

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.

CHIP Perinatal HMO Program Financial Statistical Report

Organization: Community First Health Plans, Inc.
Service Area: Bexar
Submission Date: 08/31/09
Submission Type: SFY08
Accrual Date: 07/31/09

Part 1: Summary Income Statements (Dollars), All Coverage Groups Combined

Incurred Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
1 Total Member Months	1,577	1,672	1,771	1,796	1,816	1,690	1,587	1,551	1,550	1,520	1,525	1,505	19,560
Revenues:													
2 Premiums (HHSC Capitation)	747,796	784,062	825,842	826,523	832,670	783,673	746,672	736,920	740,741	724,705	730,044	717,570	9,197,218
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	6,611	6,676	6,269	2,227	3,304	4,291	4,707	4,328	5,371	3,773	4,341	3,682	55,581
5 Other Revenue													0
6 Total Revenues	754,407	790,738	832,111	828,750	835,974	787,964	751,379	741,248	746,112	728,478	734,385	721,252	9,252,799
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Fee-For-Service	348,149	423,743	403,748	388,758	396,118	300,157	322,658	347,914	370,374	375,161	414,518	364,500	4,455,797
10 IBNR Accrual	0	0	0	66,944	0	0	0	0	0	0	0	95,481	162,424
11 Total Medical Expenses	348,149	423,743	403,748	455,702	396,118	300,157	322,658	347,914	370,374	375,161	414,518	459,981	4,618,221
12 Total Administrative Expenses	25,331	33,939	33,700	42,654	31,503	43,293	37,843	30,611	26,539	44,405	33,708	36,975	420,502
13 Total Expenses	373,480	457,682	437,448	498,356	427,621	343,450	360,501	378,525	396,913	419,566	448,226	496,956	5,038,723
14 Net Income Before Taxes	380,927	333,056	394,663	330,394	408,353	444,514	390,878	362,723	349,199	308,912	286,159	224,296	4,214,076
15 % of Medical Exp to Premiums + DSP	46.6%	54.0%	48.9%	55.1%	47.6%	38.3%	43.2%	47.2%	50.0%	51.8%	56.8%	64.1%	50.2%
16 % of Administrative Exp to Premiums + DSP	3.4%	4.3%	4.1%	5.2%	3.8%	5.5%	5.1%	4.2%	3.6%	6.1%	4.6%	5.2%	4.6%
17 % of Net Income to Total Revenues	50.5%	42.1%	47.4%	39.9%	48.8%	56.4%	52.0%	48.9%	46.8%	42.4%	39.0%	31.1%	45.5%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages	0	0	0	0	0	0	0	0	0	0	0	0	0

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.