

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: Mercy Health Plans of Missouri, Inc.
Service Area: Webb County
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	1,400	1,513	1,612	1,691	1,804	1,843	1,868	1,791	1,746	1,721	1,735	1,699	20,423
Revenues:													
2 Premiums (HHSC Capitation)	700,434	741,392	776,349	803,530	846,770	858,938	870,085	836,943	823,718	814,838	826,649	808,249	9,707,896
3 Delivery Supplemental Payments	3,100	0	3,100	0	0	0	0	0	0	0	0	0	6,200
4 Investment Income	10,507	9,001	7,821	8,940	9,800	5,883	7,437	5,790	5,938	3,287	7,894	6,180	88,478
5 Other Revenue													0
6 Total Revenues	714,041	750,393	787,270	812,470	856,570	864,821	877,522	842,733	829,656	818,125	834,543	814,429	9,802,574
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	373,826	442,435	507,222	415,867	416,896	391,075	379,692	345,911	367,523	331,867	379,488	374,341	4,726,145
10 IBNR Accrual	67,412	5,672	8,644	16,565	32,854	19,212	21,566	9,721	8,994	27,053	19,926	16,012	253,628
11 Total Medical Expenses	441,238	448,107	515,866	432,432	449,750	410,287	401,258	355,632	376,517	358,920	399,414	390,353	4,979,773
12 Total Administrative Expenses	45,662	52,390	40,998	60,612	43,118	51,018	48,195	46,658	44,652	47,179	51,281	48,676	580,440
13 Total Expenses	486,900	500,497	556,864	493,044	492,868	461,305	449,453	402,290	421,169	406,099	450,695	439,029	5,560,213
14 Net Income Before Taxes	227,141	249,896	230,406	319,426	363,702	403,516	428,069	440,443	408,487	412,026	383,848	375,400	4,242,361
15 % of Medical Exp to Premiums + DSP	62.7%	60.4%	66.2%	53.8%	53.1%	47.8%	46.1%	42.5%	45.7%	44.0%	48.3%	48.3%	51.3%
16 % of Administrative Exp to Premiums + DSP	6.5%	7.1%	5.3%	7.5%	5.1%	5.9%	5.5%	5.6%	5.4%	5.8%	6.2%	6.0%	6.0%
17 % of Net Income to Total Revenues	31.8%	33.3%	29.3%	39.3%	42.5%	46.7%	48.8%	52.3%	49.2%	50.4%	46.0%	46.1%	43.3%
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.