

MMP name: **Molina Healthcare**
 State Fiscal Year: **2018**
 Submission Date: **9/3/2019**
 Submission Type: **Yr-End 334-Day**

Program: **MMP Dual Demo - Integrated Care Program (STAR+PLUS+Medicare)**
 County: **Hidalgo (McAllen, Edinburg, Pharr, Mission)**
 Rptg Period End Date: **8/31/2018**

Texas Financial Alignment Demonstration

MMP self-reported data, subject to audit

template version 2.0

Part 1: **Summary Income Statement**

	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)		2,857	2,815	2,771	2,718	2,797	2,772	2,751	2,773	2,752	2,726	2,695	2,664	33,091
2 additional / (fewer) Mbr-Mos in Medicare		4	7	6	10	8	8	4	6	5	3	4	14	79
3 Average Monthly Member Months														2,758
Revenues:														
<i>CMS Medicare Premiums:</i>														
4 Monthly Capitation Received - Medical		3,613,289	3,534,980	3,501,722	3,403,700	3,821,147	3,734,663	3,716,285	3,709,970	3,689,362	3,653,096	3,647,364	3,524,621	43,550,198
5 Monthly Capitation Withheld - Medical		75,277	73,645	72,953	70,910	120,668	117,936	117,356	117,157	116,506	115,361	115,180	111,303	1,224,253
6 Gross Total (before withhold) - Medical		3,688,566	3,608,625	3,574,675	3,474,610	3,941,815	3,852,599	3,833,641	3,827,127	3,805,868	3,768,457	3,762,544	3,635,924	44,774,451
7 Gross Total (no withholding) - Pharmacy		1,133,659	1,117,686	1,099,983	1,080,893	1,066,404	1,055,743	1,046,697	1,054,034	1,046,142	1,034,171	1,022,389	1,014,767	12,772,568
8 Sub-total: Medicare Capitation		4,822,225	4,726,311	4,674,658	4,555,503	5,008,219	4,908,342	4,880,338	4,881,161	4,852,010	4,802,628	4,784,933	4,650,691	57,547,019
<i>Medicaid Premiums:</i>														
9 Monthly Capitation Received - Medical		3,717,962	3,653,979	3,582,846	3,497,802	3,558,681	3,511,324	3,492,172	3,523,632	3,478,429	3,456,701	3,429,303	1,362,431	40,265,260
10 Monthly Capitation Received - Pharmacy		7,489	7,394	7,303	7,174	7,157	7,099	7,055	7,109	7,058	6,991	6,918	1,789	80,535
11 Monthly Capitation Withheld - Medical		74,253	73,015	71,654	69,998	107,688	106,308	105,716	106,655	105,343	104,654	103,807	39,883	1,068,976
12 Monthly Capitation Withheld - Pharmacy		152	151	149	146	222	219	218	220	218	216	214	56	2,182
13 Gross Total (before withhold) - Medical		3,792,215	3,726,994	3,654,500	3,567,800	3,666,369	3,617,632	3,597,888	3,630,287	3,583,772	3,561,355	3,533,110	1,402,314	41,334,236
14 Gross Total (before withhold) - Pharmacy		7,641	7,545	7,452	7,320	7,379	7,318	7,273	7,329	7,276	7,207	7,132	1,845	82,717
15 Sub-total: Medicaid Capitation		3,799,856	3,734,539	3,661,952	3,575,120	3,673,748	3,624,950	3,605,161	3,637,616	3,591,048	3,568,562	3,540,242	1,404,159	41,416,953
16 Investment Income		23,005	29,307	28,848	36,109	29,246	33,480	41,304	42,564	51,466	48,618	57,663	43,301	464,908
17 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Total Gross Revenues		8,645,086	8,490,157	8,365,458	8,166,732	8,711,213	8,566,772	8,526,803	8,561,341	8,494,524	8,419,808	8,382,838	6,098,151	99,428,880
19 Premium Taxes (on Medicaid)		66,497	65,354	64,084	62,565	64,291	63,437	63,090	63,658	62,843	62,450	61,954	24,573	724,797
