

## 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:** Driscoll Children's Health Plan  
**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

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
<b>1 Total Member Months</b>	<b>10,576</b>	<b>10,598</b>	<b>10,477</b>	<b>10,433</b>	<b>10,274</b>	<b>10,079</b>	<b>10,392</b>	<b>10,517</b>	<b>10,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,060</b>
<b>Revenues:</b>													
2 Premiums (HHSC Capitation)	1,091,850	1,093,601	1,081,227	1,076,015	1,059,104	1,039,022	1,071,634	1,084,812	1,104,356	0	0	0	<b>9,701,622</b>
3 Delivery Supplemental Payments	0	3,100	3,100	0	3,100	6,200	0	0	0	0	0	0	<b>15,500</b>
4 Investment Income	2,598	5,650	3,304	3,122	2,743	2,591	2,485	2,596	2,676				<b>27,765</b>
5 Other Revenue													<b>0</b>
<b>6 Total Revenues</b>	<b>1,094,448</b>	<b>1,102,351</b>	<b>1,087,631</b>	<b>1,079,137</b>	<b>1,064,947</b>	<b>1,047,813</b>	<b>1,074,119</b>	<b>1,087,408</b>	<b>1,107,032</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,744,887</b>
<b>Medical Expenses:</b>													
Capitated Services:													
7 Single Service	45,133	44,937	44,166	49,890	49,755	48,661	49,489	50,304	51,178	0	0	0	<b>433,513</b>
8 Delegated Networks	14,477	14,486	14,305	14,231	14,011	13,733	14,178	14,364	14,640	0	0	0	<b>128,425</b>
9 Fee-For-Service	676,518	883,666	815,900	731,066	824,814	823,054	735,715	724,967	185,004	0	0	0	<b>6,400,705</b>
10 IBNR Accrual	101	235	416	1,049	2,158	4,114	18,847	110,899	641,659	0	0	0	<b>779,478</b>
<b>11 Total Medical Expenses</b>	<b>736,230</b>	<b>943,324</b>	<b>874,788</b>	<b>796,236</b>	<b>890,738</b>	<b>889,562</b>	<b>818,228</b>	<b>900,534</b>	<b>892,481</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,742,121</b>
12 Total Administrative Expenses	184,405	185,876	177,655	203,422	189,959	177,594	197,558	233,494	230,418	0	0	0	<b>1,780,379</b>
<b>13 Total Expenses</b>	<b>920,635</b>	<b>1,129,200</b>	<b>1,052,443</b>	<b>999,658</b>	<b>1,080,697</b>	<b>1,067,156</b>	<b>1,015,786</b>	<b>1,134,028</b>	<b>1,122,899</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,522,500</b>
<b>14 Net Income Before Taxes</b>	<b>173,813</b>	<b>(26,849)</b>	<b>35,188</b>	<b>79,479</b>	<b>(15,750)</b>	<b>(19,343)</b>	<b>58,333</b>	<b>(46,620)</b>	<b>(15,867)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>222,387</b>
15 % of Medical Exp to Premiums + DSP	67.4%	86.0%	80.7%	74.0%	83.9%	85.1%	76.4%	83.0%	80.8%	0.0%	0.0%	0.0%	<b>79.7%</b>
16 % of Administrative Exp to Premiums + DSP	16.9%	16.9%	16.4%	18.9%	17.9%	17.0%	18.4%	21.5%	20.9%	0.0%	0.0%	0.0%	<b>18.3%</b>
17 % of Net Income to Total Revenues	15.9%	-2.4%	3.2%	7.4%	-1.5%	-1.8%	5.4%	-4.3%	-1.4%	0.0%	0.0%	0.0%	<b>2.3%</b>
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	(500)				(7,750)		(15,250)						<b>(23,500)</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.