

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: AMERIGROUP Texas, Inc.
Service Area: Tarrant
Submission Date: 10/07/09
Submission Type: SFY08
Accrual Date: 07/31/09

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	101,027	98,119	98,862	99,583	98,093	96,121	89,300	89,718	88,931	89,069	90,039	88,774	1,127,636
Revenues:													
2 Premiums (HHSC Capitation)	17,236,131	16,830,223	16,767,009	16,639,142	16,269,742	15,991,765	15,685,391	15,688,540	15,555,155	15,518,104	15,587,033	15,434,700	193,202,935
3 Delivery Supplemental Payments	2,395,887	2,341,352	2,464,964	2,254,097	2,297,724	2,246,826	2,119,578	2,057,772	2,061,408	2,181,384	2,417,701	2,355,895	27,194,588
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	257,293	278,238	270,581	294,387	268,150	225,464	195,167	180,026	158,545	152,950	161,435	172,271	2,614,507
6 Other Revenue													0
7 Total Revenues	19,889,311	19,449,813	19,502,554	19,187,626	18,835,616	18,464,055	18,000,136	17,926,338	17,775,108	17,852,438	18,166,169	17,962,866	223,012,030
Medical Expenses:													
Capitated Services:													
8 Single Service	305,933	311,509	313,403	310,588	300,470	294,328	289,398	289,868	282,771	282,077	286,561	277,778	3,544,684
9 Delegated Networks	119,849	116,248	117,203	118,188	116,353	115,251	113,340	113,930	112,946	113,174	114,331	112,156	1,382,969
10 Fee-For-Service	12,661,195	14,277,323	13,607,906	13,206,791	15,663,328	14,472,995	12,804,509	12,658,556	12,223,710	12,752,208	12,731,860	12,412,934	159,473,313
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Medical Expenses	13,086,977	14,705,080	14,038,512	13,635,567	16,080,151	14,882,574	13,207,247	13,062,354	12,619,427	13,147,459	13,132,752	12,802,868	164,400,966
13 Total Administrative Expenses	2,283,383	2,389,037	2,296,677	2,451,936	2,191,540	2,117,604	2,197,924	2,465,978	2,188,989	2,196,584	2,193,474	2,163,583	27,136,709
14 Total Expenses	15,370,360	17,094,117	16,335,189	16,087,503	18,271,691	17,000,178	15,405,171	15,528,332	14,808,416	15,344,043	15,326,226	14,966,451	191,537,675
15 Net Income Before Taxes	4,518,951	2,355,696	3,167,365	3,100,123	563,925	1,463,877	2,594,965	2,398,006	2,966,692	2,508,395	2,839,943	2,996,415	31,474,355
16 % of Medical Exp to Premiums + DSP + BSP	66.7%	76.7%	73.0%	72.2%	86.6%	81.6%	74.2%	73.6%	71.6%	74.3%	72.9%	72.0%	74.6%
17 % of Administrative Exp to Premiums + DSP + BSP	11.6%	12.5%	11.9%	13.0%	11.8%	11.6%	12.3%	13.9%	12.4%	12.4%	12.2%	12.2%	12.3%
18 % of Net Income to Total Revenues	22.7%	12.1%	16.2%	16.2%	3.0%	7.9%	14.4%	13.4%	16.7%	14.1%	15.6%	16.7%	14.1%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages						(73,750)				(5,505)			(79,255)

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.