

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: Seton Health Plan, Inc
Service Area: Travis
Submission Date: 08/30/09
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	11,590	11,735	11,813	12,172	12,017	11,963	12,715	13,518	14,167	14,711	15,275	15,627	157,303
Revenues:													
2 Premiums (HHSC Capitation)	1,100,963	1,116,280	1,124,012	1,158,145	1,144,022	1,138,372	1,209,979	1,286,633	1,348,981	1,400,898	1,455,634	1,490,073	14,973,992
3 Delivery Supplemental Payments	0	0	0	3,100	3,100	0	0	0	3,100	3,100	3,100	3,100	18,600
4 Investment Income	16,432	15,089	15,300	11,575	13,304	12,388	9,815	9,027	7,086	7,885	7,270	8,037	133,210
5 Other Revenue													0
6 Total Revenues	1,117,395	1,131,369	1,139,312	1,172,820	1,160,426	1,150,760	1,219,794	1,295,660	1,359,167	1,411,883	1,466,004	1,501,210	15,125,802
Medical Expenses:													
Capitated Services:													
7 Single Service	33,398	34,553	34,728	35,505	36,281	36,034	39,304	40,971	45,237	46,686	47,404	49,578	479,677
8 Delegated Networks	15,990	16,196	16,284	16,779	16,585	16,521	17,554	18,669	19,557	20,309	21,074	21,576	217,095
9 Fee-For-Service	694,726	734,159	733,677	685,315	876,962	857,946	881,292	1,187,754	1,116,379	1,095,748	972,168	1,120,379	10,956,504
10 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Total Medical Expenses	744,114	784,907	784,689	737,599	929,828	910,501	938,149	1,247,394	1,181,174	1,162,743	1,040,646	1,191,533	11,653,276
12 Total Administrative Expenses	205,995	206,595	208,976	213,821	208,743	214,014	209,879	229,404	237,708	288,313	254,618	263,527	2,741,594
13 Total Expenses	950,109	991,502	993,665	951,420	1,138,571	1,124,515	1,148,028	1,476,798	1,418,882	1,451,056	1,295,264	1,455,060	14,394,870
14 Net Income Before Taxes	167,286	139,867	145,647	221,400	21,855	26,245	71,766	(181,138)	(59,715)	(39,173)	170,740	46,150	730,932
15 % of Medical Exp to Premiums + DSP	67.6%	70.3%	69.8%	63.5%	81.1%	80.0%	77.5%	97.0%	87.4%	82.8%	71.3%	79.8%	77.7%
16 % of Administrative Exp to Premiums + DSP	18.7%	18.5%	18.6%	18.4%	18.2%	18.8%	17.3%	17.8%	17.6%	20.5%	17.5%	17.6%	18.3%
17 % of Net Income to Total Revenues	15.0%	12.4%	12.8%	18.9%	1.9%	2.3%	5.9%	-14.0%	-4.4%	-2.8%	11.6%	3.1%	4.8%
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.