

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2003**

OF THE **Scott & White Health Plan**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**

(Location)

**EXHIBIT II (Filed Annually and Quarterly)  
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Current Quarter **X**

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER COVERAGE	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	166,122	140,807	0	25,315	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	499,439	423,609	0	75,830	0	0	0	0	0	0	0
3. Premiums.....	101,572,566	82,866,124	0	18,706,442	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Change in Unearn. Prem. Resrv & Resrv for Rate Credits..	0	0	0	0	0	0	0	0	0	0	0
5. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
6. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
7. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
8. TOTAL HEALTHCARE RELATED REVENUES(L3 to L7)	101,572,566	82,866,124	0	18,706,442	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	6,645,107	6,645,107	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	108,217,673	89,511,231	0	18,706,442	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	67,232,336	52,340,592	0	14,891,744	0	0	0	0	0	0	0
12. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
13. Outside Referrals.....	3,032,825	2,701,442	0	331,383	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	1,486,104	2,303,832	0	(817,728)	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	16,868,951	12,533,149	0	4,335,802	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	5,800,000	5,800,000	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	94,420,216	75,679,015	0	18,741,201	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	126,486	126,486	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	94,293,730	75,552,529	0	18,741,201	0	0	0	0	0	0	0
20. Claims Adjustment Expenses.....	4,318,222	4,318,222	0	0	0	0	0	0	0	0	0
21. General Administrative Expenses.....	8,393,180	8,020,718	0	372,462	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	(922,137)	(1,766,758)	0	844,621	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	106,082,995	86,124,711	0	19,958,284	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	(4,510,429)	(3,258,587)	0	(1,251,842)	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	275,345	275,345	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	22,594	22,594	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	297,939	297,939	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L2</b>	<b>2,432,617</b>	<b>3,684,459</b>	<b>0</b>	<b>(1,251,842)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
30. Extraordinary Items & Federal income taxes.....	91,812	91,812	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>2,340,805</b>	<b>3,592,647</b>	<b>0</b>	<b>(1,251,842)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....		44,810	(Examples of non-taxable enrollees are State								
31b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		135,777	of Texas enrollees and Federal employees.)								

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**EXHIBIT II (Filed Annually and Quarterly)  
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Year-to-Date **X**

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	166,122	140,807	0	25,315	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	1,003,096	851,372	0	151,724	0	0	0	0	0	0	0
3. Premiums.....	205,004,195	167,517,505	0	37,486,690	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Change in Uearn. Prem. Resrv & Resrv for Rate Credits..	0	0	0	0	0	0	0	0	0	0	0
5. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
6. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
7. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
8. TOTAL HEALTHCARE RELATED REVENUES(L3 to L7)	205,004,195	167,517,505	0	37,486,690	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	13,861,948	13,861,948	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	218,866,143	181,379,453	0	37,486,690	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	136,715,863	107,359,829	0	29,356,034	0	0	0	0	0	0	0
12. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
13. Outside Referrals.....	5,964,521	5,319,574	0	644,947	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	4,950,794	5,622,311	0	(671,517)	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	33,285,650	24,583,288	0	8,702,362	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	7,900,000	7,900,000	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	188,816,828	150,785,002	0	38,031,826	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	49,930	49,930	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	188,766,898	150,735,072	0	38,031,826	0	0	0	0	0	0	0
20. Claims Adjustment Expenses.....	8,802,664	8,802,664	0	0	0	0	0	0	0	0	0
21. General Administrative Expenses.....	16,513,668	15,523,850	0	989,818	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	(420,082)	121,986	0	(542,068)	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	213,663,148	175,183,572	0	38,479,576	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	(8,658,953)	(7,666,067)	0	(992,886)	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	541,936	541,936	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	(79,591)	(79,591)	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	462,345	462,345	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L2</b>	<b>5,665,340</b>	<b>6,658,226</b>	<b>0</b>	<b>(992,886)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
30. Extraordinary Items & Federal income taxes.....	251,323	251,323	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>5,414,017</b>	<b>6,406,903</b>	<b>0</b>	<b>(992,886)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31a. <b>NON-TAXABLE COMMERCIAL RISK ENROLLEES.....</b>		44,810	(Examples of non-taxable enrollees are State								
31b. <b>NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....</b>		272,692	of Texas enrollees and Federal employees.)								