20 Maintenance Taxes		171	169	166	163	168	166	165	166	165	164	162	160	1,985
21 Net Revenues		8,578,417	8,424,634	8,301,208	8,104,004	8,646,755	8,503,169	8,463,548	8,497,516	8,431,516	8,357,195	8,320,722	6,073,418	98,702,101
Expenses:														
<i>Medicare Expenses:</i>														
22 Fee-For-Service		2,624,939	2,937,707	2,635,388	2,288,130	2,435,310	1,938,218	2,277,956	2,567,007	2,608,691	2,371,141	2,908,095	2,548,526	30,141,108
23 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
24 Net Reinsurance cost		(10,921)	(13,859)	(24,930)	(11,019)	(375)	(1,928)	(955)	(862)	(950)	(1,064)	(1,372)	(1,947)	(70,182)
25 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
26 Other Medicare Medical Expenses		26,737	12,716	32,855	11,607	13,823	3,442	35,584	69,101	113,568	57,464	32,335	42,848	452,080
27 Total Medicare Medical Expenses		2,640,755	2,936,564	2,643,313	2,288,718	2,448,758	1,939,732	2,312,585	2,635,246	2,721,309	2,427,541	2,939,058	2,589,427	30,523,006
28 Medicare Gross Rx Exp (excl PBM Admin)		1,447,032	1,586,258	1,637,110	1,412,895	1,658,050	1,346,335	1,510,344	1,464,233	1,512,225	1,363,443	1,456,038	1,481,253	17,875,215
29 Medicare Rx Rebates		276,894	292,350	292,923	291,862	295,217	297,186	300,794	312,126	316,730	319,421	326,910	323,608	3,646,021
30 Sub-total: Medicare Medical & Rx Expenses		3,810,893	4,230,471	3,987,500	3,409,751	3,811,591	2,988,881	3,522,135	3,787,352	3,916,804	3,471,563	4,068,185	3,747,073	44,752,200
<i>Medicaid Expenses:</i>														
31 Fee-For-Service		3,171,009	3,220,717	3,090,830	3,036,322	3,481,539	3,083,175	3,234,502	3,153,359	3,246,283	3,060,031	3,144,836	3,160,995	38,083,598
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):		74,006	70,901	66,761	63,138	71,419	68,831	68,817	69,859	67,253	67,774	67,774	67,774	824,307
37 Other Medicaid Medical Expenses		165,096	150,448	147,959	194,754	110,509	141,890	151,193	148,279	154,356	220,763	169,153	132,928	1,887,328
38 Total Medicaid Medical Expenses		3,410,111	3,442,066	3,305,550	3,294,214	3,663,467	3,293,896	3,454,512	3,371,497	3,467,892	3,348,568	3,381,763	3,361,697	40,795,233
39 Medicaid Prescription Exp (excl PBM Admin)		12,891	5,640	6,577	5,982	7,548	5,545	5,159	5,394	5,220	4,367	4,306	3,867	72,496
40 Sub-total: Medicaid Medical & Rx Expenses		3,423,002	3,447,706	3,312,127	3,300,196	3,671,015	3,299,441	3,459,671	3,376,891	3,473,112	3,352,935	3,386,069	3,365,564	40,867,729
41 Total Medical & Prescription Expenses		7,233,895	7,678,177	7,299,627	6,709,947	7,482,606	6,288,321	6,981,806	7,164,243	7,389,916	6,824,498	7,454,254	7,112,637	85,619,929
42 Administrative Expenses		830,559	674,518	582,476	808,082	856,771	713,983	713,244	441,659	557,921	498,463	730,717	562,754	7,971,146
43 Total Expenses		8,064,454	8,352,695	7,882,103	7,518,029	8,339,377	7,002,304	7,695,050	7,605,902	7,947,837	7,322,961	8,184,972	7,675,391	93,591,075
44 Total Net Income Before Taxes		513,963	71,939	419,105	585,975	307,378	1,500,865	768,498	891,614	483,679	1,034,234	135,750	(1,601,973)	5,111,026
45 Net Income EXCL Medicare RX		563,587	261,517	675,949	638,297	617,535	1,506,095	944,053	1,002,158	645,942	1,056,195	254,822	(1,448,106)	6,718,046

