

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: AMERIGROUP Texas, Inc.
Service Area: Nueces
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	9,354	9,212	9,245	9,236	8,945	8,879	8,733	8,820	8,678	0	0	0	81,102
Revenues:													
2 Premiums (HHSC Capitation)	2,972,170	2,936,497	2,911,572	2,908,770	2,853,384	2,803,205	2,721,991	2,637,689	2,480,831	0	0	0	25,226,109
3 Delivery Supplemental Payments	387,662	394,070	365,235	365,236	394,070	291,548	259,510	224,268	240,287	0	0	0	2,921,886
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	19,266	19,372	19,174	16,129	14,194	11,678	11,387	10,815	12,921	0	0	0	134,936
6 Other Revenue													0
7 Total Revenues	3,379,098	3,349,939	3,295,981	3,290,135	3,261,648	3,106,431	2,992,888	2,872,772	2,734,039	0	0	0	28,282,931
Medical Expenses:													
Capitated Services:													
8 Single Service	10,610	10,597	10,814	10,979	10,673	10,692	10,626	10,777	10,806	0	0	0	96,574
9 Delegated Networks	11,759	11,546	11,598	11,590	11,208	11,152	10,707	10,888	10,822	0	0	0	101,270
10 Fee-For-Service	2,108,161	2,332,154	2,221,351	2,382,649	2,427,552	2,068,392	1,796,721	1,450,474	665,065	0	0	0	17,452,519
11 IBNR Accrual	69,684	81,582	86,811	124,425	130,282	222,455	1,156,260	1,013,327	1,588,585	0	0	0	4,473,411
12 Total Medical Expenses	2,200,214	2,435,879	2,330,574	2,529,643	2,579,715	2,312,691	2,974,314	2,485,466	2,275,278	0	0	0	22,123,774
13 Total Administrative Expenses	384,337	362,445	360,776	437,624	374,754	356,697	383,308	391,568	348,692	0	0	0	3,400,200
14 Total Expenses	2,584,551	2,798,324	2,691,350	2,967,267	2,954,469	2,669,388	3,357,622	2,877,034	2,623,970	0	0	0	25,523,974
15 Net Income Before Taxes	794,547	551,615	604,631	322,868	307,179	437,043	(364,734)	(4,262)	110,069	0	0	0	2,758,957
16 % of Medical Exp to Premiums + DSP + BSP	65.5%	73.1%	71.1%	77.3%	79.4%	74.7%	99.8%	86.8%	83.6%	0.0%	0.0%	0.0%	78.6%
17 % of Administrative Exp to Premiums + DSP + BSP	11.4%	10.9%	11.0%	13.4%	11.5%	11.5%	12.9%	13.7%	12.8%	0.0%	0.0%	0.0%	12.1%
18 % of Net Income to Total Revenues	23.5%	16.5%	18.3%	9.8%	9.4%	14.1%	-12.2%	-0.1%	4.0%	0.0%	0.0%	0.0%	9.8%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages				(900)									(900)

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.