

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Molina Healthcare**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **9/3/2019** Service Area: **Dallas**
 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		35,828	35,909	36,105	36,160	35,601	35,670	35,559	35,372	35,837	35,953	36,014	36,008	430,016
2 Average Monthly Member Months														35,835
Revenues:														
3 Medical Premiums		47,390,683	47,686,819	48,138,425	48,249,453	47,370,901	47,148,712	50,615,694	50,320,178	51,189,501	51,533,692	51,576,357	53,760,246	594,980,861
4 Pharmacy Premiums		7,638,571	7,623,862	7,844,136	7,656,934	7,655,771	7,682,624	7,671,832	7,681,379	7,715,266	7,706,145	7,697,453	6,206,853	90,580,826
5 Investment Income		146,824	191,585	193,028	248,285	185,360	215,129	283,718	289,802	359,064	344,049	410,549	428,848	3,296,242
6 Health Insurance Providers Fee Reimbursement		6,968,614												6,968,614
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		62,144,693	55,502,266	55,975,589	56,154,672	55,212,032	55,046,465	58,571,244	58,291,359	59,263,831	59,583,886	59,684,359	60,395,947	695,826,343
9 Health Insurance Providers Fee & Related Costs		6,846,664												6,846,664
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		1,084,963	967,937	976,195	978,362	962,967	959,548	1,020,032	1,015,027	1,030,833	1,036,697	1,037,292	1,049,424	12,119,277
12 Maintenance Taxes		2,150	2,155	2,166	2,170	2,136	2,140	2,134	2,122	2,150	2,157	2,161	2,160	25,801
13 Net Revenues		54,210,917	54,532,175	54,997,228	55,174,141	54,246,929	54,084,776	57,549,079	57,274,209	58,230,847	58,545,032	58,644,906	59,344,362	676,834,602
Medical Expenses:														
14 Fee-For-Service		37,304,038	38,683,087	37,355,666	37,832,588	38,921,765	35,285,178	39,940,488	40,010,571	42,568,438	41,401,659	41,913,608	42,774,271	473,991,357
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		23,903	433	(21,906)	(21,203)	25,150	(14,355)	(16,746)	36,300	48,334	48,425	42,467	42,570	193,372
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		635,679	610,520	547,979	744,991	635,350	536,445	771,715	683,124	713,844	676,446	878,066	681,902	8,116,060
20 Quality Incentive Payment Program (QIPP)		2,027,271	2,057,494	2,088,901	2,087,715	1,996,456	1,956,752	1,949,629	1,913,304	1,991,908	2,024,065	2,025,851	2,021,087	24,140,433
21 Other Medical Expenses		678,700	681,487	626,213	613,202	588,560	646,612	600,252	621,103	683,561	894,298	609,192	642,668	7,885,848
22 Total Medical Expenses		40,669,591	42,033,021	40,596,853	41,257,293	42,167,281	38,410,632	43,245,338	43,264,402	46,006,085	45,044,893	45,469,184	46,162,498	514,327,070
23 Prescription Expenses (excluding PBM Admin)		6,636,768	6,936,164	6,730,779	6,889,592	7,488,049	7,067,691	7,760,444	7,058,235	7,487,348	7,328,103	7,320,765	7,511,812	86,215,751
24 Total Medical and Prescription Expenses		47,306,359	48,969,185	47,327,632	48,146,885	49,655,330	45,478,323	51,005,782	50,322,637	53,493,432	52,372,996	52,789,949	53,674,311	600,542,821
25 Administrative Expenses		6,216,035	3,371,512	4,080,543	4,082,102	3,722,851	3,978,173	5,530,498	3,613,913	4,229,317	3,807,150	3,355,492	4,039,285	50,026,871
26 Total Expenses		53,522,393	52,340,697	51,408,175	52,228,987	53,378,181	49,456,496	56,536,280	53,936,550	57,722,750	56,180,145	56,145,441	57,713,596	650,569,691
27 Net Income Before Taxes		688,524	2,191,478	3,589,053	2,945,154	868,748	4,628,280	1,012,799	3,337,659	508,097	2,364,887	2,499,465	1,630,766	26,264,911
28 % Medical Exp to Net Revenues		75.0%	77.1%	73.8%	74.8%	77.7%	71.0%	75.1%	75.5%	79.0%	76.9%	77.5%	77.8%	76.0%
29 % Prescription Exp to Net Revenues		12.2%	12.7%	12.2%	12.5%	13.8%	13.1%	13.5%	12.3%	12.9%	12.5%	12.5%	12.7%	12.7%
30 % Total Medical and Prescription to Net Rev. (MLR)		87.3%	89.8%	86.1%	87.3%	91.5%	84.1%	88.6%	87.9%	91.9%	89.5%	90.0%	90.4%	88.7%
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		1.3%	4.0%	6.5%	5.3%	1.6%	8.6%	1.8%	5.8%	0.9%	4.0%	4.3%	2.7%	3.9%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.3%	7.2%	8.6%	8.6%	8.0%	8.6%	11.1%	7.3%	8.4%	7.5%	6.6%	7.6%	8.5%
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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