

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: El Paso First Health Plans, Inc.
Service Area: El Paso
Submission Date: 06/26/09
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	952	950	909	922	945	928	924	819	714	0	0	0	8,063
Revenues:													
2 Premiums (HHSC Capitation)	420,212	421,783	401,391	403,227	416,517	410,623	243,360	216,229	189,091	0	0	0	3,122,433
3 Delivery Supplemental Payments	0	0	0	3,100	3,100	6,200	6,200	0	0	0	0	0	18,600
4 Investment Income	2,000	1,530	646	510	176	775	1,189	990	895				8,711
5 Other Revenue													0
6 Total Revenues	422,212	423,313	402,037	406,837	419,793	417,598	250,749	217,219	189,986	0	0	0	3,149,744
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Fee-For-Service	235,290	216,193	193,638	223,019	191,164	198,142	217,440	202,962	60,381	0	0	0	1,738,229
10 IBNR Accrual	0	0	0	0	0	11,000	10,000	20,000	120,000	0	0	0	161,000
11 Total Medical Expenses	235,290	216,193	193,638	223,019	191,164	209,142	227,440	222,962	180,381	0	0	0	1,899,229
12 Total Administrative Expenses	19,069	20,075	17,236	18,408	17,727	17,581	16,657	12,785	15,128	0	0	0	154,666
13 Total Expenses	254,359	236,268	210,874	241,427	208,891	226,723	244,097	235,747	195,509	0	0	0	2,053,895
14 Net Income Before Taxes	167,853	187,045	191,163	165,410	210,902	190,875	6,652	(18,528)	(5,523)	0	0	0	1,095,849
15 % of Medical Exp to Premiums + DSP	56.0%	51.3%	48.2%	54.9%	45.6%	50.2%	91.1%	103.1%	95.4%	0.0%	0.0%	0.0%	60.5%
16 % of Administrative Exp to Premiums + DSP	4.5%	4.8%	4.3%	4.5%	4.2%	4.2%	6.7%	5.9%	8.0%	0.0%	0.0%	0.0%	4.9%
17 % of Net Income to Total Revenues	39.8%	44.2%	47.5%	40.7%	50.2%	45.7%	2.7%	-8.5%	-2.9%	0.0%	0.0%	0.0%	34.8%
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.