

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Molina Healthcare	Program: CHIP
State Fiscal Year: 2018	Service Area: Dallas
Submission Date: 9/3/2019	Rptg Period End Date: 8/31/2018
Submission Type: Yr-End 334-Day	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	YTD
1 Member Months		4,213	4,265	4,307	4,413	4,616	4,755	5,028	5,098	5,285	5,287	5,262	5,259	57,788
2 Average Monthly Member Months														4,816
Revenues:														
3 Medical Premiums		704,661	699,165	694,899	716,981	777,489	819,265	881,309	908,233	944,467	941,296	932,113	913,302	9,933,180
4 Delivery Supplemental Payments		6,200	3,100	0	3,100	6,200	0	0	9,300	0	3,100	6,200	3,100	40,300
5 Pharmacy Premiums		99,094	100,149	100,985	103,683	108,854	112,341	119,281	121,214	125,721	125,229	124,795	124,523	1,365,869
6 Investment Income		2,161	2,779	2,754	3,658	3,007	3,655	4,870	5,190	6,524	6,212	7,363	7,444	55,618
7 Health Insurance Providers Fee Reimbursement		267,212												267,212
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		1,079,328	805,193	798,638	827,422	895,550	935,261	1,005,460	1,043,937	1,076,712	1,075,837	1,070,471	1,048,369	11,662,179
10 Health Insurance Providers Fee & Related Costs		262,536												262,536
11 Premium Taxes		18,850	14,042	13,928	14,416	15,620	16,303	17,510	18,178	18,728	18,718	18,604	18,216	203,115
12 Maintenance Taxes		253	256	258	265	277	285	302	306	317	317	316	316	3,467
13 Net Revenues		797,689	790,895	784,452	812,741	879,654	918,673	987,648	1,025,453	1,057,667	1,056,801	1,051,551	1,029,837	11,193,060
Medical Expenses:														
14 Fee-For-Service		478,970	557,518	575,845	558,939	549,436	534,826	627,909	604,165	694,097	720,558	784,171	789,092	7,475,526
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		391	402	410	418	359	363	379	379	392	394	394	400	4,680
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		94,893	88,965	79,455	110,732	99,172	85,764	127,425	115,147	121,992	114,809	147,307	114,989	1,300,650
20 Total Medical Expenses		574,254	646,885	655,710	670,089	648,968	620,954	755,713	719,691	816,481	835,760	931,872	904,480	8,780,857
21 Prescription Expenses (excluding PBM Admin)		68,182	70,324	75,696	91,814	150,068	124,074	115,105	106,015	106,072	97,898	101,698	97,112	1,204,060
22 Total Medical and Prescription Expenses		642,436	717,209	731,406	761,903	799,036	745,028	870,818	825,706	922,553	933,658	1,033,570	1,001,592	9,984,917
23 Administrative Expenses		91,491	48,912	58,220	60,149	60,385	67,591	94,939	64,721	76,839	68,741	60,183	70,115	822,285
24 Total Expenses		733,928	766,121	789,626	822,052	859,422	812,619	965,757	890,428	999,392	1,002,399	1,093,753	1,071,707	10,807,204
25 Net Income Before Taxes		63,761	24,774	(5,174)	(9,311)	20,232	106,054	21,891	135,025	58,275	54,402	(42,202)	(41,870)	385,856
26 % Medical Exp to Net Revenues		72.0%	81.8%	83.6%	82.4%	73.8%	67.6%	76.5%	70.2%	77.2%	79.1%	88.6%	87.8%	78.4%
27 % Prescription Exp to Net Revenues		8.5%	8.9%	9.6%	11.3%	17.1%	13.5%	11.7%	10.3%	10.0%	9.3%	9.7%	9.4%	10.8%
28 % Total Medical and Prescription to Net Rev. (MLR)		80.5%	90.7%	93.2%	93.7%	90.8%	81.1%	88.2%	80.5%	87.2%	88.3%	98.3%	97.3%	89.2%
29 % Admin Exp to Net Revenues		11.5%	6.2%	7.4%	7.4%	6.9%	7.4%	9.6%	6.3%	7.3%	6.5%	5.7%	6.8%	7.3%
30 % Net Income to Net Revenues		8.0%	3.1%	-0.7%	-1.1%	2.3%	11.5%	2.2%	13.2%	5.5%	5.1%	-4.0%	-4.1%	3.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.1%	7.1%	8.5%	8.5%	7.8%	8.4%	10.9%	7.2%	8.2%	7.4%	6.5%	7.7%	8.4%
Post-income items:														
32 Performance Assessment														0

Note: Except where stated otherwise, reporting is on an incurred basis (that is, reported in the period corresponding to dates of service, rather than to date paid). All prior quarters' data must be updated to reflect the most recent revised IBNR estimates.

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 MCOs (Managed Care Organization) by HHSC.
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP MCOs.
- **Pharmacy Premiums** - Pharmacy capitation payments paid to MCOs by HHSC
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Revenue** – Any and all income generated from other sources.
- **Premium Taxes** – Premium taxes incurred by MCOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by MCOs for premiums applicable to the reported period.

Medical Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Capitated Services** – Includes PCPs and Hospitals capitation payments which are amounts paid to providers that do not pay claims to other providers from the capitation payments and also the capitation paid to subcontractors in which the capitation is the funding source for paying claims for healthcare services performed in each Texas service area.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the MCO net of reinsurance recoveries.
- **IBNR Accrual** – 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/CHIP operations of the MCO. Administrative expenses include Salaries, Wages and other benefits, Payroll taxes, Utilities and Maintenance, Auditing and other consulting expenses etc.

Performance Assessment – Amount of at-risk premium recouped by HHSC for failure to meet the performance expectation for which the MCO is at risk.

Quality Challenge Award – Amount awarded to the MCO for superior clinical quality, service delivery, access to care or member satisfaction.

Liquidated Damages - Amount assessed by HHSC as penalty for non-compliance with contract requirements.