

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: Evercare dba UHC - TX
Service Area: Harris
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	9,261	9,612	10,862	11,498	11,673	12,854	13,177	11,598	9,868	0	0	0	100,403
Revenues:													
2 Premiums (HHSC Capitation)	1,785,572	1,873,590	2,110,863	2,232,089	2,320,232	2,535,835	2,656,159	2,430,831	2,104,184	0	0	0	20,049,356
3 Delivery Supplemental Payments	130,210	179,479	207,633	190,037	235,786	309,689	253,383	28,154	0	0	0	0	1,534,371
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	20,603	17,624	16,412	24,561	20,233	18,609	23,786	23,108	16,903				181,841
6 Other Revenue													0
7 Total Revenues	1,936,385	2,070,693	2,334,908	2,446,687	2,576,251	2,864,133	2,933,328	2,482,093	2,121,087	0	0	0	21,765,568
Medical Expenses:													
Capitated Services:													
8 Single Service	5,600	5,362	4,415	6,172	5,754	8,370	7,892	7,701	2,554	0	0	0	53,819
9 Delegated Networks	82,278	86,140	97,731	102,330	100,878	114,646	113,861	107,210	89,274	0	0	0	894,347
10 Fee-For-Service	910,939	1,026,589	1,335,545	1,381,122	1,867,410	1,519,048	1,678,391	1,594,526	385,047	0	0	0	11,698,618
11 IBNR Accrual	14,243	14,719	24,655	26,480	110,730	170,440	200,181	444,776	1,323,794	0	0	0	2,330,018
12 Total Medical Expenses	1,013,060	1,132,809	1,462,345	1,516,105	2,084,771	1,812,504	2,000,326	2,154,213	1,800,669	0	0	0	14,976,802
13 Total Administrative Expenses	366,850	378,839	363,792	487,661	462,496	490,232	481,395	485,506	489,328	0	0	0	4,006,101
14 Total Expenses	1,379,910	1,511,648	1,826,137	2,003,766	2,547,267	2,302,736	2,481,721	2,639,719	2,289,997	0	0	0	18,982,903
15 Net Income Before Taxes	556,475	559,045	508,771	442,921	28,984	561,397	451,607	(157,626)	(168,910)	0	0	0	2,782,665
16 % of Medical Exp to Premiums + DSP + BSP	52.9%	55.2%	63.1%	62.6%	81.6%	63.7%	68.8%	87.6%	85.6%	0.0%	0.0%	0.0%	69.4%
17 % of Administrative Exp to Premiums + DSP + BSP	19.1%	18.5%	15.7%	20.1%	18.1%	17.2%	16.5%	19.7%	23.3%	0.0%	0.0%	0.0%	18.6%
18 % of Net Income to Total Revenues	28.7%	27.0%	21.8%	18.1%	1.1%	19.6%	15.4%	-6.4%	-8.0%	0.0%	0.0%	0.0%	12.8%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages				(10,000)									(10,000)

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.