

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: Tarrant
Submission Date: 06/30/09
Submission Type: Quarterly
Accrual Date: 05/31/09

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

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
1 Total Member Months	12,160	12,408	12,567	12,725	12,811	12,925	13,149	13,214	13,440	0	0	0	115,399
Revenues:													
2 Premiums (HHSC Capitation)	1,042,291	1,061,876	1,074,363	1,087,707	1,093,949	1,102,667	1,120,805	1,126,013	1,145,064	0	0	0	9,854,735
3 Delivery Supplemental Payments	3,100	3,100	3,100	6,200	15,500	3,100	3,100	3,100	6,200	0	0	0	46,500
4 Investment Income	25,079	26,241	25,942	22,296	20,233	16,939	16,995	15,987	19,534	0	0	0	189,247
5 Other Revenue													0
6 Total Revenues	1,070,470	1,091,217	1,103,405	1,116,203	1,129,682	1,122,706	1,140,900	1,145,100	1,170,798	0	0	0	10,090,482
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	16,405	16,736	16,948	17,146	17,271	17,416	17,322	17,404	17,719	0	0	0	154,367
9 Fee-For-Service	545,648	557,846	425,639	431,255	588,703	645,652	622,863	536,773	257,765	0	0	0	4,612,144
10 IBNR Accrual	9,777	12,930	14,480	16,275	32,520	55,438	67,953	93,836	828,242	0	0	0	1,131,451
11 Total Medical Expenses	571,830	587,512	457,067	464,676	638,494	718,506	708,138	648,013	1,103,726	0	0	0	5,897,962
12 Total Administrative Expenses	170,685	164,658	190,483	193,183	188,847	183,195	201,079	217,150	208,151	0	0	0	1,717,429
13 Total Expenses	742,515	752,170	647,550	657,859	827,341	901,701	909,217	865,163	1,311,877	0	0	0	7,615,391
14 Net Income Before Taxes	327,955	339,047	455,855	458,344	302,341	221,005	231,683	279,937	(141,079)	0	0	0	2,475,091
15 % of Medical Exp to Premiums + DSP	54.7%	55.2%	42.4%	42.5%	57.6%	65.0%	63.0%	57.4%	95.9%	0.0%	0.0%	0.0%	59.6%
16 % of Administrative Exp to Premiums + DSP	16.3%	15.5%	17.7%	17.7%	17.0%	16.6%	17.9%	19.2%	18.1%	0.0%	0.0%	0.0%	17.3%
17 % of Net Income to Total Revenues	30.6%	31.1%	41.3%	41.1%	26.8%	19.7%	20.3%	24.4%	-12.0%	0.0%	0.0%	0.0%	24.5%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages													(600)

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.