

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Molina Healthcare	Program: CHIP
State Fiscal Year: 2018	Service Area: C-RSA
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		24,593	24,347	24,118	24,279	24,179	24,072	24,382	23,947	23,938	23,459	23,002	22,653	286,969
2 Average Monthly Member Months														23,914
Revenues:														
3 Medical Premiums		2,371,362	2,357,052	2,312,770	2,337,890	2,400,584	2,420,007	2,484,348	2,462,879	2,478,312	2,420,878	2,386,489	2,341,515	28,774,086
4 Delivery Supplemental Payments		6,200	6,200	0	6,200	9,300	6,200	0	9,300	9,300	3,100	0	6,200	62,000
5 Pharmacy Premiums		784,259	777,764	766,904	773,035	778,229	778,690	792,608	781,475	781,749	765,119	751,697	739,182	9,270,711
6 Investment Income		8,436	10,880	10,657	13,843	10,739	12,574	15,951	16,257	19,929	18,521	21,736	22,076	181,599
7 Health Insurance Providers Fee Reimbursement		886,771												886,771
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		4,057,028	3,151,896	3,090,331	3,130,968	3,198,852	3,217,471	3,292,907	3,269,911	3,289,290	3,207,618	3,159,922	3,108,973	39,175,167
10 Health Insurance Providers Fee & Related Costs		871,252												871,252
11 Premium Taxes		70,850	54,968	53,894	54,550	55,792	56,086	57,347	56,939	57,214	55,809	54,918	54,021	682,387
12 Maintenance Taxes		1,265	1,256	1,232	1,247	1,275	1,282	1,311	1,301	1,308	1,276	1,255	1,235	15,243
13 Net Revenues		3,113,661	3,095,672	3,035,205	3,075,171	3,141,785	3,160,103	3,234,249	3,211,671	3,230,768	3,150,533	3,103,748	3,053,718	37,606,285
Medical Expenses:														
14 Fee-For-Service		2,111,847	2,255,009	2,366,846	1,825,094	2,369,438	2,097,708	1,943,825	1,959,437	1,965,810	1,963,506	1,884,872	2,107,447	24,850,841
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		2,937	2,904	2,886	2,901	2,420	2,398	2,417	2,366	2,360	2,315	2,265	2,234	30,403
18 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		356,689	348,251	307,451	419,011	354,238	295,045	417,320	360,673	372,678	342,303	434,836	341,003	4,349,498
20 Total Medical Expenses		2,471,472	2,606,164	2,677,183	2,247,007	2,726,096	2,395,152	2,363,563	2,322,476	2,340,848	2,308,124	2,321,973	2,450,684	29,230,742
21 Prescription Expenses (excluding PBM Admin)		655,310	761,159	753,501	728,120	861,105	885,527	828,683	811,023	766,276	565,441	581,983	627,306	8,825,433
22 Total Medical and Prescription Expenses		3,126,782	3,367,323	3,430,684	2,975,127	3,587,201	3,280,679	3,192,246	3,133,499	3,107,124	2,873,565	2,903,956	3,077,990	38,056,175
23 Administrative Expenses		357,155	191,463	225,281	227,602	215,693	232,525	310,928	202,726	234,738	204,953	177,653	207,928	2,788,645
24 Total Expenses		3,483,937	3,558,786	3,655,965	3,202,729	3,802,894	3,513,204	3,503,174	3,336,225	3,341,862	3,078,518	3,081,609	3,285,918	40,844,821
25 Net Income Before Taxes		(370,276)	(463,114)	(620,760)	(127,558)	(661,109)	(353,101)	(268,925)	(124,554)	(111,094)	72,015	22,139	(232,200)	(3,238,536)
26 % Medical Exp to Net Revenues		79.4%	84.2%	88.2%	73.1%	86.8%	75.8%	73.1%	72.3%	72.5%	73.3%	74.8%	80.3%	77.7%
27 % Prescription Exp to Net Revenues		21.0%	24.6%	24.8%	23.7%	27.4%	28.0%	25.6%	25.3%	23.7%	17.9%	18.8%	20.5%	23.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		100.4%	108.8%	113.0%	96.7%	114.2%	103.8%	98.7%	97.6%	96.2%	91.2%	93.6%	100.8%	101.2%
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%	7.4%
30 % Net Income to Net Revenues		-11.9%	-15.0%	-20.5%	-4.1%	-21.0%	-11.2%	-8.3%	-3.9%	-3.4%	2.3%	0.7%	-7.6%	-8.6%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		15.3%	8.3%	9.9%	9.9%	9.1%	9.8%	12.7%	8.3%	9.6%	8.6%	7.6%	9.0%	9.8%
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.