

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: FirstCare Health Plans
Service Area: Lubbock
Submission Date: 08/31/09
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	133	143	148	157	164	156	151	156	166	157	160	154	1,845
Revenues:													
2 Premiums (HHSC Capitation)	54,339	58,031	59,409	62,563	65,893	63,713	62,202	63,563	68,522	63,294	64,628	61,698	747,856
3 Delivery Supplemental Payments	0	0	0	0	3,100	0	3,100	3,100	0	3,100	0	0	12,400
4 Investment Income	84	80	96	90	108	97	110	83	(3)	(4)	35	12	789
5 Other Revenue													0
6 Total Revenues	54,423	58,111	59,505	62,653	69,101	63,810	65,412	66,746	68,519	66,390	64,663	61,710	761,045
Medical Expenses:													
Capitated Services:													
7 Single Service	86	86	173	173	138	173	173	173	173	346	201	0	1,895
8 Delegated Networks	176	198	205	41	42	38	34	38	38	39	38	37	924
9 Fee-For-Service	24,971	22,455	22,643	24,952	68,521	18,819	24,748	28,365	22,426	27,695	28,689	25,811	340,095
10 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Total Medical Expenses	25,233	22,740	23,021	25,166	68,701	19,030	24,955	28,576	22,637	28,080	28,928	25,848	342,914
12 Total Administrative Expenses	1,930	2,128	1,887	2,758	2,293	2,697	2,292	2,467	2,875	2,403	2,891	2,016	28,637
13 Total Expenses	27,163	24,868	24,908	27,924	70,994	21,727	27,247	31,043	25,512	30,483	31,819	27,864	371,551
14 Net Income Before Taxes	27,260	33,243	34,597	34,729	(1,893)	42,083	38,165	35,703	43,007	35,907	32,844	33,846	389,494
15 % of Medical Exp to Premiums + DSP	46.4%	39.2%	38.8%	40.2%	99.6%	29.9%	38.2%	42.9%	33.0%	42.3%	44.8%	41.9%	45.1%
16 % of Administrative Exp to Premiums + DSP	3.6%	3.7%	3.2%	4.4%	3.3%	4.2%	3.5%	3.7%	4.2%	3.6%	4.5%	3.3%	3.8%
17 % of Net Income to Total Revenues	50.1%	57.2%	58.1%	55.4%	-2.7%	66.0%	58.3%	53.5%	62.8%	54.1%	50.8%	54.8%	51.2%
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.