

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Molina Healthcare**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **9/3/2019** Service Area: **Bexar/San Antonio**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

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		7,777	7,781	7,812	7,899	7,876	7,906	7,889	7,836	7,940	7,962	7,975	7,935	94,588
2 Average Monthly Member Months														7,882
Revenues:														
3 Medical Premiums		10,574,377	10,652,621	10,758,258	11,049,503	10,858,448	10,810,228	10,853,994	10,791,289	11,042,758	11,136,581	11,113,132	11,619,920	131,261,109
4 Pharmacy Premiums		1,262,074	1,263,003	1,261,850	1,300,041	1,330,013	1,348,840	1,355,832	1,365,615	1,366,876	1,367,068	1,372,210	1,018,098	15,611,520
5 Investment Income		31,581	41,273	41,594	54,845	41,057	47,706	59,432	60,741	75,645	72,618	86,477	90,379	703,350
6 Health Insurance Providers Fee Reimbursement		1,067,042												1,067,042
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		12,935,074	11,956,897	12,061,702	12,404,389	12,229,518	12,206,774	12,269,258	12,217,645	12,485,279	12,576,267	12,571,819	12,728,397	148,643,021
9 Health Insurance Providers Fee & Related Costs		1,048,369												1,048,369
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		225,811	208,523	210,352	216,117	213,298	212,784	213,672	212,746	217,169	218,814	218,493	221,165	2,588,944
12 Maintenance Taxes		467	467	469	474	473	474	473	470	476	478	479	476	5,675
13 Net Revenues		11,660,427	11,747,907	11,850,881	12,187,798	12,015,747	11,993,516	12,055,113	12,004,429	12,267,634	12,356,975	12,352,847	12,506,756	145,000,030
Medical Expenses:														
14 Fee-For-Service		8,634,852	9,212,574	8,628,672	8,805,510	9,166,414	8,273,201	9,632,568	8,915,774	9,477,623	9,390,700	9,794,035	9,605,601	109,537,524
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		3,785	3,789	3,784	3,893	8,014	8,141	8,155	8,169	8,166	8,144	8,174	8,166	80,380
17 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Minimum Payment Amount Program (MPAP)		0	0	0	0	0	0	0	0	0	0	0	0	0
19 Quality Improvement		132,313	131,525	118,079	164,566	140,731	118,959	161,656	143,180	150,387	142,776	184,954	143,710	1,732,837
20 Quality Incentive Payment Program (QIPP)		656,713	669,103	680,905	676,184	647,273	638,422	648,114	637,440	663,531	674,205	671,240	659,973	7,923,103
21 Other Medical Expenses		34,582	23,101	25,341	29,330	25,049	28,935	28,986	29,648	44,427	62,147	34,340	43,494	409,380
22 Total Medical Expenses		9,462,245	10,040,092	9,456,781	9,679,483	9,987,481	9,067,558	10,479,479	9,734,211	10,344,134	10,277,972	10,692,743	10,460,944	119,683,224
23 Prescription Expenses (excluding PBM Admin)		1,213,624	1,248,968	1,219,941	1,291,635	1,437,569	1,276,844	1,368,464	1,326,740	1,425,736	1,325,764	1,443,037	1,492,207	16,070,530
24 Total Medical and Prescription Expenses		10,675,869	11,289,060	10,676,723	10,971,118	11,425,049	10,344,502	11,847,943	11,060,951	11,769,871	11,603,737	12,135,780	11,953,152	135,753,754
25 Administrative Expenses		1,337,031	726,328	879,281	901,723	824,615	882,176	1,158,506	757,462	891,002	803,568	706,796	851,276	10,719,764
26 Total Expenses		12,012,900	12,015,387	11,556,004	11,872,841	12,249,665	11,226,678	13,006,448	11,818,413	12,660,873	12,407,305	12,842,576	12,804,428	146,473,518
27 Net Income Before Taxes		(352,473)	(267,480)	294,877	314,957	(233,918)	766,838	(951,335)	186,016	(393,239)	(50,330)	(489,729)	(297,672)	(1,473,488)
28 % Medical Exp to Net Revenues		81.1%	85.5%	79.8%	79.4%	83.1%	75.6%	86.9%	81.1%	84.3%	83.2%	86.6%	83.6%	82.5%
29 % Prescription Exp to Net Revenues		10.4%	10.6%	10.3%	10.6%	12.0%	10.6%	11.4%	11.1%	11.6%	10.7%	11.7%	11.9%	11.1%
30 % Total Medical and Prescription to Net Rev. (MLR)		91.6%	96.1%	90.1%	90.0%	95.1%	86.3%	98.3%	92.1%	95.9%	93.9%	98.2%	95.6%	93.6%
31 % 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%
32 % Net Income to Net Revenues		-3.0%	-2.3%	2.5%	2.6%	-1.9%	6.4%	-7.9%	1.5%	-3.2%	-0.4%	-4.0%	-2.4%	-1.0%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		12.9%	6.9%	8.3%	8.3%	7.7%	8.3%	10.8%	7.1%	8.2%	7.3%	6.4%	7.4%	8.3%
Post-income items:														
34 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.

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