

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **SEPTEMBER 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.....	169,120	143,727	0	25,393	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	499,705	423,631	0	76,074	0	0	0	0	0	0	0
3. Premiums.....	104,291,169	82,647,540	0	21,643,629	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)	104,291,169	82,647,540	0	21,643,629	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	1,053,336	1,053,336	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	105,344,505	83,700,876	0	21,643,629	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	65,509,782	51,370,427	0	14,139,355	0	0	0	0	0	0	0
12. Other Professional Services.....	729,069	766,454	0	(37,385)	0	0	0	0	0	0	0
13. Outside Referrals.....	2,274,823	1,890,772	0	384,051	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	2,757,685	1,245,279	0	1,512,406	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	14,663,803	10,847,115	0	3,816,688	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	14,700,000	14,700,000	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	100,635,162	80,820,047	0	19,815,115	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	(1,478)	(1,478)	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	100,636,640	80,821,525	0	19,815,115	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.....	8,140,558	7,718,400	0	422,158	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	1,474,494	248,816	0	1,225,678	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	101,449,028	79,986,077	0	21,462,951	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	2,842,141	2,661,463	0	180,678	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	167,193	167,193	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	32,050	32,050	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	199,243	199,243	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	7,886,953	7,886,953	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L28)</b>	<b>(3,792,233)</b>	<b>(3,972,911)</b>	<b>0</b>	<b>180,678</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.....	117,169	117,169	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>(3,909,402)</b>	<b>(4,090,080)</b>	<b>0</b>	<b>180,678</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.....		55,691	(Examples of non-taxable enrollees are State								
31b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		144,676	of Texas enrollees and Federal employees.)								

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(Location)

**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.....	169,120	143,727	0	25,393	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	1,502,801	1,275,003	0	227,798	0	0	0	0	0	0	0
3. Premiums.....	309,295,364	250,165,045	0	59,130,319	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)	309,295,364	250,165,045	0	59,130,319	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	14,915,284	14,915,284	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	324,210,648	265,080,329	0	59,130,319	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	202,225,645	158,730,256	0	43,495,389	0	0	0	0	0	0	0
12. Other Professional Services.....	729,069	766,454	0	(37,385)	0	0	0	0	0	0	0
13. Outside Referrals.....	8,239,344	7,210,346	0	1,028,998	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	7,708,479	6,867,590	0	840,889	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	47,949,453	35,430,403	0	12,519,050	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	22,600,000	22,600,000	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	289,451,990	231,605,049	0	57,846,941	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	48,452	48,452	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	289,403,538	231,556,597	0	57,846,941	0	0	0	0	0	0	0
20. Claims Adjustment Expenses.....	0	0	0	0	0	0	0	0	0	0	0
21. General Administrative Expenses.....	24,654,226	23,242,250	0	1,411,976	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	1,054,412	370,802	0	683,610	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	315,112,176	255,169,649	0	59,942,527	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	(5,816,812)	(5,004,604)	0	(812,208)	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	709,129	709,129	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	(47,541)	(47,541)	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	661,588	661,588	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	7,886,953	7,886,953	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L2</b>	<b>1,873,107</b>	<b>2,685,315</b>	<b>0</b>	<b>(812,208)</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.....	368,492	368,492	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>1,504,615</b>	<b>2,316,823</b>	<b>0</b>	<b>(812,208)</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>		55,691	(Examples of non-taxable enrollees are State								
31b. <b>NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....</b>		417,368	of Texas enrollees and Federal employees.)								