

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: FirstCare
Service Area: Lubbock
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	160	158	145	153	165	171	167	142	126	0	0	0	1,387
Revenues:													
2 Premiums (HHSC Capitation)	68,367	68,667	65,743	69,517	74,686	74,110	44,947	38,299	34,063	0	0	0	538,399
3 Delivery Supplemental Payments	3,100	6,200	0	3,100	3,100	0	3,100	3,100	3,100	0	0	0	24,800
4 Investment Income	9	9	11	1,187	14	107	53	2	145	0	0	0	1,536
5 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Total Revenues	71,476	74,876	65,754	73,804	77,800	74,217	48,100	41,401	37,308	0	0	0	564,735
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	35	34	28	31	34	41	46	37	32	0	0	0	318
9 Fee-For-Service	27,327	30,347	19,091	28,132	40,913	208,638	39,247	17,860	2,807	0	0	0	414,362
10 IBNR Accrual	0	0	0	0	0	0	3,000	7,000	10,000	0	0	0	20,000
11 Total Medical Expenses	27,362	30,381	19,119	28,162	40,947	208,679	42,293	24,897	12,839	0	0	0	434,680
12 Total Administrative Expenses	2,704	3,172	2,030	4,556	2,233	2,365	2,927	5,103	6,628	0	0	0	31,720
13 Total Expenses	30,066	33,553	21,149	32,718	43,180	211,044	45,220	30,000	19,467	0	0	0	466,400
14 Net Income Before Taxes	41,410	41,323	44,605	41,086	34,620	(136,827)	2,880	11,401	17,841	0	0	0	98,335
15 % of Medical Exp to Premiums + DSP	38.3%	40.6%	29.1%	38.8%	52.6%	281.6%	88.0%	60.1%	34.5%	0.0%	0.0%	0.0%	77.2%
16 % of Administrative Exp to Premiums + DSP	3.8%	4.2%	3.1%	6.3%	2.9%	3.2%	6.1%	12.3%	17.8%	0.0%	0.0%	0.0%	5.6%
17 % of Net Income to Total Revenues	57.9%	55.2%	67.8%	55.7%	44.5%	-184.4%	6.0%	27.5%	47.8%	0.0%	0.0%	0.0%	17.4%
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.