

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: FirstCare
Service Area: Lubbock
Submission Date: 06/29/09
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	24,112	23,869	24,204	24,117	23,489	23,365	22,575	23,690	23,941	0	0	0	213,362
Revenues:													
2 Premiums (HHSC Capitation)	5,166,513	5,144,236	5,156,364	5,129,521	5,011,814	4,981,058	4,844,420	4,845,241	4,624,629	0	0	0	44,903,796
3 Delivery Supplemental Payments	778,524	710,685	742,990	778,524	723,607	713,917	746,220	736,529	749,450	0	0	0	6,680,446
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	1,315	1,493	2,229	135,971	1,530	13,106	6,846	280	20,317	0	0	0	183,088
6 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Total Revenues	5,946,352	5,856,414	5,901,583	6,044,016	5,736,951	5,708,081	5,597,486	5,582,050	5,394,396	0	0	0	51,767,330
Medical Expenses:													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Delegated Networks	13,267	13,135	13,325	13,727	13,335	13,261	12,780	13,456	13,605	0	0	0	119,890
10 Fee-For-Service	4,091,279	3,924,820	3,660,227	4,186,465	4,832,051	4,575,361	4,568,265	3,031,424	576,334	0	0	0	33,446,227
11 IBNR Accrual	0	0	0	0	0	0	1,004,550	1,339,400	4,353,050	0	0	0	6,697,000
12 Total Medical Expenses	4,104,546	3,937,955	3,673,552	4,200,192	4,845,386	4,588,622	5,585,594	4,384,280	4,942,989	0	0	0	40,263,117
13 Total Administrative Expenses	515,711	647,887	515,061	943,994	569,431	560,390	529,988	775,644	538,948	0	0	0	5,597,055
14 Total Expenses	4,620,257	4,585,842	4,188,613	5,144,186	5,414,817	5,149,012	6,115,582	5,159,924	5,481,937	0	0	0	45,860,172
15 Net Income Before Taxes	1,326,095	1,270,572	1,712,970	899,830	322,134	559,069	(518,096)	422,126	(87,541)	0	0	0	5,907,158
16 % of Medical Exp to Premiums + DSP + BSP	69.0%	67.3%	62.3%	71.1%	84.5%	80.6%	99.9%	78.5%	92.0%	0.0%	0.0%	0.0%	78.1%
17 % of Administrative Exp to Premiums + DSP + BSP	8.7%	11.1%	8.7%	16.0%	9.9%	9.8%	9.5%	13.9%	10.0%	0.0%	0.0%	0.0%	10.9%
18 % of Net Income to Total Revenues	22.3%	21.7%	29.0%	14.9%	5.6%	9.8%	-9.3%	7.6%	-1.6%	0.0%	0.0%	0.0%	11.4%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages													0

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.