

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: 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

Incurring Months:	September	October	November	December	January	February	March	April	May	June	July	August	YTD
1 Total Member Months	25,298	24,456	24,820	25,042	24,583	24,484	24,183	24,562	24,368	24,438	24,716	24,368	295,318
Revenues:													
2 Premiums (HHSC Capitation)	4,409,121	4,308,773	4,325,022	4,326,963	4,258,044	4,227,601	4,178,606	4,223,964	4,218,267	4,219,022	4,229,020	4,180,206	51,104,608
3 Delivery Supplemental Payments	865,745	784,985	749,450	820,519	826,980	742,990	678,382	681,612	801,137	662,230	717,147	788,215	9,119,392
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	15,990	13,795	16,204	14,428	16,286	15,366	17,801	13,131	(383)	(601)	5,394	1,903	129,312
6 Other Revenue													0
7 Total Revenues	5,290,856	5,107,553	5,090,676	5,161,910	5,101,310	4,985,957	4,874,789	4,918,707	5,019,021	4,880,651	4,951,561	4,970,324	60,353,312
Medical Expenses:													
Capitated Services:													
8 Single Service	15,542	15,345	15,598	16,189	13,164	17,373	18,582	18,308	18,501	18,578	11,205	0	178,384
9 Delegated Networks	82,971	80,047	81,300	13,856	13,581	13,507	13,330	13,555	13,437	13,473	13,630	13,427	366,114
10 Fee-For-Service	4,107,209	4,085,657	3,843,092	3,957,879	4,368,593	4,469,386	4,410,090	4,128,978	3,995,496	3,404,105	4,034,928	4,201,876	49,007,288
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Medical Expenses	4,205,723	4,181,048	3,939,989	3,987,923	4,395,338	4,500,266	4,442,002	4,160,841	4,027,434	3,436,156	4,059,763	4,215,303	49,551,786
13 Total Administrative Expenses	402,333	421,191	371,203	490,165	401,088	456,173	426,194	441,333	454,037	415,320	494,579	804,998	5,578,615
14 Total Expenses	4,608,056	4,602,239	4,311,192	4,478,088	4,796,426	4,956,439	4,868,196	4,602,174	4,481,471	3,851,476	4,554,342	5,020,301	55,130,401
15 Net Income Before Taxes	682,800	505,314	779,484	683,822	304,884	29,518	6,593	316,533	537,550	1,029,175	397,219	(49,977)	5,222,911
16 % of Medical Exp to Premiums + DSP + BSP	79.7%	82.1%	77.6%	77.5%	86.4%	90.5%	91.5%	84.8%	80.2%	70.4%	82.1%	84.8%	82.3%
17 % of Administrative Exp to Premiums + DSP + BSP	7.6%	8.3%	7.3%	9.5%	7.9%	9.2%	8.8%	9.0%	9.0%	8.5%	10.0%	16.2%	9.3%
18 % of Net Income to Total Revenues	12.9%	9.9%	15.3%	13.2%	6.0%	0.6%	0.1%	6.4%	10.7%	21.1%	8.0%	-1.0%	8.7%
19 Performance Assessment													
20 Quality Challenge Award													
21 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.