

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 HMO Program Financial Statistical Report

Organization: Molina Healthcare of Texas, Inc.
Service Area: Harris
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
1 Total Member Months	2,842	3,079	3,234	2,747	2,921	2,588	2,591	3,025	2,898	3,330	3,139	3,493	35,887
Revenues:													
2 Premiums (HHSC Capitation)	272,847	295,529	310,371	263,821	280,030	248,082	248,754	290,692	278,810	320,907	302,842	337,658	3,450,342
3 Delivery Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Investment Income	2,976	3,995	4,483	4,222	4,038	3,536	2,941	3,077	2,878	2,854	2,756	3,141	40,897
5 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Total Revenues	275,823	299,524	314,854	268,043	284,068	251,618	251,695	293,769	281,688	323,761	305,598	340,799	3,491,239
Medical Expenses:													
Capitated Services:													
7 Single Service	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Delegated Networks	11,924	1,053	13,714	9,391	3,450	5,179	5,177	6,056	5,831	6,694	6,300	7,005	81,774
9 Fee-For-Service	53,195	67,353	64,516	79,833	96,734	74,503	66,181	80,297	57,226	116,460	92,523	111,436	960,258
10 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Total Medical Expenses	65,119	68,406	78,230	89,224	100,184	79,682	71,358	86,353	63,057	123,154	98,823	118,441	1,042,032
12 Total Administrative Expenses	30,804	39,510	34,473	41,292	34,675	36,672	36,661	35,896	48,262	48,001	43,656	57,333	487,236
13 Total Expenses	95,923	107,916	112,703	130,516	134,859	116,354	108,019	122,249	111,319	171,155	142,479	175,774	1,529,268
14 Net Income Before Taxes	179,900	191,608	202,151	137,527	149,209	135,264	143,676	171,520	170,369	152,606	163,119	165,025	1,961,971
15 % of Medical Exp to Premiums + DSP	23.9%	23.1%	25.2%	33.8%	35.8%	32.1%	28.7%	29.7%	22.6%	38.4%	32.6%	35.1%	30.2%
16 % of Administrative Exp to Premiums + DSP	11.3%	13.4%	11.1%	15.7%	12.4%	14.8%	14.7%	12.3%	17.3%	15.0%	14.4%	17.0%	14.1%
17 % of Net Income to Total Revenues	65.2%	64.0%	64.2%	51.3%	52.5%	53.8%	57.1%	58.4%	60.5%	47.1%	53.4%	48.4%	56.2%
18 Performance Assessment													0
19 Quality Challenge Award													0
20 Liquidated Damages	0	0	0	0	0	0	0	0	0	0	0	0	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.