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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	70.5%	75.7%	71.7%	68.9%	70.7%	61.5%	68.1%	70.7%	73.4%	69.1%	76.0%	98.0%	72.3%	
47 % total Prescription Exp to Net Revenues	13.8%	15.4%	16.3%	13.9%	15.8%	12.4%	14.4%	13.6%	14.2%	12.5%	13.6%	19.1%	14.5%	
48 % Total Medical & Rx to Net Rev. (MLR)	84.3%	91.1%	87.9%	82.8%	86.5%	74.0%	82.5%	84.3%	87.6%	81.7%	89.6%	117.1%	86.7%	
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	6.0%	0.9%	5.0%	7.2%	3.6%	17.7%	9.1%	10.5%	5.7%	12.4%	1.6%	-26.4%	5.2%	
51 % Adj. Admin to Adj. Net Revenues (excludes Taxes & Prescription pass-through)	11.0%	9.1%	7.9%	11.3%	11.1%	9.4%	9.5%	5.8%	7.4%	6.6%	9.9%	10.9%	9.1%	
52 % Net Income EXCL Medicare Rx	7.6%	3.6%	9.4%	9.1%	8.1%	20.2%	12.7%	13.5%	8.7%	14.4%	3.5%	-28.6%	7.8%	
Memo: QWP withholdings and recoupments														
53 Total Medicare Capitation Withheld	75,277	73,645	72,953	70,910	120,668	117,936	117,356	117,157	116,506	115,361	115,180	111,303	1,224,253	
54 Total Medicaid Capitation Withheld	74,406	73,165	71,804	70,144	107,909	106,528	105,935	106,875	105,561	104,870	104,022	39,939	1,071,157	
55 Medicare Payments against Withholding												0	0	
56 Medicaid Payments against Withholding												0	0	
57 Net Amount Not Received by MMP	149,682	146,810	144,757	141,055	228,577	224,464	223,291	224,032	222,067	220,231	219,202	151,242	2,295,410	
Additional memo items:														
58 total Net Revenues (from Line 21)	8,578,417	8,424,634	8,301,208	8,104,004	8,646,755	8,503,169	8,463,548	8,497,516	8,431,516	8,357,195	8,320,722	6,073,418	98,702,101	
59 Medicare portion (incls interest income)	4,834,178	4,741,539	4,689,647	4,574,265	5,023,415	4,925,738	4,901,799	4,903,277	4,878,752	4,827,890	4,814,894	4,673,190	57,788,583	
60 Medicaid portion (excls Prem tax; incls interest inc)	3,744,239	3,683,095	3,611,560	3,529,739	3,623,339	3,577,431	3,561,748	3,594,239	3,552,764	3,529,305	3,505,827	1,400,228	40,913,514	
61 add-check	0	0	0	0	0	(0)	0	0	(0)	0	0	0	3	
62 total Net Income (from Line 43)	513,963	71,939	419,105	585,975	307,378	1,500,865	768,498	891,614	483,679	1,034,234	135,750	(1,601,973)	5,111,026	
63 Medicare portion	660,323	214,768	445,649	811,721	837,311	1,624,542	1,067,164	919,790	715,804	1,136,086	426,941	679,001	9,539,100	
64 Medicaid portion	(146,360)	(142,830)	(26,545)	(225,746)	(529,934)	(123,676)	(298,667)	(28,176)	(232,125)	(101,853)	(291,191)	(2,280,974)	(4,428,077)	
65 add-check	0	1	1	0	0	(0)	(0)	1	(0)	0	(0)	0	3	

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.