

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 Dental Plan Financial Statistical Report (FSR)

Organization: Delta Dental of California
Submission Date: 08/31/09
Submission Type: SFY08
Accrual Date: 07/31/09

Page 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 | 333,952 | 354,853 | 363,491 | 375,466 | 382,265 | 388,895 | 412,587 | 438,655 | 455,818 | 473,577 | 492,309 | 505,603 | 4,977,471 |
| Revenues: | | | | | | | | | | | | | |
| 2 Premiums (HHSC Capitation) | 5,147,564 | 5,307,019 | 5,396,543 | 5,531,733 | 5,599,035 | 5,662,421 | 6,042,909 | 6,454,837 | 6,729,729 | 6,995,848 | 7,284,119 | 7,479,825 | 73,631,580 |
| 3 Investment Income | | | | | | | | | | | | | 0 |
| 4 Other Revenue | | | | | | | | | | | | | 0 |
| 5 Total Revenues | 5,147,564 | 5,307,019 | 5,396,543 | 5,531,733 | 5,599,035 | 5,662,421 | 6,042,909 | 6,454,837 | 6,729,729 | 6,995,848 | 7,284,119 | 7,479,825 | 73,631,580 |
| Expenses: | | | | | | | | | | | | | |
| 6 Paid Dental Expenses | 3,100,827 | 4,232,405 | 3,858,384 | 3,533,385 | 4,847,222 | 4,714,062 | 5,505,652 | 5,308,474 | 4,688,919 | 5,868,781 | 6,757,239 | 7,329,247 | 59,744,597 |
| 7 IBNR Accrual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Total Dental Expenses | 3,100,827 | 4,232,405 | 3,858,384 | 3,533,385 | 4,847,222 | 4,714,062 | 5,505,652 | 5,308,474 | 4,688,919 | 5,868,781 | 6,757,239 | 7,329,247 | 59,744,597 |
| 9 Total Administrative Expenses | 377,374 | 480,466 | 338,538 | 590,131 | 352,371 | 372,438 | 477,353 | 384,743 | 815,753 | 851,020 | 445,127 | 457,874 | 5,943,188 |
| 10 Total Expenses | 3,478,201 | 4,712,871 | 4,196,922 | 4,123,516 | 5,199,593 | 5,086,500 | 5,983,005 | 5,693,217 | 5,504,672 | 6,719,801 | 7,202,366 | 7,787,121 | 65,687,785 |
| 11 Net Income Before Taxes | 1,669,363 | 594,148 | 1,199,621 | 1,408,217 | 399,442 | 575,921 | 59,904 | 761,620 | 1,225,057 | 276,047 | 81,753 | (307,296) | 7,943,795 |
| 12 % of Dental Exp to Premiums | 60% | 80% | 71% | 64% | 87% | 83% | 91% | 82% | 70% | 84% | 93% | 98% | 81% |
| 13 % of Admin Exp to Premiums | 7% | 9% | 6% | 11% | 6% | 7% | 8% | 6% | 12% | 12% | 6% | 6% | 8% |
| 14 % of Profit to Revenues | 32% | 11% | 22% | 25% | 7% | 10% | 1% | 12% | 18% | 4% | 1% | -4% | 11% |
| 15 Paid Dental Expense Completion Factors | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 16 Liquidated Damages | | | | | | | | | | | | | - |
| 17 Performance Assessment | | | | | | | | | | | | | |

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.