Premiums + DSP	18.3%	17.2%	28.3%	25.4%	23.7%	18.6%	21.7%	29.8%	22.3%	0.0%	0.0%	0.0%	22.8%
17 % of Net Income to Total Revenues	42.9%	33.0%	20.5%	23.8%	21.4%	25.7%	19.3%	8.8%	31.3%	0.0%	0.0%	0.0%	25.2%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages				(1,200)									(1,200)

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.