

**Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	272,611	1,187,433	1,243,200
<b>REVENUES:</b>			
1. TennCare Capitation	42,640,718	183,653,396	188,214,622
2. Investment	(1,959,492)	337,277	2,448,616
3. Other Revenue	(367,878)	25,000	3,653,634
IBNR / Capitation Revenue Receivable	1,597,736	23,890,602	24,064,994
Premium Tax	77,286	(106,453)	3,253,034
State Admin Revenue	0	0	0
<b>4. TOTAL REVENUES (Lines 1 to 3)</b>	<b>41,988,370</b>	<b>207,799,822</b>	<b>221,634,900</b>
<b>EXPENSES:</b>			
Medical and Hospital Services:			
5. Capitated Physician Services	0	0	0
6. Fee-For-Service Physician Services	5,128,308	23,341,972	24,712,195
7. Inpatient Hospital Services	21,604,503	106,119,164	108,957,785
8. Outpatient Services	15,144	61,582	65,397
9. Emergency Room Services	2,797,396	13,703,712	15,195,927
10. Mental Health Services	7,022	34,714	22,659
11. Dental Services (Capitated & FFS)	2,365	4,565	3,076
12. Vision Services (Capitated, FFS & Ophthalmology)	200,978	839,238	825,503
13. Pharmacy Services (Capitated & FFS)	(1)	3	(22,738)
14. Home Health Services	218,751	904,664	900,434
15. Chiropractic Services	0	0	0
16. Radiology Services	84,216	342,769	343,156
17. Laboratory Services	5,403,889	25,966,801	26,737,123
18. Durable Medical Equipment Services	2,082,405	9,676,268	10,770,833
19. Transportation Services (Capitated)	1,229,994	5,562,332	4,599,149
20. Outside Referrals	0	0	0
21. Medical Incentive Pool and Withhold Adjustments	0	0	0
22. Occupancy, Depreciation, and Amortization	0	0	0
23. Other Medical and Hospital Services (Provide Detail)	0	0	0
Surgery - Orthopedic - FFS Office	0	0	0
MCO Delegated Services	0	0	0
Allergy & Immunology FFS Office & Other	1,804,485	7,878,678	8,948,676
Counselors/Therapists	0	0	0
Otolaryngology - FFS Office	415,119	1,516,014	1,462,137
Anesthesiology - FFS Hosp & Other	587,756	2,680,377	2,833,024
Gastroenterology	9,103	43,360	61,654
Preventive Medicine	791,025	3,494,403	3,554,256
Ped Emergency Medicine - FFS Hospital	0	0	0
Miscellaneous	768,088	2,557,641	3,213,912
IBNR	0	0	0
Risk Share	0	0	0
24. Subtotal (Lines 5 to 23)	43,150,548	204,728,259	213,184,158
25. Reinsurance Expenses Net of Recoveries	0	0	0
LESS:			
26. Copayments	0	0	0
27. Subrogation	142,690	654,838	1,010,472
27a Recoveries	41,025	739,318	703,413
28. Coordination of Benefits	0	0	0
29. Subtotal (Lines 26 to 28)	183,715	1,394,156	1,713,884
<b>30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)</b>	<b>42,966,833</b>	<b>203,334,103</b>	<b>211,470,274</b>

