

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: Seton Health Plan, Inc
Service Area: Travis
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	15,099	15,117	15,065	15,041	14,765	14,664	14,995	15,595	15,947	0	0	0	136,288
Revenues:													
2 Premiums (HHSC Capitation)	1,326,608	1,327,824	1,322,758	1,320,703	1,296,847	1,288,871	1,318,598	1,372,236	1,402,888	0	0	0	11,977,333
3 Delivery Supplemental Payments	9,300	6,200	3,100	3,100	3,100	6,200	0	6,200	0	0	0	0	37,200
4 Investment Income	7,038	6,636	7,497	6,198	5,452	3,142	2,793	2,555	2,243				43,555
5 Other Revenue													0
6 Total Revenues	1,342,946	1,340,660	1,333,355	1,330,001	1,305,399	1,298,213	1,321,391	1,380,991	1,405,131	0	0	0	12,058,088
Medical Expenses:													
Capitated Services:													
7 Single Service	47,186	47,196	46,739	46,129	45,170	312,998	320,120	332,508	339,780	0	0	0	1,537,826
8 Delegated Networks	20,831	20,863	20,775	20,758	20,369	20,243	20,696	21,527	22,010	0	0	0	188,071
9 Fee-For-Service	1,047,473	1,023,811	903,106	1,080,464	1,030,841	872,700	702,069	602,151	85,445	0	0	0	7,348,060
10 IBNR Accrual	9,052	9,485	10,601	21,581	27,744	41,667	97,940	327,562	626,772	0	0	0	1,172,404
11 Total Medical Expenses	1,124,542	1,101,355	981,220	1,168,932	1,124,124	1,247,608	1,140,824	1,283,747	1,074,007	0	0	0	10,246,360
12 Total Administrative Expenses	251,830	251,384	254,749	239,155	237,653	233,184	251,524	254,917	258,512	0	0	0	2,232,907
13 Total Expenses	1,376,372	1,352,739	1,235,969	1,408,087	1,361,777	1,480,792	1,392,348	1,538,664	1,332,519	0	0	0	12,479,267
14 Net Income Before Taxes	(33,426)	(12,079)	97,386	(78,086)	(56,378)	(182,579)	(70,957)	(157,673)	72,612	0	0	0	(421,179)
15 % of Medical Exp to Premiums + DSP	84.2%	82.6%	74.0%	88.3%	86.5%	96.3%	86.5%	93.1%	76.6%	0.0%	0.0%	0.0%	85.3%
16 % of Administrative Exp to Premiums + DSP	18.9%	18.8%	19.2%	18.1%	18.3%	18.0%	19.1%	18.5%	18.4%	0.0%	0.0%	0.0%	18.6%
17 % of Net Income to Total Revenues	-2.5%	-0.9%	7.3%	-5.9%	-4.3%	-14.1%	-5.4%	-11.4%	5.2%	0.0%	0.0%	0.0%	-3.5%
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.