

MMP name: **Molina Healthcare**

MMP self-reported data, subject to audit

State Fiscal Year: **2018**

Program: **MMP Dual Demo - Integrated Care Program (STAR+PLUS+Medicare)**

Texas Financial Alignment Demonstration

Submission Date: **9/3/2019**

County: **Harris County (Houston)**

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Submission Type: **Yr-End 334-Day**

Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

Managed Care contract revenues & 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	SFY YTD
1 Member Months (per Medicaid)		1,458	1,441	1,400	1,392	1,524	1,505	1,450	1,453	1,412	1,369	1,362	1,348	17,114
2 <i>additional / (fewer) Mbr-Mos in Medicare</i>		5	2	4	4	4	(1)	(2)	0	1	(2)	(4)	7	18
3 Average Monthly Member Months														1,426
Revenues:														
<i>CMS Medicare Premiums:</i>														
4 Monthly Capitation Received - Medical		2,092,374	2,057,902	2,002,671	2,013,957	2,273,666	2,209,175	2,073,441	2,103,422	2,048,377	1,934,551	1,925,164	1,923,730	24,658,429
5 Monthly Capitation Withheld - Medical		43,591	42,873	41,723	41,957	71,800	69,763	65,477	66,424	64,685	61,091	60,795	60,749	690,929
6 Gross Total (before withhold) - Medical		2,135,965	2,100,775	2,044,394	2,055,914	2,345,466	2,278,938	2,138,918	2,169,846	2,113,062	1,995,642	1,985,959	1,984,479	25,349,358
7 Gross Total (no withholding) - Pharmacy		579,105	571,491	555,816	554,113	581,246	573,453	550,984	552,106	536,199	519,104	515,682	514,380	6,603,679
8 Sub-total: Medicare Capitation		2,715,070	2,672,266	2,600,210	2,610,027	2,926,712	2,852,391	2,689,902	2,721,952	2,649,261	2,514,746	2,501,641	2,498,859	31,953,037
<i>Medicaid Premiums:</i>														
9 Monthly Capitation Received - Medical		1,873,856	1,886,845	1,826,798	1,818,593	1,983,602	1,942,676	1,860,442	1,870,341	1,775,206	1,646,586	1,643,190	1,126,264	21,254,398
10 Monthly Capitation Received - Pharmacy		5,422	5,343	5,195	5,176	5,484	5,424	5,235	5,247	5,120	5,007	4,983	1,007	58,646
11 Monthly Capitation Withheld - Medical		35,168	35,379	34,262	34,138	56,198	55,063	52,765	53,054	50,424	46,922	46,833	30,780	530,987
12 Monthly Capitation Withheld - Pharmacy		111	109	106	106	170	168	162	163	158	155	155	32	1,592
13 Gross Total (before withhold) - Medical		1,909,024	1,922,224	1,861,060	1,852,731	2,039,800	1,997,739	1,913,207	1,923,395	1,825,630	1,693,508	1,690,023	1,157,044	21,785,385
14 Gross Total (before withhold) - Pharmacy		5,533	5,452	5,301	5,282	5,654	5,592	5,397	5,410	5,278	5,162	5,138	1,039	60,238
15 Sub-total: Medicaid Capitation		1,914,557	1,927,676	1,866,361	1,858,013	2,045,454	2,003,331	1,918,604	1,928,805	1,830,908	1,698,670	1,695,161	1,158,083	21,845,623
16 Investment Income		12,352	15,933	15,456	19,843	16,749	19,051	22,432	23,237	27,310	24,470	29,068	26,152	252,055
17 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Total Gross Revenues		4,641,979	4,615,875	4,482,027	4,487,883	4,988,915	4,874,773	4,630,938	4,673,994	4,507,479	4,237,886	4,225,870	3,683,094	54,050,715
19 Premium Taxes (on Medicaid)		33,505	33,734	32,661	32,515	35,795	35,058	33,576	33,754	32,041	29,727	29,665	20,266	382,298
20 Maintenance Taxes		87	86	84	84	91	90	87	87	85	82	82	81	1,027
21 Net Revenues		4,608,387	4,582,054	4,449,282	4,455,284	4,953,028	4,839,624	4,597,275	4,640,153	4,475,353	4,208,077	4,196,123	3,662,747	53,667,388
