

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: 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	87,889	83,908	82,990	81,438	78,488	78,324	77,690	81,038	81,929	0	0	0	733,694
Revenues:													
2 Premiums (HHSC Capitation)	16,615,625	15,987,355	15,725,241	15,451,539	14,989,168	14,855,984	14,692,903	14,837,312	14,397,624	0	0	0	137,552,752
3 Delivery Supplemental Payments	2,130,485	1,995,966	1,803,277	2,243,190	1,941,432	1,850,540	1,952,339	1,759,650	1,748,743	0	0	0	17,425,622
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	181,022	177,148	172,248	142,329	123,798	103,205	100,344	98,783	121,504	0	0	0	1,220,381
6 Other Revenue													0
7 Total Revenues	18,927,132	18,160,469	17,700,766	17,837,058	17,054,398	16,809,729	16,745,586	16,695,745	16,267,871	0	0	0	156,198,755
Medical Expenses:													
Capitated Services:													
8 Single Service	267,824	250,706	246,309	238,052	227,816	224,747	218,300	226,791	231,737	0	0	0	2,132,282
9 Delegated Networks	111,154	105,746	104,444	102,416	98,665	98,511	95,291	99,838	101,803	0	0	0	917,868
10 Fee-For-Service	12,644,157	12,233,317	10,452,251	12,508,513	12,550,332	11,279,557	10,677,473	9,208,453	3,944,520	0	0	0	95,498,573
11 IBNR Accrual	166,099	210,932	802,908	1,070,470	681,410	1,014,621	2,125,883	3,447,257	11,989,803	0	0	0	21,509,383
12 Total Medical Expenses	13,189,234	12,800,701	11,605,912	13,919,451	13,558,223	12,617,436	13,116,947	12,982,339	16,267,863	0	0	0	120,058,106
13 Total Administrative Expenses	2,263,499	2,005,318	2,067,009	2,491,264	2,055,982	2,000,167	2,116,980	2,231,285	2,217,786	0	0	0	19,449,291
14 Total Expenses	15,452,733	14,806,019	13,672,921	16,410,715	15,614,205	14,617,603	15,233,927	15,213,624	18,485,649	0	0	0	139,507,397
15 Net Income Before Taxes	3,474,399	3,354,450	4,027,845	1,426,343	1,440,193	2,192,126	1,511,659	1,482,121	(2,217,778)	0	0	0	16,691,358
16 % of Medical Exp to Premiums + DSP + BSP	70.4%	71.2%	66.2%	78.7%	80.1%	75.5%	78.8%	78.2%	100.8%	0.0%	0.0%	0.0%	77.5%
17 % of Administrative Exp to Premiums + DSP + BSP	12.1%	11.2%	11.8%	14.1%	12.1%	12.0%	12.7%	13.4%	13.7%	0.0%	0.0%	0.0%	12.5%
18 % of Net Income to Total Revenues	18.4%	18.5%	22.8%	8.0%	8.4%	13.0%	9.0%	8.9%	-13.6%	0.0%	0.0%	0.0%	10.7%
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.