

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: Driscoll Children's Health Plan
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	34,689	34,237	34,701	34,606	33,936	34,091	34,162	35,302	35,505	0	0	0	311,229
Revenues:													
2 Premiums (HHSC Capitation)	8,354,762	8,335,426	8,397,461	8,418,397	8,308,484	8,402,032	8,488,085	8,556,072	8,274,778	0	0	0	75,535,496
3 Delivery Supplemental Payments	768,917	839,401	762,509	919,497	813,770	781,732	909,884	839,401	868,235	0	0	0	7,503,346
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	60,903	55,211	63,203	78,071	38,635	39,272	79,920	17,944	14,135				447,293
6 Other Revenue													0
7 Total Revenues	9,184,582	9,230,038	9,223,173	9,415,965	9,160,889	9,223,036	9,477,889	9,413,417	9,157,148	0	0	0	83,486,135
Medical Expenses:													
Capitated Services:													
8 Single Service	256,943	254,358	256,667	270,013	265,656	267,847	269,282	276,594	281,327	0	0	0	2,398,686
9 Delegated Networks	40,282	39,668	40,254	40,067	39,278	39,365	39,371	40,981	41,609	0	0	0	360,875
10 Fee-For-Service	6,871,757	6,813,641	6,026,716	7,418,880	7,586,643	6,452,794	6,843,636	5,688,430	1,283,923	0	0	0	54,986,422
11 IBNR Accrual	8,620	20,042	92,425	269,519	588,224	616,282	846,128	1,806,759	6,015,822	0	0	0	10,263,821
12 Total Medical Expenses	7,177,603	7,127,708	6,416,062	7,998,479	8,479,801	7,376,288	7,998,417	7,812,764	7,622,682	0	0	0	68,009,804
13 Total Administrative Expenses	824,324	821,875	811,111	849,829	825,268	860,461	882,110	988,005	977,987	0	0	0	7,840,969
14 Total Expenses	8,001,927	7,949,583	7,227,173	8,848,308	9,305,069	8,236,749	8,880,527	8,800,769	8,600,669	0	0	0	75,850,773
15 Net Income Before Taxes	1,182,655	1,280,455	1,996,000	567,657	(144,180)	986,287	597,362	612,648	556,479	0	0	0	7,635,362
16 % of Medical Exp to Premiums + DSP + BSP	78.7%	77.7%	70.0%	85.7%	93.0%	80.3%	85.1%	83.2%	83.4%	0.0%	0.0%	0.0%	81.9%
17 % of Administrative Exp to Premiums + DSP + BSP	9.0%	9.0%	8.9%	9.1%	9.0%	9.4%	9.4%	10.5%	10.7%	0.0%	0.0%	0.0%	9.4%
18 % of Net Income to Total Revenues	12.9%	13.9%	21.6%	6.0%	-1.6%	10.7%	6.3%	6.5%	6.1%	0.0%	0.0%	0.0%	9.1%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	(700)				(7,750)		(15,250)						(23,700)

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.