

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: Cook Children's Health Plan
Service Area: Tarrant
Submission Date: 06/29/09
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	27,894	27,625	27,062	26,703	26,423	26,085	26,760	27,400	27,842	0	0	0	243,794
Revenues:													
2 Premiums (HHSC Capitation)	2,443,141	2,420,523	2,368,810	2,337,873	2,313,334	2,282,476	2,343,958	2,400,263	2,439,259	0	0	0	21,349,637
3 Delivery Supplemental Payments	3,100	6,200	3,100	3,100	0	0	0	0	0	0	0	0	15,500
4 Investment Income	72,664	(138,643)	80,458	68,582	(101,592)	(356,822)	292,346	464,524	353,449				734,966
5 Other Revenue													0
6 Total Revenues	2,518,905	2,288,080	2,452,368	2,409,555	2,211,742	1,925,654	2,636,304	2,864,787	2,792,708	0	0	0	22,100,103
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	46,304	45,858	44,923	44,327	43,862	43,301	44,422	45,484	46,218	0	0	0	404,699
9 Fee-For-Service	2,022,656	2,397,468	1,978,205	2,037,423	1,960,772	2,440,981	2,146,389	1,825,805	656,626	0	0	0	17,466,323
10 IBNR Accrual	18,705	21,634	17,761	18,774	35,871	91,002	247,273	442,631	1,413,882	0	0	0	2,307,534
11 Total Medical Expenses	2,087,665	2,464,960	2,040,889	2,100,524	2,040,505	2,575,284	2,438,084	2,313,920	2,116,726	0	0	0	20,178,556
12 Total Administrative Expenses	608,255	571,343	526,959	504,321	508,463	485,308	566,412	547,906	577,427	0	0	0	4,896,394
13 Total Expenses	2,695,920	3,036,303	2,567,848	2,604,845	2,548,968	3,060,592	3,004,496	2,861,826	2,694,153	0	0	0	25,074,950
14 Net Income Before Taxes	(177,015)	(748,223)	(115,480)	(195,290)	(337,226)	(1,134,938)	(368,192)	2,961	98,555	0	0	0	(2,974,847)
15 % of Medical Exp to Premiums + DSP	85.3%	101.6%	86.0%	89.7%	88.2%	112.8%	104.0%	96.4%	86.8%	0.0%	0.0%	0.0%	94.4%
16 % of Administrative Exp to Premiums + DSP	24.9%	23.5%	22.2%	21.5%	22.0%	21.3%	24.2%	22.8%	23.7%	0.0%	0.0%	0.0%	22.9%
17 % of Net Income to Total Revenues	-7.0%	-32.7%	-4.7%	-8.1%	-15.2%	-58.9%	-14.0%	0.1%	3.5%	0.0%	0.0%	0.0%	-13.5%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	(42,960)			(4,739)			(9,290)						(56,990)

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.