

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: Superior Health Plan, Inc.
Service Area: El Paso
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	7,493	7,718	7,553	7,612	7,495	7,486	7,524	7,648	7,789	0	0	0	68,318
Revenues:													
2 Premiums (HHSC Capitation)	523,709	539,022	527,914	531,890	523,641	522,813	525,657	534,688	544,660	0	0	0	4,773,993
3 Delivery Supplemental Payments	6,200	0	0	3,100	3,100	3,100	6,200	0	3,100	0	0	0	24,800
4 Investment Income	(20,669)	6,023	6,063	6,412	6,352	6,050	6,311	6,150	6,156				28,849
5 Other Revenue													0
6 Total Revenues	509,240	545,045	533,977	541,402	533,093	531,963	538,168	540,838	553,916	0	0	0	4,827,642
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	55,113	58,691	57,449	57,854	56,931	56,889	57,122	58,079	59,303	0	0	0	517,431
9 Fee-For-Service	400,430	420,585	458,715	368,697	355,087	368,562	406,095	324,601	194,037	0	0	0	3,296,810
10 IBNR Accrual	632	648	660	11,354	1,073	13,299	24,973	71,669	217,771	0	0	0	342,079
11 Total Medical Expenses	456,175	479,925	516,824	437,905	413,090	438,750	488,190	454,349	471,111	0	0	0	4,156,319
12 Total Administrative Expenses	109,161	107,878	106,812	111,242	106,770	108,240	102,957	108,689	108,419	0	0	0	970,169
13 Total Expenses	565,336	587,803	623,636	549,147	519,860	546,990	591,147	563,038	579,530	0	0	0	5,126,488
14 Net Income Before Taxes	(56,096)	(42,758)	(89,659)	(7,745)	13,233	(15,027)	(52,979)	(22,200)	(25,614)	0	0	0	(298,846)
15 % of Medical Exp to Premiums + DSP	86.1%	89.0%	97.9%	81.9%	78.4%	83.4%	91.8%	85.0%	86.0%	0.0%	0.0%	0.0%	86.6%
16 % of Administrative Exp to Premiums + DSP	20.6%	20.0%	20.2%	20.8%	20.3%	20.6%	19.4%	20.3%	19.8%	0.0%	0.0%	0.0%	20.2%
17 % of Net Income to Total Revenues	-11.0%	-7.8%	-16.8%	-1.4%	2.5%	-2.8%	-9.8%	-4.1%	-4.6%	0.0%	0.0%	0.0%	-6.2%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	(6,100)	0	0	0	(11,300)	0	(5,325)	0	0	0	0	0	(22,725)

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.