

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: Texas Children's Health Plan
Service Area: Harris County and Harris County Contiguous
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	68,579	68,738	67,063	65,417	64,347	63,537	64,999	67,215	69,410	0	0	0	599,305
Revenues:													
2 Premiums (HHSC Capitation)	7,304,811	7,324,627	7,148,338	6,968,255	6,854,347	6,766,795	6,925,173	7,164,561	7,400,946	0	0	0	63,857,852
3 Delivery Supplemental Payments	12,400	12,400	9,300	3,100	9,300	9,300	6,200	3,100	0	0	0	0	65,100
4 Investment Income	48,491	53,835	40,466	53,369	34,711	30,421	31,589	33,544	37,593				364,018
5 Other Revenue													0
6 Total Revenues	7,365,702	7,390,862	7,198,104	7,024,724	6,898,358	6,806,516	6,962,962	7,201,205	7,438,539	0	0	0	64,286,970
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	107,194	107,442	104,824	102,251	100,579	99,313	101,598	105,062	108,493	0	0	0	936,755
9 Fee-For-Service	4,405,009	5,391,826	5,004,612	5,568,427	5,789,933	5,779,287	5,894,071	5,686,802	2,276,462	0	0	0	45,796,430
10 IBNR Accrual	825	0	6,522	7,935	58,970	187,715	508,247	948,132	3,763,003	0	0	0	5,481,350
11 Total Medical Expenses	4,513,028	5,499,268	5,115,958	5,678,614	5,949,482	6,066,314	6,503,916	6,739,996	6,147,958	0	0	0	52,214,535
12 Total Administrative Expenses	676,585	653,042	673,241	726,416	704,221	650,568	728,374	642,242	752,726	0	0	0	6,207,415
13 Total Expenses	5,189,613	6,152,310	5,789,199	6,405,030	6,653,703	6,716,882	7,232,290	7,382,238	6,900,684	0	0	0	58,421,950
14 Net Income Before Taxes	2,176,089	1,238,552	1,408,905	619,694	244,655	89,634	(269,328)	(181,033)	537,855	0	0	0	5,865,020
15 % of Medical Exp to Premiums + DSP	61.7%	75.0%	71.5%	81.5%	86.7%	89.5%	93.8%	94.0%	83.1%	0.0%	0.0%	0.0%	81.7%
16 % of Administrative Exp to Premiums + DSP	9.2%	8.9%	9.4%	10.4%	10.3%	9.6%	10.5%	9.0%	10.2%	0.0%	0.0%	0.0%	9.7%
17 % of Net Income to Total Revenues	29.5%	16.8%	19.6%	8.8%	3.5%	1.3%	-3.9%	-2.5%	7.2%	0.0%	0.0%	0.0%	9.1%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages													(21,000)

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.