

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Molina Healthcare**
 State Fiscal Year: **2018** Program: **STAR+PLUS**
 Submission Date: **9/3/2019** Service Area: **Hidalgo**
 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		15,040	15,106	15,121	15,123	15,000	14,973	14,908	14,813	14,858	14,880	14,910	14,899	179,831
2 Average Monthly Member Months														14,969
Revenues:														
3 Medical Premiums		21,906,074	22,048,732	22,117,185	22,079,182	21,862,784	21,809,845	22,146,593	21,965,260	22,140,644	22,218,437	22,289,527	24,221,967	266,806,230
4 Pharmacy Premiums		2,356,150	2,359,029	2,361,283	2,350,676	2,358,963	2,364,225	2,343,490	2,352,666	2,359,995	2,355,886	2,359,961	1,974,915	27,897,239
5 Investment Income		64,734	84,544	84,705	108,495	81,592	94,846	119,207	121,504	149,348	142,721	170,730	187,344	1,409,769
6 Health Insurance Providers Fee Reimbursement		1,522,797												1,522,797
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		25,849,755	24,492,305	24,563,173	24,538,353	24,303,339	24,268,916	24,609,290	24,439,430	24,649,987	24,717,044	24,820,218	26,384,226	297,636,035
9 Health Insurance Providers Fee & Related Costs		1,496,148												1,496,148
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		451,238	427,136	428,373	427,523	423,881	423,046	428,576	425,564	428,761	430,051	431,366	458,445	5,183,960
12 Maintenance Taxes		902	906	907	907	900	898	894	889	891	893	895	894	10,778
13 Net Revenues		23,901,467	24,064,263	24,133,893	24,109,923	23,878,558	23,844,971	24,179,819	24,012,978	24,220,334	24,286,101	24,387,957	25,924,887	290,945,151
Medical Expenses:														
14 Fee-For-Service		17,083,349	18,338,123	17,422,197	18,099,685	18,341,940	16,724,579	18,030,004	17,274,681	18,403,757	17,751,763	18,549,076	19,193,876	215,213,030
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		5,363	5,370	5,383	5,349	10,778	10,792	10,714	10,759	10,778	10,753	10,753	10,725	107,517
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		264,417	269,413	240,464	325,545	279,670	236,508	324,244	296,409	296,914	280,609	365,151	297,892	3,467,234
20 Quality Incentive Payment Program (QIPP)		425,924	432,652	438,863	433,687	423,337	420,232	413,422	413,422	424,891	428,020	426,455	435,318	5,126,128
21 Other Medical Expenses		224,022	189,950	199,812	215,959	200,266	210,176	185,939	202,518	234,852	267,039	238,473	254,874	2,623,880
22 Total Medical Expenses		18,003,075	19,235,508	18,306,719	19,080,225	19,255,991	17,602,287	18,974,228	18,187,789	19,371,192	18,738,184	19,589,908	20,192,685	226,537,789
23 Prescription Expenses (excluding PBM Admin)		1,965,780	1,976,201	1,984,724	1,811,345	2,162,507	2,008,376	1,963,506	2,183,863	2,131,576	2,102,122	2,240,573	2,296,066	24,826,639
24 Total Medical and Prescription Expenses		19,968,855	21,211,709	20,291,443	20,891,570	21,418,498	19,610,663	20,937,734	20,371,652	21,502,768	20,840,306	21,830,480	22,488,751	251,364,428
25 Administrative Expenses		2,740,630	1,487,797	1,790,621	1,783,788	1,638,732	1,753,899	2,323,694	1,515,181	1,759,127	1,579,311	1,395,408	1,764,579	21,532,768
26 Total Expenses		22,709,485	22,699,506	22,082,064	22,675,358	23,057,230	21,364,562	23,261,428	21,886,833	23,261,895	22,419,617	23,225,888	24,253,330	272,897,196
27 Net Income Before Taxes		1,191,982	1,364,757	2,051,829	1,434,565	821,328	2,480,409	918,391	2,126,145	958,439	1,866,484	1,162,069	1,671,557	18,047,955
28 % Medical Exp to Net Revenues		75.3%	79.9%	75.9%	79.1%	80.6%	73.8%	78.5%	75.7%	80.0%	77.2%	80.3%	77.9%	77.9%
29 % Prescription Exp to Net Revenues		8.2%	8.2%	8.2%	7.5%	9.1%	8.4%	8.1%	9.1%	8.8%	8.7%	9.2%	8.9%	8.5%
30 % Total Medical and Prescription to Net Rev. (MLR)		83.5%	88.1%	84.1%	86.7%	89.7%	82.2%	86.6%	84.8%	88.8%	85.8%	89.5%	86.7%	86.4%
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		5.0%	5.7%	8.5%	6.0%	3.4%	10.4%	3.8%	8.9%	4.0%	7.7%	4.8%	6.4%	6.2%
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		12.7%	6.9%	8.2%	8.2%	7.6%	8.2%	10.6%	7.0%	8.0%	7.2%	6.3%	7.4%	8.2%

Post-income items:
 34 Performance Assessment

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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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