

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.

STAR HMO Program Financial Statistical Report

Organization: Aetna Health Inc. Texas
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	11,660	12,165	12,871	13,566	13,855	14,335	14,804	15,118	15,021	0	0	0	123,395
Revenues:													
2 Premiums (HHSC Capitation)	4,287,673	4,442,205	4,553,935	4,740,323	4,813,258	4,907,498	5,035,277	4,964,490	4,677,378	0	0	0	42,422,036
3 Delivery Supplemental Payments	1,083,421	959,809	901,639	1,163,405	1,021,615	919,817	1,101,599	1,068,878	1,090,692	0	0	0	9,310,875
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	(298,804)	63,607	51,409	70,142	23,428	(28,891)	115,566	78,547	126,942				201,946
6 Other Revenue	0	0	0	0	0	0	0	0	0				0
7 Total Revenues	5,072,290	5,465,621	5,506,983	5,973,870	5,858,301	5,798,424	6,252,442	6,111,915	5,895,012	0	0	0	51,934,857
Medical Expenses:													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Delegated Networks	50,632	52,375	95,327	98,086	85,221	64,382	94,859	86,744	101,370	0	0	0	728,994
10 Fee-For-Service	4,118,500	4,410,565	3,999,484	5,015,109	5,029,267	4,261,662	4,220,655	3,746,111	847,701	0	0	0	35,649,055
11 IBNR Accrual	36,511	50,048	101,331	201,120	349,142	235,797	848,332	2,168,511	4,779,543	0	0	0	8,770,336
12 Total Medical Expenses	4,205,643	4,512,988	4,196,142	5,314,314	5,463,630	4,561,841	5,163,846	6,001,367	5,728,614	0	0	0	45,148,385
13 Total Administrative Expenses	446,422	497,907	417,441	288,666	459,864	468,521	606,505	1,017,643	842,514	0	0	0	5,045,482
14 Total Expenses	4,652,065	5,010,895	4,613,583	5,602,980	5,923,494	5,030,362	5,770,351	7,019,010	6,571,128	0	0	0	50,193,867
15 Net Income Before Taxes	420,225	454,726	893,400	370,890	(65,193)	768,062	482,091	(907,095)	(676,116)	0	0	0	1,740,990
16 % of Medical Exp to Premiums + DSP + BSP	78.3%	83.5%	76.9%	90.0%	93.6%	78.3%	84.1%	99.5%	99.3%	0.0%	0.0%	0.0%	87.3%
17 % of Administrative Exp to Premiums + DSP + BSP	8.3%	9.2%	7.7%	4.9%	7.9%	8.0%	9.9%	16.9%	14.6%	0.0%	0.0%	0.0%	9.8%
18 % of Net Income to Total Revenues	8.3%	8.3%	16.2%	6.2%	-1.1%	13.2%	7.7%	-14.8%	-11.5%	0.0%	0.0%	0.0%	3.4%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	0	0	0	0	0	0	(600)	0	0				(600)

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.