

## 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:** El Paso First Health Plans, Inc.  
**Service Area:** El Paso  
**Submission Date:** 06/26/09  
**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
<b>1 Total Member Months</b>	<b>36,744</b>	<b>36,339</b>	<b>37,181</b>	<b>37,651</b>	<b>36,785</b>	<b>36,570</b>	<b>36,038</b>	<b>38,090</b>	<b>38,642</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>334,040</b>
<b>Revenues:</b>													
2 Premiums (HHSC Capitation)	5,218,676	5,226,343	5,302,192	5,365,560	5,312,149	5,366,913	5,340,258	5,508,026	5,405,472	0	0	0	<b>48,045,590</b>
3 Delivery Supplemental Payments	692,051	729,924	602,532	695,494	723,038	716,152	767,798	836,659	795,342	0	0	0	<b>6,558,990</b>
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
5 Investment Income	26,397	19,885	9,766	7,390	2,790	12,171	24,392	23,981	24,342				<b>151,115</b>
6 Other Revenue													<b>0</b>
<b>7 Total Revenues</b>	<b>5,937,124</b>	<b>5,976,152</b>	<b>5,914,490</b>	<b>6,068,444</b>	<b>6,037,977</b>	<b>6,095,236</b>	<b>6,132,448</b>	<b>6,368,666</b>	<b>6,225,156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,755,695</b>
<b>Medical Expenses:</b>													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
9 Delegated Networks	55,844	55,045	56,609	57,358	55,877	55,384	54,526	58,228	59,979	0	0	0	<b>508,850</b>
10 Fee-For-Service	4,184,535	4,554,685	4,305,783	4,347,193	5,413,711	5,494,048	5,139,429	4,752,180	3,230,109	0	0	0	<b>41,421,672</b>
11 IBNR Accrual	0	0	0	0	150,000	50,000	250,000	900,000	3,550,000	0	0	0	<b>4,900,000</b>
<b>12 Total Medical Expenses</b>	<b>4,240,379</b>	<b>4,609,730</b>	<b>4,362,392</b>	<b>4,404,551</b>	<b>5,619,588</b>	<b>5,599,432</b>	<b>5,443,955</b>	<b>5,710,408</b>	<b>6,840,088</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,830,522</b>
13 Total Administrative Expenses	641,577	668,991	622,880	667,523	669,120	662,901	673,669	606,367	706,171	0	0	0	<b>5,919,200</b>
<b>14 Total Expenses</b>	<b>4,881,956</b>	<b>5,278,721</b>	<b>4,985,272</b>	<b>5,072,074</b>	<b>6,288,708</b>	<b>6,262,333</b>	<b>6,117,624</b>	<b>6,316,775</b>	<b>7,546,259</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,749,722</b>
<b>15 Net Income Before Taxes</b>	<b>1,055,168</b>	<b>697,431</b>	<b>929,218</b>	<b>996,370</b>	<b>(250,731)</b>	<b>(167,097)</b>	<b>14,824</b>	<b>51,891</b>	<b>(1,321,103)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,005,973</b>
16 % of Medical Exp to Premiums + DSP + BSP	71.7%	77.4%	73.9%	72.7%	93.1%	92.0%	89.1%	90.0%	110.3%	0.0%	0.0%	0.0%	<b>85.8%</b>
17 % of Administrative Exp to Premiums + DSP + BSP	10.9%	11.2%	10.5%	11.0%	11.1%	10.9%	11.0%	9.6%	11.4%	0.0%	0.0%	0.0%	<b>10.8%</b>
18 % of Net Income to Total Revenues	17.8%	11.7%	15.7%	16.4%	-4.2%	-2.7%	0.2%	0.8%	-21.2%	0.0%	0.0%	0.0%	<b>3.7%</b>
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages													<b>(675)</b>

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.