

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: Unicare Health Plans of Texas, Inc.
Service Area: Dallas
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	7,653	7,830	7,877	7,973	8,041	8,095	7,982	7,839	7,890				71,180
Revenues:													
2 Premiums (HHSC Capitation)	620,100	634,198	638,332	645,568	650,296	655,114	646,101	634,579	639,057				5,763,346
3 Delivery Supplemental Payments					3,100		3,100						6,200
4 Investment Income	5,426	4,993	5,068	5,089	4,613	5,749	5,062	6,003	7,036				49,040
5 Other Revenue													
6 Total Revenues	625,526	639,191	643,400	650,657	658,009	660,863	654,263	640,582	646,093				5,818,586
Medical Expenses:													
Capitated Services:													
7 Single Service	22,954	23,496	23,735	23,911	24,128	24,284	23,952	23,527	23,673				213,660
8 Delegated Networks	21,271	21,773	21,992	22,158	22,359	22,503	22,199	21,805	21,937				197,996
9 Fee-For-Service	399,936	365,827	434,710	399,675	591,279	592,712	506,077	468,088	273,279				4,031,583
10 IBNR Accrual	778	653	1,153	1,966	5,747	14,339	35,948	107,972	350,845				519,401
11 Total Medical Expenses	444,938	411,750	481,589	447,710	643,513	653,837	588,175	621,393	669,734				4,962,640
12 Total Administrative Expenses	136,800	135,247	132,066	149,836	152,892	132,963	157,169	155,630	140,082				1,292,684
13 Total Expenses	581,738	546,997	613,655	597,546	796,405	786,800	745,344	777,023	809,816				6,255,324
14 Net Income Before Taxes	43,788	92,194	29,745	53,111	(138,396)	(125,937)	(91,081)	(136,441)	(163,723)				(436,738)
15 % of Medical Exp to Premiums + DSP	71.8%	64.9%	75.4%	69.4%	98.5%	99.8%	90.6%	97.9%	104.8%				86.0%
16 % of Administrative Exp to Premiums + DSP	22.1%	21.3%	20.7%	23.2%	23.4%	20.3%	24.2%	24.5%	21.9%				22.4%
17 % of Net Income to Total Revenues	7.0%	14.4%	4.6%	8.2%	-21.0%	-19.1%	-13.9%	-21.3%	-25.3%				-7.5%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages							5,000						5,000

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.