

## 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:** 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
<b>1 Total Member Months</b>	<b>6,258</b>	<b>6,102</b>	<b>6,145</b>	<b>6,140</b>	<b>6,058</b>	<b>5,963</b>	<b>6,038</b>	<b>6,145</b>	<b>6,266</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,115</b>
<b>Revenues:</b>													
2 Premiums (HHSC Capitation)	448,204	437,170	439,557	439,373	433,292	426,287	431,697	439,148	447,983	0	0	0	<b>3,942,712</b>
3 Delivery Supplemental Payments	0	3,100	0	0	3,100	3,100	0	0	0	0	0	0	<b>9,300</b>
4 Investment Income	(18,205)	5,274	5,300	5,595	5,496	5,195	5,428	5,295	5,301				<b>24,677</b>
5 Other Revenue													<b>0</b>
<b>6 Total Revenues</b>	<b>429,999</b>	<b>445,544</b>	<b>444,857</b>	<b>444,968</b>	<b>441,888</b>	<b>434,582</b>	<b>437,125</b>	<b>444,443</b>	<b>453,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,976,689</b>
<b>Medical Expenses:</b>													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
8 Delegated Networks	46,034	46,358	46,757	46,690	46,002	45,292	45,865	46,685	47,648	0	0	0	<b>417,331</b>
9 Fee-For-Service	282,297	289,239	255,536	254,510	280,824	287,972	355,437	239,294	140,273	0	0	0	<b>2,385,381</b>
10 IBNR Accrual	487	459	456	9,244	595	13,300	21,231	59,288	168,837	0	0	0	<b>273,897</b>
<b>11 Total Medical Expenses</b>	<b>328,818</b>	<b>336,056</b>	<b>302,749</b>	<b>310,444</b>	<b>327,422</b>	<b>346,564</b>	<b>422,533</b>	<b>345,266</b>	<b>356,758</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,076,610</b>
12 Total Administrative Expenses	91,215	86,220	87,730	89,215	87,753	85,572	83,058	86,595	89,187	0	0	0	<b>786,546</b>
<b>13 Total Expenses</b>	<b>420,033</b>	<b>422,276</b>	<b>390,479</b>	<b>399,659</b>	<b>415,175</b>	<b>432,136</b>	<b>505,591</b>	<b>431,861</b>	<b>445,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,863,156</b>
<b>14 Net Income Before Taxes</b>	<b>9,966</b>	<b>23,268</b>	<b>54,378</b>	<b>45,309</b>	<b>26,713</b>	<b>2,446</b>	<b>(68,466)</b>	<b>12,582</b>	<b>7,339</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>113,533</b>
15 % of Medical Exp to Premiums + DSP	73.4%	76.3%	68.9%	70.7%	75.0%	80.7%	97.9%	78.6%	79.6%	0.0%	0.0%	0.0%	<b>77.8%</b>
16 % of Administrative Exp to Premiums + DSP	20.4%	19.6%	20.0%	20.3%	20.1%	19.9%	19.2%	19.7%	19.9%	0.0%	0.0%	0.0%	<b>19.9%</b>
17 % of Net Income to Total Revenues	2.3%	5.2%	12.2%	10.2%	6.0%	0.6%	-15.7%	2.8%	1.6%	0.0%	0.0%	0.0%	<b>2.9%</b>
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	(6,300)	0	0	0	(11,000)	0	(225)	0	0				<b>(17,525)</b>

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.