

## 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:** 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**

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
<b>1 Total Member Months</b>	<b>41,432</b>	<b>39,744</b>	<b>40,008</b>	<b>39,829</b>	<b>39,029</b>	<b>38,703</b>	<b>38,273</b>	<b>38,704</b>	<b>38,207</b>	<b>38,123</b>	<b>38,065</b>	<b>37,369</b>	<b>467,486</b>
<b>Revenues:</b>													
2 Premiums (HHSC Capitation)	5,828,026	5,647,576	5,621,684	5,573,545	5,434,302	5,372,179	5,342,673	5,374,334	5,346,764	5,322,579	5,317,120	5,275,407	<b>65,456,188</b>
3 Delivery Supplemental Payments	643,848	729,924	698,937	702,380	640,405	643,848	650,735	578,431	630,076	633,519	657,621	764,355	<b>7,974,079</b>
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
5 Investment Income	62,617	62,999	58,299	63,106	65,073	44,401	33,606	32,422	24,660	26,350	29,797	25,778	<b>529,111</b>
6 Other Revenue													<b>0</b>
<b>7 Total Revenues</b>	<b>6,534,491</b>	<b>6,440,499</b>	<b>6,378,920</b>	<b>6,339,031</b>	<b>6,139,780</b>	<b>6,060,428</b>	<b>6,027,014</b>	<b>5,985,187</b>	<b>6,001,500</b>	<b>5,982,448</b>	<b>6,004,538</b>	<b>6,065,540</b>	<b>73,959,378</b>
<b>Medical Expenses:</b>													
Capitated Services:													
8 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
9 Delegated Networks	63,807	60,948	61,479	61,199	59,823	59,305	58,550	59,492	58,577	58,370	58,292	56,937	<b>716,779</b>
10 Fee-For-Service	4,284,801	5,096,931	4,746,273	4,828,002	5,202,707	4,911,591	4,536,739	4,976,921	4,197,015	4,481,037	3,860,034	7,156,948	<b>58,278,999</b>
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>12 Total Medical Expenses</b>	<b>4,348,608</b>	<b>5,157,879</b>	<b>4,807,752</b>	<b>4,889,201</b>	<b>5,262,530</b>	<b>4,970,896</b>	<b>4,595,289</b>	<b>5,036,413</b>	<b>4,255,592</b>	<b>4,539,407</b>	<b>3,918,326</b>	<b>7,213,885</b>	<b>58,995,778</b>
13 Total Administrative Expenses	591,938	692,558	705,341	676,206	677,545	638,738	686,290	684,754	690,078	684,689	834,289	819,602	<b>8,382,028</b>
<b>14 Total Expenses</b>	<b>4,940,546</b>	<b>5,850,437</b>	<b>5,513,093</b>	<b>5,565,407</b>	<b>5,940,075</b>	<b>5,609,634</b>	<b>5,281,579</b>	<b>5,721,167</b>	<b>4,945,670</b>	<b>5,224,096</b>	<b>4,752,615</b>	<b>8,033,487</b>	<b>67,377,806</b>
<b>15 Net Income Before Taxes</b>	<b>1,593,945</b>	<b>590,062</b>	<b>865,827</b>	<b>773,624</b>	<b>199,705</b>	<b>450,794</b>	<b>745,435</b>	<b>264,020</b>	<b>1,055,830</b>	<b>758,352</b>	<b>1,251,923</b>	<b>(1,967,947)</b>	<b>6,581,572</b>
16 % of Medical Exp to Premiums + DSP + BSP	67.2%	80.9%	76.1%	77.9%	86.6%	82.6%	76.7%	84.6%	71.2%	76.2%	65.6%	119.4%	<b>80.3%</b>
17 % of Administrative Exp to Premiums + DSP + BSP	9.1%	10.9%	11.2%	10.8%	11.2%	10.6%	11.5%	11.5%	11.5%	11.5%	14.0%	13.6%	<b>11.4%</b>
18 % of Net Income to Total Revenues	24.4%	9.2%	13.6%	12.2%	3.3%	7.4%	12.4%	4.4%	17.6%	12.7%	20.8%	-32.4%	<b>8.9%</b>
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages													<b>0</b>

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.