

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Molina Healthcare**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **9/3/2019** Service Area: **El Paso**  
 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		9,343	9,367	9,388	9,421	9,358	9,446	9,407	9,404	9,522	9,605	9,663	9,647	113,571
2 <b>Average Monthly Member Months</b>														<b>9,464</b>
<b>Revenues:</b>														
3 Medical Premiums		9,141,511	9,219,496	9,224,993	9,557,896	9,439,163	9,529,078	9,561,756	9,519,287	9,730,061	9,854,061	9,982,194	11,791,530	116,551,026
4 Pharmacy Premiums		1,727,854	1,742,432	1,741,829	1,746,876	1,749,433	1,779,007	1,764,939	1,777,782	1,793,537	1,793,842	1,805,634	1,491,623	20,914,788
5 Investment Income		29,001	37,970	37,949	50,205	37,689	44,367	55,133	56,445	70,244	67,648	81,646	94,993	663,291
6 Health Insurance Providers Fee Reimbursement		1,403,561												1,403,561
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		12,301,927	10,999,898	11,004,771	11,354,977	11,226,285	11,352,452	11,381,828	11,353,514	11,593,842	11,715,551	11,869,474	13,378,146	139,532,666
9 Health Insurance Providers Fee & Related Costs		1,378,999												1,378,999
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		214,776	191,834	191,919	197,834	195,800	197,892	198,217	197,699	201,663	203,838	206,287	232,455	2,430,214
12 Maintenance Taxes		561	562	563	565	561	567	564	564	571	576	580	579	6,814
13 <b>Net Revenues</b>		<b>10,707,592</b>	<b>10,807,502</b>	<b>10,812,288</b>	<b>11,156,578</b>	<b>11,029,923</b>	<b>11,153,994</b>	<b>11,183,046</b>	<b>11,155,251</b>	<b>11,391,608</b>	<b>11,511,136</b>	<b>11,662,607</b>	<b>13,145,112</b>	<b>135,716,638</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		8,108,241	8,522,294	8,529,305	8,616,363	8,672,659	8,132,006	8,829,405	8,662,216	8,900,161	8,606,308	9,250,156	9,056,985	103,886,099
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		4,013	4,045	4,046	4,053	8,141	8,255	8,180	8,263	8,327	8,318	8,371	8,363	82,375
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		125,837	120,998	107,732	150,644	129,186	110,633	149,963	133,053	139,650	133,005	174,622	151,046	1,626,369
20 Quality Incentive Payment Program (QIPP)		16,542	17,104	16,766	18,992	15,754	15,304	15,879	15,198	16,956	17,864	18,658	18,942	201,959
21 Other Medical Expenses		55,599	54,790	46,607	40,010	43,435	59,773	33,240	45,644	66,817	100,256	49,192	47,396	642,759
22 Total Medical Expenses		8,310,232	8,719,231	8,704,456	8,828,062	8,869,175	8,325,971	9,036,667	8,864,374	9,131,911	8,865,751	9,500,999	9,282,732	106,439,561
23 Prescription Expenses (excluding PBM Admin)		1,315,560	1,508,265	1,529,117	1,448,028	1,602,156	1,567,424	1,606,394	1,454,179	1,760,849	1,591,833	1,572,607	1,565,742	18,522,152
24 <b>Total Medical and Prescription Expenses</b>		<b>9,625,791</b>	<b>10,227,495</b>	<b>10,233,573</b>	<b>10,276,089</b>	<b>10,471,331</b>	<b>9,893,395</b>	<b>10,643,061</b>	<b>10,318,553</b>	<b>10,892,760</b>	<b>10,457,583</b>	<b>11,073,605</b>	<b>10,848,475</b>	<b>124,961,713</b>
25 <b>Administrative Expenses</b>		<b>1,227,790</b>	<b>668,194</b>	<b>802,233</b>	<b>825,438</b>	<b>756,969</b>	<b>820,434</b>	<b>1,074,711</b>	<b>703,888</b>	<b>827,386</b>	<b>748,573</b>	<b>667,309</b>	<b>894,731</b>	<b>10,017,656</b>
26 <b>Total Expenses</b>		<b>10,853,581</b>	<b>10,895,690</b>	<b>11,035,806</b>	<b>11,101,527</b>	<b>11,228,299</b>	<b>10,713,830</b>	<b>11,717,772</b>	<b>11,022,442</b>	<b>11,720,146</b>	<b>11,206,156</b>	<b>11,740,915</b>	<b>11,743,206</b>	<b>134,979,370</b>
27 <b>Net Income Before Taxes</b>		<b>(145,989)</b>	<b>(88,188)</b>	<b>(223,518)</b>	<b>55,051</b>	<b>(198,376)</b>	<b>440,164</b>	<b>(534,726)</b>	<b>132,809</b>	<b>(328,538)</b>	<b>304,980</b>	<b>(78,308)</b>	<b>1,401,906</b>	<b>737,268</b>
28 % Medical Exp to Net Revenues		77.6%	80.7%	80.5%	79.1%	80.4%	74.6%	80.8%	79.5%	80.2%	77.0%	81.5%	70.6%	78.4%
29 % Prescription Exp to Net Revenues		12.3%	14.0%	14.1%	13.0%	14.5%	14.1%	14.4%	13.0%	15.5%	13.8%	13.5%	11.9%	13.6%
30 % Total Medical and Prescription to Net Rev. (MLR)		89.9%	94.6%	94.6%	92.1%	94.9%	88.7%	95.2%	92.5%	90.8%	90.8%	94.9%	82.5%	92.1%
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 <b>% Net Income to Net Revenues</b>		<b>-1.4%</b>	<b>-0.8%</b>	<b>-2.1%</b>	<b>0.5%</b>	<b>-1.8%</b>	<b>3.9%</b>	<b>-4.8%</b>	<b>1.2%</b>	<b>-2.9%</b>	<b>2.6%</b>	<b>-0.7%</b>	<b>10.7%</b>	<b>0.5%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.7%	7.4%	8.8%	8.8%	8.2%	8.8%	11.4%	7.5%	8.6%	7.7%	6.8%	7.7%	8.7%

**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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