

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 Perinatal HMO Program Financial Statistical Report

Organization: AMERIGROUP Texas, Inc.
Service Area: Tarrant
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	6,882	6,801	6,727	6,773	6,831	6,641	6,575	5,861	5,384	0	0	0	58,475
Revenues:													
2 Premiums (HHSC Capitation)	3,241,410	3,206,117	3,157,423	3,159,582	3,185,439	3,087,373	1,688,936	1,525,304	1,429,596	0	0	0	23,681,179
3 Delivery Supplemental Payments	34,100	27,900	15,500	6,200	24,800	27,900	21,700	6,200	9,300	0	0	0	173,600
4 Investment Income	14,052	14,837	13,787	11,016	10,751	9,251	8,780	8,095	9,352				99,921
5 Other Revenue													0
6 Total Revenues	3,289,562	3,248,854	3,186,710	3,176,798	3,220,990	3,124,524	1,719,416	1,539,599	1,448,248	0	0	0	23,954,700
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	4,091	4,091	4,179	4,363	4,419	4,427	4,160	3,834	3,406	0	0	0	36,970
9 Fee-For-Service	1,659,480	1,714,717	1,487,844	1,799,421	1,840,920	1,605,601	1,659,701	1,613,891	618,913	0	0	0	14,000,488
10 IBNR Accrual	15,444	22,098	29,853	52,973	77,819	158,086	221,478	272,983	1,258,302	0	0	0	2,109,036
11 Total Medical Expenses	1,679,015	1,740,906	1,521,876	1,856,757	1,923,158	1,768,114	1,885,339	1,890,708	1,880,621	0	0	0	16,146,494
12 Total Administrative Expenses	287,042	314,446	319,192	329,888	314,153	308,666	217,335	198,521	180,355	0	0	0	2,469,596
13 Total Expenses	1,966,057	2,055,352	1,841,068	2,186,645	2,237,311	2,076,780	2,102,674	2,089,229	2,060,976	0	0	0	18,616,090
14 Net Income Before Taxes	1,323,505	1,193,502	1,345,642	990,153	983,679	1,047,744	(383,258)	(549,630)	(612,728)	0	0	0	5,338,610
15 % of Medical Exp to Premiums + DSP	51.3%	53.8%	48.0%	58.7%	59.9%	56.8%	110.2%	123.5%	130.7%	0.0%	0.0%	0.0%	67.7%
16 % of Administrative Exp to Premiums + DSP	8.8%	9.7%	10.1%	10.4%	9.8%	9.9%	12.7%	13.0%	12.5%	0.0%	0.0%	0.0%	10.4%
17 % of Net Income to Total Revenues	40.2%	36.7%	42.2%	31.2%	30.5%	33.5%	-22.3%	-35.7%	-42.3%	0.0%	0.0%	0.0%	22.3%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages				(253)			(18)						(271)

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.