Expenses:														
<i>Medicare Expenses:</i>														
22 Fee-For-Service		1,486,205	1,548,342	1,856,685	1,618,921	2,116,597	1,921,882	1,458,333	1,802,269	2,049,579	1,606,088	1,528,468	1,783,800	20,777,169
23 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
24 Net Reinsurance cost		190	188	183	181	6,066	5,971	5,749	5,768	5,610	5,427	5,391	5,379	46,103
25 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
26 Other Medicare Medical Expenses		5,254	43	16,336	15,100	3,977	43	9,950	11,305	13,543	1,587	2,120	7,639	86,897
27 Total Medicare Medical Expenses		1,491,649	1,548,573	1,873,204	1,634,202	2,126,640	1,927,896	1,474,032	1,819,342	2,068,732	1,613,102	1,535,979	1,796,818	20,910,169
28 Medicare Gross Rx Exp (excl PBM Admin)		544,000	571,552	505,540	492,570	579,968	511,623	485,900	475,924	463,096	463,181	466,066	488,485	6,047,906
29 Medicare Rx Rebates		141,445	149,483	148,013	149,621	160,909	161,424	158,339	163,493	162,340	160,334	164,890	164,035	1,884,325
30 Sub-total: Medicare Medical & Rx Expenses		1,894,204	1,970,642	2,230,731	1,977,151	2,545,699	2,278,095	1,801,593	2,131,773	2,369,488	1,915,950	1,837,156	2,121,268	25,073,750
<i>Medicaid Expenses:</i>														
31 Fee-For-Service		1,469,223	1,569,299	1,487,310	1,545,578	1,777,172	1,483,595	1,583,208	1,546,028	1,532,347	1,347,699	1,403,313	1,504,935	18,249,707
32 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
33 Net Reinsurance cost		0	0	0	0	0	0	0	0	0	0	0	0	0
34 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
35 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
36 Quality Incentive Payment Program (QIPP):		140,089	142,556	137,623	135,650	154,887	150,941	143,569	144,063	134,689	120,381	119,888	121,861	1,646,197
37 Other Medicaid Medical Expenses		88,111	85,523	85,751	108,121	64,678	81,597	83,219	81,832	83,068	111,681	77,975	82,869	1,034,425
38 Total Medicaid Medical Expenses		1,697,423	1,797,378	1,710,684	1,789,349	1,996,737	1,716,133	1,809,996	1,771,923	1,750,104	1,579,761	1,601,176	1,709,665	20,930,329
39 Medicaid Prescription Exp (excl PBM Admin)		1,212	1,495	1,311	1,383	1,677	1,294	1,090	1,370	1,294	1,227	785	854	14,992
40 Sub-total: Medicaid Medical & Rx Expenses		1,698,635	1,798,873	1,711,995	1,790,732	1,998,414	1,717,427	1,811,086	1,773,293	1,751,398	1,580,988	1,601,961	1,710,519	20,945,321
41 Total Medical & Prescription Expenses		3,592,839	3,769,515	3,942,727	3,767,883	4,544,113	3,995,521	3,612,679	3,905,067	4,120,886	3,496,938	3,439,116	3,831,786	46,019,071
42 Administrative Expenses		445,579	364,999	312,487	444,270	489,583	406,177	387,632	240,032	296,767	251,308	369,907	340,823	4,349,564
43 Total Expenses		4,038,418	4,134,514	4,255,214	4,212,153	5,033,697	4,401,698	4,000,311	4,145,099	4,417,653	3,748,246	3,809,023	4,172,609	50,368,635
44 Total Net Income Before Taxes		569,969	447,540	194,068	243,131	(80,669)	437,926	596,964	495,054	57,700	459,831	387,100	(509,862)	3,298,753
45 Net Income EXCL Medicare Rx		400,482	305,357	2,571	38,675	(234,999)	221,410	380,456	262,168	(170,865)	249,690	178,848	(693,127)	940,667

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Submission Date: **9/3/2019**

County: **Harris County (Houston)**

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Submission Type: **Yr-End 334-Day**

Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

Key Ratios:	Incurred Months:	Managed Care contract revenues & costs												SFY YTD
		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	
46 % total Medical Exp to Net Revenues	69.2%	73.0%	80.5%	76.8%	83.2%	75.3%	71.4%	77.4%	85.3%	75.9%	74.8%	95.7%	78.0%	
47 % total Prescription Exp to Net Revenues	8.8%	9.2%	8.1%	7.7%	8.5%	7.3%	7.1%	6.8%	6.7%	7.2%	7.2%	8.9%	7.8%	
48 % Total Medical & Rx to Net Rev. (MLR)	78.0%	82.3%	88.6%	84.6%	91.7%	82.6%	78.6%	84.2%	92.1%	83.1%	82.0%	104.6%	85.7%	
49 % Admin Exp to Net Revenues	9.7%	8.0%	7.0%	10.0%	9.9%	8.4%	8.4%	5.2%	6.6%	6.0%	8.8%	9.3%	8.1%	
50 % Total Net Income to Net Revenues	12.4%	9.8%	4.4%	5.5%	-1.6%	9.0%	13.0%	10.7%	1.3%	10.9%	9.2%	-13.9%	6.1%	
51 % Adj. Admin to Adj. Net Revenues (excludes Taxes & Prescription pass-through)	10.9%	8.9%	7.9%	11.2%	11.0%	9.4%	9.4%	5.7%	7.4%	6.7%	9.9%	10.6%	9.1%	
52 % Net Income EXCL Medicare Rx	9.9%	7.6%	0.1%	1.0%	-5.4%	5.2%	9.4%	6.4%	-4.3%	6.8%	4.9%	-22.0%	2.0%	
Memo: QWP withholdings and recoupments														
53 Total Medicare Capitation Withheld	43,591	42,873	41,723	41,957	71,800	69,763	65,477	66,424	64,685	61,091	60,795	60,749	690,929	
54 Total Medicaid Capitation Withheld	35,279	35,488	34,368	34,243	56,367	55,231	52,927	53,217	50,582	47,077	46,988	30,812	532,579	
55 Medicare Payments against Withholding												0	0	
56 Medicaid Payments against Withholding												0	0	
57 Net Amount Not Received by MMP	78,870	78,361	76,090	76,200	128,167	124,994	118,405	119,641	115,268	108,167	107,783	91,561	1,223,508	
Additional memo items:														
58 total Net Revenues (from Line 21)	4,608,387	4,582,054	4,449,282	4,455,284	4,953,028	4,839,624	4,597,275	4,640,153	4,475,353	4,208,077	4,196,123	3,662,747	53,667,388	
59 Medicare portion (incls interest income)	2,721,704	2,680,823	2,608,511	2,620,684	2,935,707	2,862,623	2,701,950	2,734,432	2,663,928	2,527,888	2,517,253	2,512,905	32,088,408	
60 Medicaid portion (excls Prem tax; incls interest inc)	1,886,683	1,901,231	1,840,771	1,834,600	2,017,321	1,977,002	1,895,326	1,905,721	1,811,425	1,680,189	1,678,871	1,149,842	21,578,981	
61 add-check	(0)	(0)	0	0	0	(0)	(0)	(0)	0	(0)	(0)	(0)	(2)	
62 total Net Income (from Line 43)	569,969	447,540	194,068	243,131	(80,669)	437,926	596,964	495,054	57,700	459,831	387,100	(509,862)	3,298,753	
63 Medicare portion	601,293	524,157	218,222	418,157	141,414	378,176	703,184	479,313	142,696	483,293	492,113	217,981	4,800,000	
64 Medicaid portion	(31,324)	(76,617)	(24,154)	(175,027)	(222,083)	59,751	(106,219)	15,741	(84,996)	(23,462)	(105,012)	(727,844)	(1,501,246)	
65 add-check	(0)	0	(0)	1	(0)	(0)	0	(1)	(0)	(0)	(0)	0	(1)	

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). With each new FSR submission, all prior quarters' data must be updated to reflect, in the column pertaining to the appropriate past month, the most recent revised IBNR estimates, the most recent Medicare capitation premium adjustments, and the most recent Medicare and Medicaid payment file data.

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.