

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Molina Healthcare	Program: CHIP
State Fiscal Year: 2018	Service Area: Harris / Houston
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		1,988	2,045	2,091	2,191	2,363	2,443	2,529	2,577	2,532	2,480	2,456	2,453	28,148
2 Average Monthly Member Months														2,346
Revenues:														
3 Medical Premiums		515,674	519,321	526,662	560,968	655,445	696,708	749,542	782,660	783,869	786,505	782,910	773,002	8,133,266
4 Delivery Supplemental Payments		0	3,100	0	0	0	0	0	6,200	0	0	3,100	3,100	15,500
5 Pharmacy Premiums		84,936	85,796	86,953	92,168	106,249	112,388	120,292	124,940	124,604	124,809	124,009	122,744	1,309,888
6 Investment Income		1,603	2,107	2,123	2,901	2,566	3,174	4,234	4,566	5,538	5,293	6,303	6,428	46,835
7 Health Insurance Providers Fee Reimbursement		183,332												183,332
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		785,545	610,324	615,738	656,037	764,260	812,270	874,068	918,366	914,011	916,607	916,322	905,274	9,688,821
10 Health Insurance Providers Fee & Related Costs		180,124												180,124
11 Premium Taxes		13,719	10,644	10,738	11,430	13,330	14,159	15,222	15,992	15,898	15,948	15,925	15,730	168,735
12 Maintenance Taxes		119	123	125	131	142	147	152	155	152	149	147	147	1,689
13 Net Revenues		591,583	599,558	604,874	644,476	750,789	797,964	858,694	902,220	897,961	900,510	900,249	889,397	9,338,275
Medical Expenses:														
14 Fee-For-Service		488,385	494,748	468,246	379,536	439,936	443,318	428,346	464,667	470,890	456,429	578,822	581,997	5,695,321
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		152	159	164	170	141	141	139	137	131	123	121	123	1,701
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		69,064	67,434	61,258	87,796	84,633	74,486	110,773	101,296	103,558	97,816	126,095	99,294	1,083,505
20 Total Medical Expenses		557,601	562,342	529,669	467,502	524,711	517,945	539,258	566,100	574,578	554,368	705,038	681,414	6,780,526
21 Prescription Expenses (excluding PBM Admin)		60,196	64,660	64,590	52,801	67,696	79,392	97,003	90,567	87,377	83,651	97,975	112,950	958,858
22 Total Medical and Prescription Expenses		617,797	627,002	594,259	520,303	592,407	597,337	636,261	656,667	661,955	638,019	803,013	794,364	7,739,384
23 Administrative Expenses		67,844	37,074	44,886	47,690	51,533	58,702	82,533	56,936	65,228	58,567	51,516	60,545	683,055
24 Total Expenses		685,642	664,076	639,146	567,993	643,939	656,039	718,793	713,603	727,183	696,587	854,529	854,909	8,422,439
25 Net Income Before Taxes		(94,059)	(64,519)	(34,272)	76,483	106,850	141,925	139,901	188,617	170,778	203,923	45,720	34,488	915,836
26 % Medical Exp to Net Revenues		94.3%	93.8%	87.6%	72.5%	69.9%	64.9%	62.8%	62.7%	64.0%	61.6%	78.3%	76.6%	72.6%
27 % Prescription Exp to Net Revenues		10.2%	10.8%	10.7%	8.2%	9.0%	9.9%	11.3%	10.0%	9.7%	9.3%	10.9%	12.7%	10.3%
28 % Total Medical and Prescription to Net Rev. (MLR)		104.4%	104.6%	98.2%	80.7%	78.9%	74.9%	74.1%	72.8%	73.7%	70.9%	89.2%	89.3%	82.9%
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		-15.9%	-10.8%	-5.7%	11.9%	14.2%	17.8%	16.3%	20.9%	19.0%	22.6%	5.1%	3.9%	9.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.4%	7.2%	8.7%	8.6%	8.0%	8.6%	11.2%	7.3%	8.4%	7.6%	6.6%	7.9%	8.5%
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.