

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Molina Healthcare**  
 State Fiscal Year: **2018** Program: **STAR+PLUS**  
 Submission Date: **9/3/2019** Service Area: **Jefferson**  
 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		6,818	6,826	6,785	6,744	6,686	6,661	6,612	6,560	6,565	6,510	6,483	6,446	<b>79,696</b>
2 <b>Average Monthly Member Months</b>														<b>6,641</b>
<b>Revenues:</b>														
3 Medical Premiums		7,796,399	7,840,085	7,806,999	7,777,379	7,698,449	7,608,603	7,904,881	7,813,147	7,881,387	7,857,619	7,841,130	7,748,102	93,574,180
4 Pharmacy Premiums		1,373,108	1,371,107	1,366,049	1,352,065	1,344,096	1,342,379	1,332,071	1,318,515	1,327,791	1,319,492	1,305,581	1,026,572	15,778,826
5 Investment Income		24,465	31,906	31,742	40,545	30,460	35,119	44,961	45,626	56,136	53,298	63,353	62,751	520,363
6 Health Insurance Providers Fee Reimbursement		1,005,390												1,005,390
7 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues		10,199,362	9,243,098	9,204,790	9,169,989	9,073,005	8,986,101	9,281,913	9,177,288	9,265,314	9,230,409	9,210,064	8,837,425	110,878,758
9 Health Insurance Providers Fee & Related Costs		987,795												987,795
10 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
11 Premium Taxes		178,061	161,196	160,528	159,765	158,245	156,642	161,647	159,804	161,161	160,599	160,067	153,557	1,931,272
12 Maintenance Taxes		409	410	407	405	401	400	397	394	394	391	389	387	4,782
13 <b>Net Revenues</b>		<b>9,033,097</b>	<b>9,081,493</b>	<b>9,043,855</b>	<b>9,009,819</b>	<b>8,914,359</b>	<b>8,829,059</b>	<b>9,119,870</b>	<b>9,017,090</b>	<b>9,103,759</b>	<b>9,069,419</b>	<b>9,049,608</b>	<b>8,683,481</b>	<b>107,954,909</b>
<b>Medical Expenses:</b>														
14 Fee-For-Service		6,013,814	6,319,008	6,189,205	6,067,994	6,162,691	5,699,638	6,315,031	6,053,537	6,482,361	6,202,842	6,287,696	6,475,319	74,269,136
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost		3,787	3,785	3,765	3,729	7,429	7,410	7,357	7,280	7,321	7,263	7,180	7,105	73,411
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		104,329	101,673	90,111	121,656	104,407	87,572	122,295	107,550	111,602	104,791	135,497	99,779	1,291,265
20 Quality Incentive Payment Program (QIPP)		363,480	368,181	365,569	367,136	358,780	348,335	342,344	335,519	338,144	338,670	339,719	338,669	4,204,546
21 Other Medical Expenses		124,076	129,081	121,150	138,970	106,813	132,760	128,836	111,391	146,587	164,068	134,706	133,319	1,571,757
22 Total Medical Expenses		6,609,486	6,921,728	6,769,800	6,699,485	6,740,120	6,275,715	6,915,863	6,615,277	7,086,015	6,817,634	6,904,798	7,054,191	81,410,115
23 Prescription Expenses (excluding PBM Admin)		1,194,768	1,269,667	1,146,394	1,128,563	1,275,332	1,085,286	1,207,910	1,217,903	1,134,522	1,157,369	1,073,388	1,140,771	14,029,872
24 <b>Total Medical and Prescription Expenses</b>		<b>7,804,255</b>	<b>8,191,395</b>	<b>7,916,194</b>	<b>7,826,048</b>	<b>8,015,453</b>	<b>7,361,001</b>	<b>8,123,773</b>	<b>7,833,180</b>	<b>8,220,537</b>	<b>7,975,003</b>	<b>7,978,186</b>	<b>8,194,962</b>	<b>95,439,986</b>
25 <b>Administrative Expenses</b>		<b>1,035,776</b>	<b>561,476</b>	<b>671,016</b>	<b>666,602</b>	<b>611,777</b>	<b>649,420</b>	<b>876,430</b>	<b>568,968</b>	<b>661,212</b>	<b>589,783</b>	<b>517,796</b>	<b>591,048</b>	<b>8,001,304</b>
26 <b>Total Expenses</b>		<b>8,840,031</b>	<b>8,752,872</b>	<b>8,587,211</b>	<b>8,492,650</b>	<b>8,627,229</b>	<b>8,010,421</b>	<b>9,000,203</b>	<b>8,402,148</b>	<b>8,881,749</b>	<b>8,564,786</b>	<b>8,495,981</b>	<b>8,786,010</b>	<b>103,441,291</b>
27 <b>Net Income Before Taxes</b>		<b>193,066</b>	<b>328,621</b>	<b>456,644</b>	<b>517,169</b>	<b>287,130</b>	<b>818,638</b>	<b>119,667</b>	<b>614,942</b>	<b>222,010</b>	<b>504,633</b>	<b>553,627</b>	<b>(102,529)</b>	<b>4,513,618</b>
28 % Medical Exp to Net Revenues		73.2%	76.2%	74.9%	74.4%	75.6%	71.1%	75.8%	73.4%	77.8%	75.2%	76.3%	81.2%	75.4%
29 % Prescription Exp to Net Revenues		13.2%	14.0%	12.7%	12.5%	14.3%	12.3%	13.2%	13.5%	12.5%	12.8%	11.9%	13.1%	13.0%
30 % Total Medical and Prescription to Net Rev. (MLR)		86.4%	90.2%	87.5%	86.9%	89.9%	83.4%	89.1%	86.9%	90.3%	87.9%	88.2%	94.4%	88.4%
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 <b>% Net Income to Net Revenues</b>		<b>2.1%</b>	<b>3.6%</b>	<b>5.0%</b>	<b>5.7%</b>	<b>3.2%</b>	<b>9.3%</b>	<b>1.3%</b>	<b>6.8%</b>	<b>2.4%</b>	<b>5.6%</b>	<b>6.1%</b>	<b>-1.2%</b>	<b>4.2%</b>
33 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		13.5%	7.3%	8.7%	8.7%	8.1%	8.7%	11.3%	7.4%	8.5%	7.6%	6.7%	7.7%	8.7%
<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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