

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 HealthPlan, Inc.
Service Area: Travis
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	7,532	7,894	8,025	8,012	8,014	8,110	8,264	8,438	8,631	0	0	0	72,920
Revenues:													
2 Premiums (HHSC Capitation)	642,667	672,120	682,812	681,816	681,643	688,495	701,780	717,449	734,516	0	0	0	6,203,299
3 Delivery Supplemental Payments	0	3,100	6,200	0	0	9,300	3,100	6,200	0	0	0	0	27,900
4 Investment Income	(11,729)	3,418	3,445	3,658	3,718	3,587	3,770	3,668	3,661				17,195
5 Other Revenue													0
6 Total Revenues	630,938	678,638	692,457	685,474	685,361	701,382	708,650	727,317	738,177	0	0	0	6,248,394
Medical Expenses:													
Capitated Services:													
7 Single Service	8,122	5,580	7,057	5,128	20,855	5,628	5,911	5,606	5,739	0	0	0	69,625
8 Delegated Networks	55,641	59,807	61,005	60,909	60,810	61,694	62,756	63,950	66,098	0	0	0	552,669
9 Fee-For-Service	385,455	332,914	426,823	324,221	379,270	426,460	369,290	321,614	197,554	0	0	0	3,163,600
10 IBNR Accrual	549	552	687	19,829	1,218	10,119	19,698	55,433	190,482	0	0	0	298,567
11 Total Medical Expenses	449,766	398,853	495,572	410,088	462,153	503,901	457,654	446,602	459,872	0	0	0	4,084,460
12 Total Administrative Expenses	110,906	109,601	114,295	113,887	112,918	115,561	109,402	109,989	120,253	0	0	0	1,016,811
13 Total Expenses	560,672	508,454	609,867	523,975	575,071	619,462	567,056	556,591	580,125	0	0	0	5,101,271
14 Net Income Before Taxes	70,266	170,184	82,590	161,499	110,290	81,920	141,594	170,726	158,052	0	0	0	1,147,123
15 % of Medical Exp to Premiums + DSP	70.0%	59.1%	71.9%	60.1%	67.8%	72.2%	64.9%	61.7%	62.6%	0.0%	0.0%	0.0%	65.5%
16 % of Administrative Exp to Premiums + DSP	17.3%	16.2%	16.6%	16.7%	16.6%	16.6%	15.5%	15.2%	16.4%	0.0%	0.0%	0.0%	16.3%
17 % of Net Income to Total Revenues	11.1%	25.1%	11.9%	23.6%	16.1%	11.7%	20.0%	23.5%	21.4%	0.0%	0.0%	0.0%	18.4%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	(6,900)	0	0	0	(6,200)	0	(4,925)	0	0	0	0	0	(18,025)

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.