

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: El Paso First Health Plans, Inc.
Service Area: El Paso
Submission Date: 08/28/09
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	904	951	1,020	1,028	1,035	1,048	984	961	962	951	977	981	11,802
Revenues:													
2 Premiums (HHSC Capitation)	415,651	426,344	441,928	428,794	420,653	427,299	406,870	404,512	413,748	413,485	432,530	434,974	5,066,789
3 Delivery Supplemental Payments	0	0	6,200	3,100	0	0	0	3,100	0	3,100	6,200	3,100	24,800
4 Investment Income	3,931	4,684	3,883	4,565	4,481	3,007	2,127	2,119	1,667	1,822	2,199	1,835	36,318
5 Other Revenue													0
6 Total Revenues	419,582	431,028	452,011	436,459	425,134	430,306	408,997	409,731	415,415	418,407	440,929	439,909	5,127,907
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	175,656	192,588	239,959	221,935	191,942	215,387	204,749	228,431	164,596	180,171	217,870	250,800	2,484,085
10 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Total Medical Expenses	175,656	192,588	239,959	221,935	191,942	215,387	204,749	228,431	164,596	180,171	217,870	250,800	2,484,085
12 Total Administrative Expenses	15,137	19,868	19,804	20,396	20,253	19,051	18,464	17,986	18,199	18,184	21,994	21,516	230,850
13 Total Expenses	190,793	212,456	259,763	242,331	212,195	234,438	223,213	246,417	182,795	198,355	239,864	272,316	2,714,935
14 Net Income Before Taxes	228,789	218,572	192,248	194,128	212,939	195,868	185,784	163,314	232,620	220,052	201,065	167,593	2,412,972
15 % of Medical Exp to Premiums + DSP	42.3%	45.2%	53.5%	51.4%	45.6%	50.4%	50.3%	56.0%	39.8%	43.2%	49.7%	57.3%	48.8%
16 % of Administrative Exp to Premiums + DSP	3.6%	4.7%	4.4%	4.7%	4.8%	4.5%	4.5%	4.4%	4.4%	4.4%	5.0%	4.9%	4.5%
17 % of Net Income to Total Revenues	54.5%	50.7%	42.5%	44.5%	50.1%	45.5%	45.4%	39.9%	56.0%	52.6%	45.6%	38.1%	47.1%
18 Performance Assessment													
19 Quality Challenge Award													
20 Liquidated Damages													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.