

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: Molina Healthcare of Texas
Service Area: Harris
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	3,370	3,427	3,209	3,154	3,355	3,425	3,248	3,088	3,096	0	0	0	29,372
Revenues:													
2 Premiums (HHSC Capitation)	294,592	299,632	281,772	277,494	294,917	303,511	288,102	273,691	275,326	0	0	0	2,589,036
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	2,385	2,619	2,557	2,051	1,364	952	817	612	564				13,921
5 Other Revenue	0	0	0	0	0	0	0	0	0				0
6 Total Revenues	296,977	302,251	284,329	279,545	296,281	304,463	288,919	274,303	275,890	0	0	0	2,602,957
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	6,774	6,848	6,493	6,216	6,702	6,850	6,515	6,180	6,284	0	0	0	58,862
9 Fee-For-Service	94,637	107,629	85,907	119,816	162,366	147,167	114,694	113,918	97,741	0	0	0	1,043,875
10 IBNR Accrual	1,079	1,449	1,624	4,031	8,758	10,023	29,125	10,390	42,461	0	0	0	108,940
11 Total Medical Expenses	102,490	115,926	94,024	130,063	177,826	164,040	150,334	130,488	146,486	0	0	0	1,211,677
12 Total Administrative Expenses	50,337	53,058	43,609	44,070	38,256	41,989	42,487	42,639	40,495	0	0	0	396,940
13 Total Expenses	152,827	168,984	137,633	174,133	216,082	206,029	192,821	173,127	186,981	0	0	0	1,608,617
14 Net Income Before Taxes	144,150	133,267	146,696	105,412	80,199	98,434	96,098	101,176	88,909	0	0	0	994,340
15 % of Medical Exp to Premiums + DSP	34.8%	38.7%	33.4%	46.9%	60.3%	54.0%	52.2%	47.7%	53.2%	0.0%	0.0%	0.0%	46.8%
16 % of Administrative Exp to Premiums + DSP	17.1%	17.7%	15.5%	15.9%	13.0%	13.8%	14.7%	15.6%	14.7%	0.0%	0.0%	0.0%	15.3%
17 % of Net Income to Total Revenues	48.5%	44.1%	51.6%	37.7%	27.1%	32.3%	33.3%	36.9%	32.2%	0.0%	0.0%	0.0%	38.2%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	0	0	0	0	0	0	0	0	0	0	0	0	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.