

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: FirstCare
Service Area: Lubbock
Submission Date: 06/29/09
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	4,625	4,533	4,469	4,462	4,348	4,322	4,438	4,527	4,622	0	0	0	40,346
Revenues:													
2 Premiums (HHSC Capitation)	334,871	328,111	323,415	322,496	314,336	312,479	320,429	327,052	334,100	0	0	0	2,917,288
3 Delivery Supplemental Payments	0	0	0	0	0	3,100	0	0	0	0	0	0	3,100
4 Investment Income	253	286	417	24,952	281	2,421	1,347	53	3,798	0	0	0	33,807
5 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Total Revenues	335,124	328,397	323,832	347,448	314,617	318,000	321,776	327,105	337,898	0	0	0	2,954,195
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	2,729	2,674	2,637	2,722	2,652	2,636	2,707	2,761	2,819	0	0	0	24,339
9 Fee-For-Service	258,199	243,111	224,509	248,215	230,241	260,944	430,622	201,114	44,180	0	0	0	2,141,134
10 IBNR Accrual	0	0	0	0	0	0	82,050	191,450	273,500	0	0	0	547,000
11 Total Medical Expenses	260,928	245,785	227,146	250,937	232,893	263,580	515,379	395,325	320,499	0	0	0	2,712,473
12 Total Administrative Expenses	78,647	103,529	78,886	155,840	86,524	90,169	77,729	162,670	241,620	0	0	0	1,075,614
13 Total Expenses	339,575	349,314	306,032	406,777	319,417	353,749	593,108	557,995	562,119	0	0	0	3,788,087
14 Net Income Before Taxes	(4,451)	(20,917)	17,800	(59,329)	(4,800)	(35,749)	(271,332)	(230,890)	(224,221)	0	0	0	(833,892)
15 % of Medical Exp to Premiums + DSP	77.9%	74.9%	70.2%	77.8%	74.1%	83.5%	160.8%	120.9%	95.9%	0.0%	0.0%	0.0%	92.9%
16 % of Administrative Exp to Premiums + DSP	23.5%	31.6%	24.4%	48.3%	27.5%	28.6%	24.3%	49.7%	72.3%	0.0%	0.0%	0.0%	36.8%
17 % of Net Income to Total Revenues	-1.3%	-6.4%	5.5%	-17.1%	-1.5%	-11.2%	-84.3%	-70.6%	-66.4%	0.0%	0.0%	0.0%	-28.2%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages													0

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.