

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: Aetna Health Inc. Texas
Service Area: Tarrant
Submission Date: 08/31/09
Submission Type: SFY08
Accrual Date: 08/31/08

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	9,034	9,012	9,307	9,592	9,898	10,331	9,876	10,272	10,420	10,687	11,174	11,328	120,931
Revenues:													
2 Premiums (HHSC Capitation)	2,632,012	2,684,061	2,747,886	2,834,144	2,931,476	3,020,609	3,081,547	3,142,754	3,234,507	3,323,976	3,437,626	3,502,068	36,572,665
3 Delivery Supplemental Payments	854,375	923,453	752,577	919,817	967,080	738,035	748,942	770,756	887,096	948,902	981,623	945,266	10,437,922
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	37,431	46,995	39,457	41,665	32,477	56,709	(78,811)	57,097	50,145	23,206	41,708	25,842	373,920
6 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Total Revenues	3,523,818	3,654,509	3,539,920	3,795,626	3,931,033	3,815,353	3,751,678	3,970,607	4,171,748	4,296,084	4,460,957	4,473,176	47,384,507
Medical Expenses:													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Delegated Networks	65,213	29,478	39,221	58,425	62,133	74,318	75,949	66,450	47,711	67,968	81,457	64,041	732,363
10 Fee-For-Service	2,599,329	2,685,954	2,642,656	2,968,126	3,383,588	2,465,010	2,872,062	3,168,798	3,024,896	3,342,899	3,974,776	4,292,175	37,420,269
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Medical Expenses	2,664,542	2,715,432	2,681,877	3,026,551	3,445,721	2,539,328	2,948,011	3,235,248	3,072,607	3,410,867	4,056,233	4,356,216	38,152,632
13 Total Administrative Expenses	309,224	317,725	311,128	336,774	351,646	337,697	345,049	353,686	374,368	389,315	398,608	358,107	4,183,327
14 Total Expenses	2,973,766	3,033,157	2,993,005	3,363,325	3,797,367	2,877,025	3,293,060	3,588,934	3,446,975	3,800,182	4,454,841	4,714,323	42,335,959
15 Net Income Before Taxes	550,052	621,352	546,915	432,301	133,666	938,328	458,618	381,673	724,773	495,902	6,116	(241,147)	5,048,548
16 % of Medical Exp to Premiums + DSP + BSP	76.4%	75.3%	76.6%	80.6%	88.4%	67.6%	77.0%	82.7%	74.5%	79.8%	91.8%	98.0%	81.2%
17 % of Administrative Exp to Premiums + DSP + BSP	8.9%	8.8%	8.9%	9.0%	9.0%	9.0%	9.0%	9.0%	9.1%	9.1%	9.0%	8.1%	8.9%
18 % of Net Income to Total Revenues	15.6%	17.0%	15.4%	11.4%	3.4%	24.6%	12.2%	9.6%	17.4%	11.5%	0.1%	-5.4%	10.7%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	0	(5,000)	0	0	0	0	0	0	0	0	0	0	(5,000)

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.