

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: 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

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
1 Total Member Months	69,262	67,789	68,667	68,815	67,093	64,531	63,114	62,874	62,144	63,042	64,827	65,296	787,454
Revenues:													
2 Premiums (HHSC Capitation)	12,885,921	12,693,276	12,711,703	12,640,204	12,364,864	12,020,631	11,867,616	11,874,546	11,825,561	11,908,783	12,125,214	12,221,949	147,140,268
3 Delivery Supplemental Payments	1,714,960	1,630,028	1,672,494	1,607,162	1,763,959	1,551,630	1,528,764	1,613,695	1,290,303	1,430,766	1,502,631	1,799,891	19,106,283
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	97,274	99,880	92,602	104,102	112,284	107,860	83,339	59,317	69,278	56,723	63,476	72,401	1,018,536
6 Other Revenue	37	38	40	0	82	86	42	51	37	45	45	48	550
7 Total Revenues	14,698,192	14,423,222	14,476,838	14,351,468	14,241,188	13,680,206	13,479,762	13,547,609	13,185,179	13,396,317	13,691,366	14,094,289	167,265,637
Medical Expenses:													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Delegated Networks	83,284	81,356	82,365	82,607	80,384	77,792	80,937	80,582	80,230	80,924	81,827	86,193	978,480
10 Fee-For-Service	12,761,566	13,542,313	12,770,223	13,406,216	14,085,845	12,939,346	10,613,416	11,331,575	11,074,850	10,937,538	11,301,828	11,729,541	146,494,255
11 IBNR Accrual	0	371	0	0	20	31,074	6,971	4,015	4,905	14,251	5,339	12,311	79,257
12 Total Medical Expenses	12,844,850	13,624,040	12,852,588	13,488,823	14,166,249	13,048,212	10,701,323	11,416,171	11,159,986	11,032,713	11,388,994	11,828,044	147,551,992
13 Total Administrative Expenses	1,079,877	1,186,641	1,051,629	1,182,215	1,037,323	1,252,677	1,274,204	1,150,810	1,295,759	1,226,805	1,305,445	1,393,499	14,436,882
14 Total Expenses	13,924,727	14,810,681	13,904,217	14,671,038	15,203,572	14,300,889	11,975,527	12,566,981	12,455,745	12,259,518	12,694,439	13,221,543	161,988,874
15 Net Income Before Taxes	773,465	(387,459)	572,621	(319,570)	(962,384)	(620,683)	1,504,235	980,628	729,434	1,136,799	996,927	872,746	5,276,763
16 % of Medical Exp to Premiums + DSP + BSP	88.0%	95.1%	89.4%	94.7%	100.3%	96.1%	79.9%	84.6%	85.1%	82.7%	83.6%	84.4%	88.8%
17 % of Administrative Exp to Premiums + DSP + BSP	7.4%	8.3%	7.3%	8.3%	7.3%	9.2%	9.5%	8.5%	9.9%	9.2%	9.6%	9.9%	8.7%
18 % of Net Income to Total Revenues	5.3%	-2.7%	4.0%	-2.2%	-6.8%	-4.5%	11.2%	7.2%	5.5%	8.5%	7.3%	6.2%	3.2%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	0	0	(70,510)	0	(71,947)	0	0	0	(60,840)	0	0	0	(203,297)

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.