

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: Superior HealthPlan, Inc.
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	6,043	5,913	6,077	6,189	6,047	5,992	5,952	6,065	5,991	6,143	6,177	6,259	72,848
Revenues:													
2 Premiums (HHSC Capitation)	942,610	940,635	960,004	985,932	979,378	975,441	989,982	1,007,758	1,009,313	1,025,938	1,028,498	1,047,692	11,893,181
3 Delivery Supplemental Payments	145,368	151,828	161,520	184,132	209,975	155,059	197,054	161,520	161,520	184,132	151,828	209,975	2,073,911
4 Bariatric Supplemental Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Investment Income	7,727	8,202	8,384	8,291	7,878	7,055	6,543	5,960	6,185	6,709	6,929	6,808	86,671
6 Other Revenue													0
7 Total Revenues	1,095,705	1,100,665	1,129,908	1,178,355	1,197,231	1,137,555	1,193,579	1,175,238	1,177,018	1,216,779	1,187,255	1,264,475	14,053,763
Medical Expenses:													
Capitated Services:													
8 Single Service	81	63	69	72	69	69	83	87	99	105	99	108	1,004
9 Delegated Networks	34,182	33,413	34,294	34,922	36,443	36,103	36,214	36,573	36,102	37,120	37,319	37,644	430,330
10 Fee-For-Service	1,031,105	849,470	976,999	876,676	1,402,806	1,013,755	556,374	1,134,603	967,031	1,022,816	884,152	968,900	11,684,686
11 IBNR Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Medical Expenses	1,065,368	882,946	1,011,362	911,670	1,439,318	1,049,927	592,671	1,171,263	1,003,232	1,060,041	921,570	1,006,652	12,116,020
13 Total Administrative Expenses	149,036	164,280	163,209	175,708	176,543	170,881	164,061	169,832	173,589	179,726	178,047	178,163	2,043,074
14 Total Expenses	1,214,404	1,047,226	1,174,571	1,087,378	1,615,861	1,220,808	756,732	1,341,095	1,176,821	1,239,767	1,099,617	1,184,815	14,159,094
15 Net Income Before Taxes	(118,699)	53,439	(44,663)	90,977	(418,630)	(83,253)	436,847	(165,857)	197	(22,988)	87,638	79,660	(105,331)
16 % of Medical Exp to Premiums + DSP + BSP	97.9%	80.8%	90.2%	77.9%	121.0%	92.9%	49.9%	100.2%	85.7%	87.6%	78.1%	80.0%	86.7%
17 % of Administrative Exp to Premiums + DSP + BSP	13.7%	15.0%	14.6%	15.0%	14.8%	15.1%	13.8%	14.5%	14.8%	14.9%	15.1%	14.2%	14.6%
18 % of Net Income to Total Revenues	-10.8%	4.9%	-4.0%	7.7%	-35.0%	-7.3%	36.6%	-14.1%	0.0%	-1.9%	7.4%	6.3%	-0.7%
19 Performance Assessment													
20 Quality Challenge Award													
21 Liquidated Damages	0	0	0	(30)	0	0	(1,000)	0	0	0	0	0	(1,030)

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.