

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: Mercy Health Plans of Missouri, Inc.
Service Area: Webb County
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	1,726	1,735	1,688	1,699	1,730	1,679	1,714	1,586	1,409	0	0	0	14,966
Revenues:													
2 Premiums (HHSC Capitation)	846,640	848,364	820,481	820,634	837,010	813,088	487,055	452,262	403,835	0	0	0	6,329,369
3 Delivery Supplemental Payments	0	0	6,200	0	0	6,200	3,100	3,100	0	0	0	0	18,600
4 Investment Income	5,215	5,805	5,685	3,052	2,157	6,841	2,264	1,581	3,287				35,887
5 Other Revenue													0
6 Total Revenues	851,855	854,169	832,366	823,686	839,167	826,129	492,419	456,943	407,122	0	0	0	6,383,856
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	425,113	482,789	480,396	449,598	473,293	407,960	395,231	355,800	132,127	0	0	0	3,602,307
10 IBNR Accrual	2,116	5,105	7,904	11,377	21,002	32,454	70,526	80,638	281,314	0	0	0	512,436
11 Total Medical Expenses	427,229	487,894	488,300	460,975	494,295	440,414	465,757	436,438	413,441	0	0	0	4,114,743
12 Total Administrative Expenses	48,951	52,792	45,845	36,714	41,878	54,633	46,260	35,031	41,149	0	0	0	403,252
13 Total Expenses	476,180	540,686	534,145	497,689	536,173	495,047	512,017	471,469	454,590	0	0	0	4,517,995
14 Net Income Before Taxes	375,675	313,483	298,221	325,997	302,994	331,082	(19,598)	(14,526)	(47,468)	0	0	0	1,865,861
15 % of Medical Exp to Premiums + DSP	50.5%	57.5%	59.1%	56.2%	59.1%	53.8%	95.0%	95.8%	102.4%	0.0%	0.0%	0.0%	64.8%
16 % of Administrative Exp to Premiums + DSP	5.8%	6.2%	5.5%	4.5%	5.0%	6.7%	9.4%	7.7%	10.2%	0.0%	0.0%	0.0%	6.4%
17 % of Net Income to Total Revenues	44.1%	36.7%	35.8%	39.6%	36.1%	40.1%	-4.0%	-3.2%	-11.7%	0.0%	0.0%	0.0%	29.2%
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.