

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **SEPTEMBER 30, 2004**

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.....	165,958	141,937	0	24,021	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	496,268	424,209	0	72,059	0	0	0	0	0	0	0
3. Direct Premium.....	104,920,056	86,402,798	0	18,517,258	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Premiums.....	104,920,056	86,402,798	0	18,517,258	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Chg in unearned prem. reserve & reserve for rate credits...	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	4,596,806	4,971,278	0	(374,472)	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES(L4 to L8)	109,516,862	91,374,076	0	18,142,786	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	0	0	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	109,516,862	91,374,076	0	18,142,786	0	0	0	0	0	0	0
MEDICAL AND HOSPITAL:											
12. Hospital/Medical Benefits.....	70,158,794	56,585,476	0	13,573,318	0	0	0	0	0	0	0
13. Other Professional Services.....	609,113	498,894	0	110,219	0	0	0	0	0	0	0
14. Outside Referrals.....	4,368,920	4,002,909	0	366,011	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	6,009,251	5,685,517	0	323,734	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	12,569,265	9,586,683	0	2,982,582	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	2,949,830	2,949,830	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	96,665,173	79,309,309	0	17,355,864	0	0	0	0	0	0	0
19. Net Reins Recoveries Incurred.....	64,888	64,888	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	96,600,285	79,244,421	0	17,355,864	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	715,334	715,334	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	8,126,929	7,425,137	0	701,792	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	(702,780)	0	0	(702,780)	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23)....	104,739,768	87,384,892	0	17,354,876	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	4,777,094	3,989,184	0	787,910	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	278,157	278,157	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	442,088	442,088	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	720,245	720,245	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	2,830,117	2,830,117	0	0	0	0	0	0	0	0	0
30. INCOME (LOSS) BEFORE FIT & EXP ITEMS(L10+L25+L26+L27+L28+L29)	2,667,222	1,879,312	0	787,910	0	0	0	0	0	0	0
31. Extraordinary Items & Federal income taxes.....	192,053	192,053	0	0	0	0	0	0	0	0	0
32. NET INCOME (LOSS) (L30 less L31).....	2,475,169	1,687,259	0	787,910	0	0	0	0	0	0	0
33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....		54,996	(Examples of non-taxable enrollees are State								
33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		161,719	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.....	165,958	141,937	0	24,021	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	1,499,745	1,282,468	0	217,277	0	0	0	0	0	0	0
3. Direct Premium.....	319,543,521	259,003,836	0	60,539,685	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Premiums.....	319,543,521	259,003,836	0	60,539,685	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Chg in unearned prem. reserve & reserve for rate credits...	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	15,450,350	15,107,157	0	343,193	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES(L4 to L8)	334,993,871	274,110,993	0	60,882,878	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	0	0	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	334,993,871	274,110,993	0	60,882,878	0	0	0	0	0	0	0
MEDICAL AND HOSPITAL:											
12. Hospital/Medical Benefits.....	220,425,187	175,017,013	0	45,408,174	0	0	0	0	0	0	0
13. Other Professional Services.....	1,663,608	1,366,147	0	297,461	0	0	0	0	0	0	0
14. Outside Referrals.....	8,260,108	7,404,045	0	856,063	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	9,367,349	9,074,604	0	292,745	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	40,435,780	29,044,954	0	11,390,826	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	20,982,707	20,982,707	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	301,134,739	242,889,470	0	58,245,269	0	0	0	0	0	0	0
19. Net Reins Recoveries Incurred.....	(43,271)	(43,271)	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	301,178,010	242,932,741	0	58,245,269	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	2,134,895	2,134,895	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	23,161,773	18,339,500	0	4,822,273	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	(2,108,337)	0	0	(2,108,337)	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23)....	324,366,341	263,407,136	0	60,959,205	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	10,627,530	10,703,857	0	(76,327)	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	769,172	769,172	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	596,057	596,057	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	1,365,229	1,365,229	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	8,409,561	8,409,561	0	0	0	0	0	0	0	0	0
30. INCOME (LOSS) BEFORE FIT & EXP ITEMS(L10+L25+L26+L27+L28+L29)	3,583,198	3,659,525	0	(76,327)	0	0	0	0	0	0	0
31. Extraordinary Items & Federal income taxes.....	608,029	608,029	0	0	0	0	0	0	0	0	0
32. NET INCOME (LOSS) (L30 less L31).....	2,975,169	3,051,496	0	(76,327)	0	0	0	0	0	0	0
33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....		54,996	(Examples of non-taxable enrollees are State								
33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		487,996	of Texas enrollees and Federal employees.)								