**Report #2A (Continued): TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
<b>Administration:</b>			
31. Compensation (Including Allocated Costs)	(1,371,489)	(762,856)	9,567,364
32. Marketing (Including Allocated Costs)	(2,915)	0	6,290
33. Premium Tax Expense	1,282,790	3,954,615	4,116,797
34. Occupancy, Depreciation and Amortization (Including Allocated Costs)	254,666	254,666	1,167,298
35. <b>Other Administration (Provide detail)</b>	0	0	0
Printing	(125,241)	9,926	143,605
Rent/Utilities	655,391	655,391	0
Franchise, Excise & Property Taxes	0	0	0
Postage	529,640	655,977	166,199
Legal Fees	8,899	2,890	11,542
Liquidated Damages	284,932	0	(552,350)
Outside Services	666,590	1,003,892	361,459
Board & Committee Fees	0	0	0
Auditing, actuarial and other consulting services	0	0	0
Books & Subscriptions	(3,526)	0	4,522
Dues, Fees & Licenses	13,940	14,600	41,550
Education & Seminars	0	0	0
Meals & Entertainment	(140)	0	393
Office Supplies	(2,549)	0	6,339
Minor Equipment	(4,097)	0	4,662
Travel	0	0	218
Wellness Program	0	0	0
Leases & Rentals of equipment	0	0	0
Repairs/Maintenance Agreements	(61,849)	0	40,784
Telephone/Beepers/Cellular Phones	0	0	0
Temp/Contract Personnel	(251,182)	0	110,034
Provision for Loss Contracts	4,427,640	0	0
Risk Banding Reserve	0	0	0
Program Run Out Expense	0	0	0
State Admin Revenue	5,344,368	(5,110,281)	(14,235,271)
Miscellaneous Expense	2,048,059	128,443	(1,314,246)
<b>Total DIRECT Expenses</b>	<b>13,693,927</b>	<b>807,263</b>	<b>(352,812)</b>
<b>Other ALLOCATED Expenses (Provide detail)</b>			
Rent/Utilities	0	0	559,297
Printing	0	0	86,004
Postage	0	0	411,526
Legal Fees	0	0	364,930
Outside Services	0	0	1,451,036
Board & Committee Fees	0	0	103,436
Survey Fees	0	0	67,776
Telephone/Beepers/Cellular Phones	0	0	336,105
Books & Subscriptions	0	0	98,831
Minor Equipment	0	0	74,367
Computer Supplies	0	0	0
Dues, Fees & Licenses	0	0	106,331
Education & Seminars	0	0	61,782
Meals & Entertainment	0	0	24,456
Office Supplies	0	0	108,760
Travel	0	0	68,986
Miscellaneous Expense	(13,832,041)	0	167,635
Franchise, Excise & Property Taxes & Sales/Use Tax	0	0	109,936
Insurance	0	0	298,828
Leases & Rentals of equipment	0	0	49,082
Repairs/Maintenance Agreements	0	0	527,522
Relocation Expense Total	0	0	2,248
Training and Orientation Total	0	0	0
Temp/Contract Personnel	0	0	477,238
Covenant Management Fees	0	0	2,313,414
<b>Total ALLOCATED Expenses</b>	<b>(13,832,041)</b>	<b>0</b>	<b>7,869,525</b>
<b>36. TOTAL ADMINISTRATION (Lines 31 to 36)</b>	<b>(138,114)</b>	<b>807,263</b>	<b>7,516,713</b>
FIT & Excise Tax	(394,848)	(1,525,738)	(107,346)
<b>37. Total Other Expenses:</b>	<b>(394,848)</b>	<b>(1,525,738)</b>	<b>(107,346)</b>
<b>38. TOTAL EXPENSES (Lines 30 and 37 and 37A)</b>	<b>42,433,872</b>	<b>202,615,628</b>	<b>218,879,641</b>
<b>39. NET INCOME (LOSS) (Line 4 less Line 38)</b>	<b>(445,502)</b>	<b>5,184,194</b>	<b>2,755,259</b>

**Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	0	0	0
<b>REVENUES:</b>			
1. TennCare Capitation	0	0	0
2. Investment	(1,965,754)	261,479	2,242,197
3. Other Revenue	(367,878)	25,000	3,653,634
IBNR / Capitation Revenue Receivable	0	0	0
Premium Tax	0	0	0
State Admin Revenue	0	0	0
4. TOTAL REVENUES (Lines 1 to 3)	(2,333,632)	286,479	5,895,831
<b>EXPENSES:</b>			
Medical and Hospital Services:			
5. Capitated Physician Services	0	0	0
6. Fee-For-Service Physician Services	0	0	0
7. Inpatient Hospital Services	(59,940)	(53,966)	0
8. Outpatient Services	0	0	0
9. Emergency Room Services	0	0	0
10. Mental Health Services	0	0	0
11. Dental Services (Capitated & FFS)	0	0	0
12. Vision Services (Capitated , FFS & Opthamology)	0	0	0
13. Pharmacy Services (Capitated & FFS)	0	0	(22,860)
14. Home Health Services	0	0	0
15. Chiropractic Services	0	0	0
16. Radiology Services	0	0	0
17. Laboratory Services	0	0	0
18. Durable Medical Equipment Services	0	0	0
19. Transportation Services (Capitated)	0	0	0
20. Outside Referrals	0	0	0
21. Medical Incentive Pool and Withhold Adjustments	0	0	0
22. Occupancy, Depreciation, and Amortization	0	0	0
23. Other Medical and Hospital Services (Provide Detail)			
Surgery - Orthopedic - FFS Office	0	0	0
MCO Delegated Services	0	0	0
Allergy & Immunology FFS Office & Other	0	0	0
Counselors/Therapists	0	0	0
Otolaryngology - FFS Office	0	0	0
Anesthesiology - FFS Hosp & Other	0	0	0
Gastroenterology	0	0	0
Preventive Medicine	0	0	0
Ped Emergency Medicine - FFS Hospital	0	0	0
Miscellaneous	0	0	0
IBNR	0	0	0
Risk Share	0	0	0
24. Subtotal (Lines 5 to 23)	(59,940)	(53,966)	(22,860)
25. Reinsurance Expenses Net of Recoveries	0	0	0
LESS:			
26. Copayments	0	0	0
27. Subrogation	0	0	0
27a Recoveries	12,438	170,659	129,137
28. Coordination of Benefits	0	0	0
29. Subtotal (Lines 26 to 28)	12,438	170,659	129,137
30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	(72,378)	(224,625)	(151,998)

