

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Molina Healthcare**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **9/3/2019** Service Area: **Harris / Houston**  
 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		12,588	12,688	12,644	12,590	12,392	12,373	12,287	12,155	12,254	12,243	12,275	12,286	148,775
2 <b>Average Monthly Member Months</b>														<b>12,398</b>
<b>Revenues:</b>														
3 Medical Premiums		16,109,711	16,206,976	16,155,449	16,129,539	15,715,202	15,500,530	16,213,837	15,954,721	16,109,469	16,091,514	16,159,135	17,470,416	193,816,499
4 Pharmacy Premiums		3,015,750	3,023,826	3,008,754	2,982,106	2,968,015	2,966,597	2,938,574	2,926,722	2,932,479	2,915,219	2,907,583	2,448,062	35,033,887
5 Investment Income		51,029	66,612	66,315	84,876	62,935	72,455	93,225	94,340	116,073	110,386	132,062	142,445	1,092,755
6 Health Insurance Providers Fee Reimbursement		2,210,869												2,210,869
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		21,387,359	19,297,414	19,230,518	19,196,521	18,746,152	18,539,582	19,245,636	18,975,783	19,158,021	19,117,119	19,198,780	20,060,923	232,153,810
9 Health Insurance Providers Fee & Related Costs		2,172,179												2,172,179
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		373,386	336,539	335,374	334,454	326,956	323,175	335,167	330,425	333,234	332,618	333,668	348,573	4,043,568
12 Maintenance Taxes		755	761	759	755	744	742	737	729	735	735	737	737	8,927
13 <b>Net Revenues</b>		<b>18,841,039</b>	<b>18,960,114</b>	<b>18,894,386</b>	<b>18,861,312</b>	<b>18,418,452</b>	<b>18,215,665</b>	<b>18,909,732</b>	<b>18,644,628</b>	<b>18,824,052</b>	<b>18,783,767</b>	<b>18,864,376</b>	<b>19,711,612</b>	<b>225,929,134</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		12,182,126	13,668,182	13,367,938	14,196,723	12,973,471	11,835,778	13,437,781	13,370,327	13,759,914	12,981,925	13,536,596	14,482,775	159,793,536
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		6,308	5,801	7,021	(73,191)	12,576	12,938	13,026	13,234	14,022	13,392	13,927	13,223	52,277
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		218,771	212,270	188,259	254,676	215,721	180,674	253,674	222,380	230,762	217,033	282,449	226,499	2,703,067
20 Quality Incentive Payment Program (QIPP)		668,876	673,809	670,357	670,850	633,855	612,150	610,292	592,038	604,865	608,813	617,693	615,226	7,578,824
21 Other Medical Expenses		23,612	13,972	26,554	26,179	25,692	45,533	23,506	23,901	32,851	76,528	19,586	21,518	359,432
22 Total Medical Expenses		13,099,693	14,574,034	14,260,129	15,075,237	13,861,315	12,687,073	14,338,179	14,221,880	14,642,414	13,897,691	14,470,251	15,359,241	170,487,136
23 Prescription Expenses (excluding PBM Admin)		2,195,631	2,411,498	2,211,426	2,049,643	2,228,906	1,945,097	2,141,122	2,116,133	2,194,259	2,077,310	2,059,732	2,258,736	25,889,492
24 <b>Total Medical and Prescription Expenses</b>		<b>15,295,325</b>	<b>16,985,532</b>	<b>16,471,555</b>	<b>17,124,880</b>	<b>16,090,220</b>	<b>14,632,170</b>	<b>16,479,301</b>	<b>16,338,013</b>	<b>16,836,672</b>	<b>15,975,001</b>	<b>16,529,983</b>	<b>17,617,976</b>	<b>196,376,628</b>
25 <b>Administrative Expenses</b>		<b>2,160,388</b>	<b>1,172,231</b>	<b>1,401,878</b>	<b>1,395,470</b>	<b>1,264,020</b>	<b>1,339,844</b>	<b>1,817,239</b>	<b>1,176,449</b>	<b>1,367,197</b>	<b>1,221,500</b>	<b>1,079,368</b>	<b>1,341,676</b>	<b>16,737,260</b>
26 <b>Total Expenses</b>		<b>17,455,713</b>	<b>18,157,763</b>	<b>17,873,433</b>	<b>18,520,350</b>	<b>17,354,241</b>	<b>15,972,013</b>	<b>18,296,540</b>	<b>17,514,462</b>	<b>18,203,870</b>	<b>17,196,501</b>	<b>17,609,351</b>	<b>18,959,652</b>	<b>213,113,889</b>
27 <b>Net Income Before Taxes</b>		<b>1,385,326</b>	<b>802,351</b>	<b>1,020,953</b>	<b>340,962</b>	<b>1,064,211</b>	<b>2,243,652</b>	<b>613,192</b>	<b>1,130,166</b>	<b>620,182</b>	<b>1,587,266</b>	<b>1,255,025</b>	<b>751,960</b>	<b>12,815,245</b>
28 % Medical Exp to Net Revenues		69.5%	76.9%	75.5%	79.9%	75.3%	69.6%	75.8%	76.3%	77.8%	74.0%	76.7%	77.9%	75.5%
29 % Prescription Exp to Net Revenues		11.7%	12.7%	11.7%	10.9%	12.1%	10.7%	11.3%	11.3%	11.7%	11.1%	10.9%	11.5%	11.5%
30 % Total Medical and Prescription to Net Rev. (MLR)		81.2%	89.6%	87.2%	90.8%	87.4%	80.3%	87.1%	87.6%	89.4%	85.0%	87.6%	89.4%	86.9%
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>7.4%</b>	<b>4.2%</b>	<b>5.4%</b>	<b>1.8%</b>	<b>5.8%</b>	<b>12.3%</b>	<b>3.2%</b>	<b>6.1%</b>	<b>3.3%</b>	<b>8.5%</b>	<b>6.7%</b>	<b>3.8%</b>	<b>5.7%</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%	7.8%	8.8%
<b>Post-income items:</b>														
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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