

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: Parkland Community Health Plan
Service Area: Dallas
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	109,830	106,312	107,237	106,691	104,182	104,527	104,077	109,480	111,661	0	0	0	963,997
Revenues:													
2 Premiums (HHSC Capitation)	23,289,813	22,859,199	22,871,468	22,681,599	22,216,208	22,174,385	21,979,016	22,222,163	21,772,265	0	0	0	202,066,115
3 Delivery Supplemental Payments	3,077,303	3,109,137	2,850,927	3,215,251	3,027,783	2,652,848	2,585,642	3,155,120	3,169,268	0	0	0	26,843,279
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	296,937	271,661	249,515	277,938	252,491	210,404	273,886	224,925	209,396				2,267,155
6 Other Revenue													0
7 Total Revenues	26,664,053	26,239,997	25,971,910	26,174,788	25,496,482	25,037,637	24,838,544	25,602,208	25,150,929	0	0	0	231,176,549
Medical Expenses:													
Capitated Services:													
8 Single Service	325,764	314,319	284,592	281,682	283,887	283,683	329,751	300,298	315,978	0	0	0	2,719,955
9 Delegated Networks	206,223	198,721	201,961	201,867	197,334	196,921	199,873	210,389	216,814	0	0	0	1,830,101
10 Fee-For-Service	18,823,628	21,492,935	19,181,722	21,863,783	22,936,355	20,056,565	19,261,360	16,149,202	5,688,679	0	0	0	165,454,232
11 IBNR Accrual	480,071	347,873	349,744	558,041	1,001,270	2,465,903	3,223,768	7,550,768	18,477,517	0	0	0	34,454,955
12 Total Medical Expenses	19,835,686	22,353,848	20,018,019	22,905,373	24,418,846	23,003,072	23,014,752	24,210,656	24,698,989	0	0	0	204,459,243
13 Total Administrative Expenses	2,373,040	2,337,150	2,315,016	2,330,717	2,271,959	2,234,451	2,210,819	2,283,955	2,244,738	0	0	0	20,601,845
14 Total Expenses	22,208,726	24,690,998	22,333,035	25,236,090	26,690,805	25,237,523	25,225,571	26,494,611	26,943,727	0	0	0	225,061,088
15 Net Income Before Taxes	4,455,327	1,548,999	3,638,875	938,698	(1,194,323)	(199,886)	(387,027)	(892,403)	(1,792,798)	0	0	0	6,115,461
16 % of Medical Exp to Premiums + DSP + BSP	75.2%	86.1%	77.8%	88.4%	96.7%	92.7%	93.7%	95.4%	99.0%	0.0%	0.0%	0.0%	89.3%
17 % of Administrative Exp to Premiums + DSP + BSP	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	0.0%	0.0%	0.0%	9.0%
18 % of Net Income to Total Revenues	16.7%	5.9%	14.0%	3.6%	-4.7%	-0.8%	-1.6%	-3.5%	-7.1%	0.0%	0.0%	0.0%	2.6%
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.