

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: Cook Children's Health Plan
Service Area: Tarrant
Submission Date: 08/30/09
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	22,566	22,611	24,028	25,056	25,401	25,751	25,393	26,251	26,393	27,071	28,088	28,426	307,035
Revenues:													
2 Premiums (HHSC Capitation)	3,959,778	4,026,960	4,262,682	4,434,987	4,545,329	4,668,135	4,753,877	4,947,317	5,046,798	5,188,501	5,367,035	5,466,978	56,668,376
3 Delivery Supplemental Payments	538,075	548,982	498,083	548,982	556,253	545,346	534,439	483,540	352,657	283,580	738,035	825,290	6,453,262
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	37,447	0	19,020	16,578	15,174	16,100	10,453	7,599	6,633	5,123	5,329	6,904	146,361
6 Other Revenue													0
7 Total Revenues	4,535,300	4,575,942	4,779,785	5,000,547	5,116,756	5,229,581	5,298,769	5,438,456	5,406,088	5,477,204	6,110,399	6,299,172	63,267,999
Medical Expenses:													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Delegated Networks	34,662	34,716	36,879	38,426	38,956	39,528	39,867	41,214	41,437	42,501	44,098	44,629	476,913
10 Fee-For-Service	4,160,303	3,890,419	5,128,188	4,531,988	5,073,528	4,969,778	4,633,972	5,713,454	5,178,459	5,199,312	5,102,102	4,986,612	58,568,115
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Medical Expenses	4,194,965	3,925,135	5,165,067	4,570,414	5,112,484	5,009,306	4,673,839	5,754,668	5,219,896	5,241,813	5,146,200	5,031,241	59,045,028
13 Total Administrative Expenses	470,470	563,811	517,954	581,497	459,518	611,085	552,878	613,731	622,203	575,378	599,334	609,836	6,777,695
14 Total Expenses	4,665,435	4,488,946	5,683,021	5,151,911	5,572,002	5,620,391	5,226,717	6,368,399	5,842,099	5,817,191	5,745,534	5,641,077	65,822,723
15 Net Income Before Taxes	(130,135)	86,996	(903,236)	(151,364)	(455,246)	(390,810)	72,052	(929,943)	(436,011)	(339,987)	364,865	658,095	(2,554,724)
16 % of Medical Exp to Premiums + DSP + BSP	93.3%	85.8%	108.5%	91.7%	100.2%	96.1%	88.4%	106.0%	96.7%	95.8%	84.3%	80.0%	93.5%
17 % of Administrative Exp to Premiums + DSP + BSP	10.5%	12.3%	10.9%	11.7%	9.0%	11.7%	10.5%	11.3%	11.5%	10.5%	9.8%	9.7%	10.7%
18 % of Net Income to Total Revenues	-2.9%	1.9%	-18.9%	-3.0%	-8.9%	-7.5%	1.4%	-17.1%	-8.1%	-6.2%	6.0%	10.4%	-4.0%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	(18,896)							(7,650)		(9,871)			(36,417)

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.