

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+PLUS HMO Program Financial Statistical Report

Organization: Molina Healthcare of Texas
Service Area: Bexar
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	8,819	8,834	8,800	8,701	8,780	8,794	8,784	8,835	8,856	0	0	0	79,203
Revenues:													
2 Premiums (HHSC Capitation)	4,217,034	4,248,855	4,375,702	4,344,822	4,396,692	4,399,257	4,202,871	4,234,031	4,232,217	0	0	0	38,651,481
3 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	32,282	32,924	30,492	28,741	19,584	13,107	12,127	10,398	9,130				188,785
5 Other Revenue	5,581	6,060	4,678	2,578	0	0	0	0	0				18,897
6 Total Revenues	4,254,897	4,287,839	4,410,872	4,376,141	4,416,276	4,412,364	4,214,998	4,244,429	4,241,347	0	0	0	38,859,163
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	2,360	2,331	2,454	2,485	2,517	2,541	2,582	2,567	2,589	0	0	0	22,426
9 Fee-For-Service	3,135,765	3,237,654	2,918,621	3,102,892	3,144,092	2,824,671	3,056,650	2,596,290	401,030	0	0	0	24,417,666
10 IBNR Accrual	103,081	108,340	120,805	145,652	191,822	265,246	381,579	889,625	3,038,512	0	0	0	5,244,662
11 Total Medical Expenses	3,241,206	3,348,325	3,041,880	3,251,029	3,338,431	3,092,458	3,440,811	3,488,482	3,442,131	0	0	0	29,684,754
12 Total Administrative Expenses	741,343	785,273	743,546	761,078	618,498	619,345	738,482	829,187	758,880	0	0	0	6,595,632
13 Total Expenses	3,982,549	4,133,598	3,785,426	4,012,107	3,956,929	3,711,803	4,179,293	4,317,669	4,201,011	0	0	0	36,280,386
14 Net Income Before Taxes	272,348	154,241	625,446	364,034	459,347	700,561	35,705	(73,240)	40,336	0	0	0	2,578,777
15 % of Medical Exp to Premiums + BSP	76.9%	78.8%	69.5%	74.8%	75.9%	70.3%	81.9%	82.4%	81.3%	0.0%	0.0%	0.0%	76.8%
16 % of Administrative Exp to Premiums + BSP	17.6%	18.5%	17.0%	17.5%	14.1%	14.1%	17.6%	19.6%	17.9%	0.0%	0.0%	0.0%	17.1%
17 % of Net Income to Total Revenues	6.4%	3.6%	14.2%	8.3%	10.4%	15.9%	0.8%	-1.7%	1.0%	0.0%	0.0%	0.0%	6.6%
18 Performance Assessment													
19 Quality Challenge Award													
20 Hospital Inpatient Incentive - Shared Savings Award													
21 Hospital Inpatient Disincentive - Admin Fee at Risk													
22 Liquidated Damages	0	0	0	(2,500)									(2,500)

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.