

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: Evercare dba UHC-TX
Service Area: Harris
Submission Date: 06/30/09
Submission Type: Quarterly
Accrual Date: 05/31/09

Part 1: Summary Income Statements (Dollars), All Coverage Groups Combined

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
1 Total Member Months	19,494	19,416	18,613	18,083	17,804	17,631	17,861	18,072	18,286	0	0	0	165,260
Revenues:													
2 Premiums (HHSC Capitation)	1,911,904	1,903,634	1,823,257	1,771,542	1,746,073	1,729,501	1,753,525	1,775,099	1,797,892	0	0	0	16,212,427
3 Delivery Supplemental Payments	0	6,200	3,100	3,100	0	12,400	0	0	0	0	0	0	24,800
4 Investment Income	22,531	20,384	20,064	10,424	12,832	11,952	14,615	13,427	10,360				136,589
5 Other Revenue													0
6 Total Revenues	1,934,435	1,930,218	1,846,421	1,785,066	1,758,905	1,753,853	1,768,140	1,788,526	1,808,252	0	0	0	16,373,816
Medical Expenses:													
Capitated Services:													
7 Single Service	13,470	13,486	13,129	12,851	12,510	12,389	12,490	14,731	14,426	0	0	0	119,481
8 Delegated Networks	91,427	91,061	87,295	84,809	83,501	82,689	83,768	84,758	85,761	0	0	0	775,069
9 Fee-For-Service	817,512	1,338,070	949,284	961,171	1,036,762	982,843	1,121,410	843,698	45,216	0	0	0	8,095,968
10 IBNR Accrual	17,776	34,458	36,152	48,210	71,155	162,026	275,569	562,674	1,390,642	0	0	0	2,598,662
11 Total Medical Expenses	940,184	1,477,075	1,085,860	1,107,041	1,203,928	1,239,947	1,493,237	1,505,861	1,536,045	0	0	0	11,589,179
12 Total Administrative Expenses	386,652	499,131	466,992	451,873	421,885	501,304	526,889	529,579	497,598	0	0	0	4,281,903
13 Total Expenses	1,326,836	1,976,206	1,552,852	1,558,914	1,625,813	1,741,251	2,020,126	2,035,440	2,033,643	0	0	0	15,871,082
14 Net Income Before Taxes	607,599	(45,988)	293,569	226,152	133,092	12,602	(251,986)	(246,914)	(225,391)	0	0	0	502,734
15 % of Medical Exp to Premiums + DSP	49.2%	77.3%	59.5%	62.4%	69.0%	71.2%	85.2%	84.8%	85.4%	0.0%	0.0%	0.0%	71.4%
16 % of Administrative Exp to Premiums + DSP	20.2%	26.1%	25.6%	25.5%	24.2%	28.8%	30.0%	29.8%	27.7%	0.0%	0.0%	0.0%	26.4%
17 % of Net Income to Total Revenues	31.4%	-2.4%	15.9%	12.7%	7.6%	0.7%	-14.3%	-13.8%	-12.5%	0.0%	0.0%	0.0%	3.1%
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.