

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: Mercy Health Plans of Missouri, Inc.
Service Area: Webb County
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	7,727	7,679	7,568	7,483	7,435	7,404	7,514	7,647	7,660	0	0	0	68,117
Revenues:													
2 Premiums (HHSC Capitation)	677,230	672,535	663,614	655,058	650,756	647,955	657,444	671,128	671,457	0	0	0	5,967,176
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	5,454	6,339	5,608	2,499	2,042	4,089	3,633	1,775	4,038				35,477
5 Other Revenue													0
6 Total Revenues	682,684	678,874	669,222	657,557	652,798	652,044	661,077	672,903	675,495	0	0	0	6,002,653
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Fee-For-Service	443,658	527,526	475,101	367,292	451,304	443,119	678,437	401,358	126,326	0	0	0	3,914,119
10 IBNR Accrual	3,076	5,272	6,539	10,221	16,677	25,749	68,937	88,699	381,520	0	0	0	606,690
11 Total Medical Expenses	446,734	532,798	481,640	377,513	467,981	468,868	747,374	490,057	507,846	0	0	0	4,520,809
12 Total Administrative Expenses	219,274	233,915	205,668	164,706	170,753	127,330	167,506	173,665	158,545	0	0	0	1,621,363
13 Total Expenses	666,008	766,713	687,308	542,219	638,734	596,198	914,880	663,722	666,391	0	0	0	6,142,172
14 Net Income Before Taxes	16,676	(87,839)	(18,086)	115,338	14,064	55,846	(253,803)	9,181	9,104	0	0	0	(139,519)
15 % of Medical Exp to Premiums + DSP	66.0%	79.2%	72.6%	57.6%	71.9%	72.4%	113.7%	73.0%	75.6%	0.0%	0.0%	0.0%	75.8%
16 % of Administrative Exp to Premiums + DSP	32.4%	34.8%	31.0%	25.1%	26.2%	19.7%	25.5%	25.9%	23.6%	0.0%	0.0%	0.0%	27.2%
17 % of Net Income to Total Revenues	2.4%	-12.9%	-2.7%	17.5%	2.2%	8.6%	-38.4%	1.4%	1.3%	0.0%	0.0%	0.0%	-2.3%
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.