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**Report #2A (Continued): TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**

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<b>Administration:</b>			
31. Compensation (Including Allocated Costs)	(1,371,489)	(762,856)	9,567,364
32. Marketing (Including Allocated Costs)	(2,915)	0	6,290
33. Premium Tax Expense	0	0	0
34. Occupancy, Depreciation and Amortization (Including Allocated Costs)	254,666	254,666	1,167,298
35. <b>Other Administration (Provide detail)</b>			
Printing	(125,241)	9,926	143,605
Rent/Utilities	655,391	655,391	0
Franchise, Excise & Property Taxes	0	0	0
Postage	529,640	655,977	166,199
Legal Fees	8,899	2,890	11,542
Liquidated Damages	284,932	0	(552,350)
Outside Services	666,590	1,003,892	361,459
Board & Committee Fees	0	0	0
Auditing, actuarial and other consulting services	0	0	0
Books & Subscriptions	(3,526)	0	4,522
Dues, Fees & Licenses	13,940	14,600	41,550
Education & Seminars	0	0	0
Meals & Entertainment	(140)	0	393
Office Supplies	(2,549)	0	6,339
Minor Equipment	(4,097)	0	4,662
Travel	0	0	218
Wellness Program	0	0	0
Leases & Rentals of equipment	0	0	0
Repairs/Maintenance Agreements	(61,849)	0	40,784
Telephone/Beepers/Cellular Phones	0	0	0
Temp/Contract Personnel	(251,182)	0	110,034
Provision for Loss Contracts	4,427,640	0	0
Risk Banding Reserve	0	0	0
Program Run Out Expense	0	0	0
State Admin Revenue	5,344,368	(5,110,281)	(14,235,271)
Miscellaneous Expense	2,048,059	128,443	(1,314,246)
<b>Total DIRECT Expenses</b>	<b>12,411,137</b>	<b>(3,147,352)</b>	<b>(4,469,609)</b>
<b>Other ALLOCATED Expenses (Provide detail)</b>			
Rent/Utilities	0		559,297
Printing	0		86,004
Postage	0		411,526
Legal Fees	0		364,930
Outside Services	0		1,451,036
Board & Committee Fees	0		103,436
Survey Fees	0		67,776
Telephone/Beepers/Cellular Phones	0		336,105
Books & Subscriptions	0		98,831
Minor Equipment	0		74,367
Computer Supplies	0		0
Dues, Fees & Licenses	0		106,331
Education & Seminars	0		61,782
Meals & Entertainment	0		24,456
Office Supplies	0		108,760
Travel	0		68,986
Miscellaneous Expense	(13,832,041)	0	167,635
Franchise, Excise & Property Taxes & Sales/Use Tax	0		109,936
Insurance	0		298,828
Leases & Rentals of equipment	0		49,082
Repairs/Maintenance Agreements	0		527,522
Relocation Expense Total	0		2,248
Training and Orientation Total	0		0
Temp/Contract Personnel	0		477,238
Covenant Management Fees	0		2,313,414
<b>Total ALLOCATED Expenses</b>	<b>(13,832,041)</b>	<b>0</b>	<b>7,869,525</b>
<b>36. TOTAL ADMINISTRATION (Lines 31 to 36)</b>	<b>(1,420,904)</b>	<b>(3,147,352)</b>	<b>3,399,916</b>
FIT & Excise Tax	(394,848)	(1,525,738)	(107,346)
<b>37. Total Other Expenses:</b>	<b>(394,848)</b>	<b>(1,525,738)</b>	<b>(107,346)</b>
<b>38. TOTAL EXPENSES (Lines 30 and 37 and 37A)</b>	<b>(1,888,130)</b>	<b>(4,897,715)</b>	<b>3,140,572</b>
<b>39. NET INCOME (LOSS) (Line 4 less Line 38)</b>	<b>(445,502)</b>	<b>5,184,194</b>	<b>2,755,259</b>