

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: Superior HealthPlan, Inc.
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	6,231	6,243	6,432	6,571	6,473	6,472	6,279	6,661	6,597	0	0	0	57,959
Revenues:													
2 Premiums (HHSC Capitation)	1,268,466	1,297,864	1,303,404	1,346,092	1,348,244	1,365,304	1,344,392	1,387,005	1,350,885	0	0	0	12,011,657
3 Delivery Supplemental Payments	161,520	171,211	161,520	209,975	187,362	187,362	145,368	184,133	171,211	0	0	0	1,579,662
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	(22,658)	6,541	6,565	6,933	6,775	6,450	6,671	6,529	6,579				30,385
6 Other Revenue													0
7 Total Revenues	1,407,328	1,475,616	1,471,489	1,563,000	1,542,381	1,559,116	1,496,431	1,577,667	1,528,675	0	0	0	13,621,704
Medical Expenses:													
Capitated Services:													
8 Single Service	120	126	135	138	129	138	138	153	159	0	0	0	1,236
9 Delegated Networks	37,510	39,219	40,308	41,192	40,196	39,940	38,730	41,094	42,285	0	0	0	360,475
10 Fee-For-Service	926,125	868,973	869,295	1,076,138	896,535	1,201,389	1,097,906	798,445	283,672	0	0	0	8,018,479
11 IBNR Accrual	8,997	6,046	38,154	24,122	99,561	117,938	114,686	240,931	503,836	0	0	0	1,154,271
12 Total Medical Expenses	972,752	914,364	947,892	1,141,590	1,036,422	1,359,406	1,251,460	1,080,623	829,952	0	0	0	9,534,461
13 Total Administrative Expenses	204,775	210,448	202,301	220,498	220,068	219,876	210,528	220,700	219,941	0	0	0	1,929,135
14 Total Expenses	1,177,527	1,124,812	1,150,193	1,362,088	1,256,490	1,579,282	1,461,988	1,301,323	1,049,893	0	0	0	11,463,596
15 Net Income Before Taxes	229,801	350,804	321,296	200,912	285,891	(20,166)	34,443	276,344	478,782	0	0	0	2,158,108
16 % of Medical Exp to Premiums + DSP + BSP	68.0%	62.2%	64.7%	73.4%	67.5%	87.6%	84.0%	68.8%	54.5%	0.0%	0.0%	0.0%	70.2%
17 % of Administrative Exp to Premiums + DSP + BSP	14.3%	14.3%	13.8%	14.2%	14.3%	14.2%	14.1%	14.0%	14.4%	0.0%	0.0%	0.0%	14.2%
18 % of Net Income to Total Revenues	16.3%	23.8%	21.8%	12.9%	18.5%	-1.3%	2.3%	17.5%	31.3%	0.0%	0.0%	0.0%	15.8%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	(7,300)	0	0	0	(10,900)	0	50	0	0				(18,150)

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.