

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **Molina Healthcare**  
 State Fiscal Year: **2018** Program: **STAR**  
 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		23,563	23,982	24,747	24,770	24,686	24,834	25,217	25,454	25,840	25,945	25,910	26,002	<b>300,950</b>
2 <b>Average Monthly Member Months</b>														<b>25,079</b>
<b>Revenues:</b>														
3 Medical Premiums		4,426,909	4,508,333	4,612,707	4,600,628	4,571,044	4,596,341	5,296,173	5,367,401	5,444,735	5,476,307	5,476,720	5,363,172	59,740,470
4 Delivery Supplemental Payments		385,547	406,770	297,119	321,879	378,473	300,656	382,010	353,713	396,159	392,621	385,547	427,993	4,428,487
5 Pharmacy Premiums		1,007,167	1,023,651	1,050,003	1,046,101	1,041,719	1,052,108	1,068,191	1,079,136	1,092,081	1,097,774	1,099,514	569,590	12,227,035
6 Investment Income		15,527	20,571	20,623	26,507	20,182	23,341	32,838	33,977	42,261	40,461	48,219	45,488	369,996
7 Health Insurance Providers Fee Reimbursement		1,730,145												1,730,145
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		7,565,296	5,959,325	5,980,452	5,995,115	6,011,418	5,972,446	6,779,212	6,834,227	6,975,236	7,007,163	7,010,000	6,406,243	78,496,133
10 Health Insurance Providers Fee & Related Costs		1,699,868												1,699,868
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		132,121	103,928	104,297	104,451	104,847	104,109	118,062	119,004	121,327	121,917	121,831	111,313	1,367,207
13 Maintenance Taxes		1,414	1,439	1,485	1,486	1,481	1,490	1,513	1,527	1,550	1,557	1,555	1,560	18,057
14 <b>Net Revenues</b>		5,731,894	5,853,958	5,874,670	5,889,178	5,905,090	5,866,847	6,659,637	6,713,695	6,852,359	6,883,689	6,886,614	6,293,370	<b>75,411,001</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		3,672,555	4,158,857	3,783,050	4,730,669	4,238,449	3,538,791	4,604,176	4,378,726	4,658,802	4,766,454	4,218,788	5,618,394	52,367,713
16 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		6,126	6,235	6,434	6,440	9,134	9,189	9,330	9,418	9,561	9,600	9,587	9,621	100,675
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		466,329	454,409	413,185	562,660	483,185	409,152	599,426	536,595	563,095	532,101	686,588	558,692	6,265,418
21 Total Medical Expenses		4,145,011	4,619,502	4,202,669	5,299,769	4,730,768	3,957,132	5,212,932	4,924,739	5,231,458	5,308,155	4,914,963	6,186,707	<b>58,733,805</b>
22 Prescription Expenses (excluding PBM Admin)		683,638	738,456	806,895	799,623	1,034,034	954,081	784,790	749,164	695,346	656,358	597,549	673,111	<b>9,173,044</b>
23 <b>Total Medical and Prescription Expenses</b>		4,828,649	5,357,958	5,009,564	6,099,392	5,764,802	4,911,213	5,997,722	5,673,903	5,926,804	5,964,513	5,512,512	6,859,818	67,906,849
24 <b>Administrative Expenses</b>		657,377	362,002	435,967	435,808	405,339	431,625	640,116	423,704	497,782	447,727	394,107	428,450	<b>5,560,005</b>
25 <b>Total Expenses</b>		5,486,026	5,719,960	5,445,531	6,535,200	6,170,141	5,342,838	6,637,839	6,097,608	6,424,586	6,412,240	5,906,619	7,288,268	73,466,856
26 <b>Net Income Before Taxes</b>		245,868	133,998	429,139	(646,022)	(265,051)	524,009	21,798	616,087	427,773	471,449	979,995	(994,898)	<b>1,944,145</b>
27 % Medical Exp to Net Revenues		72.3%	78.9%	71.5%	90.0%	80.1%	67.4%	78.3%	73.4%	76.3%	77.1%	71.4%	98.3%	77.9%
28 % Prescription Exp to Net Revenues		11.9%	12.6%	13.7%	13.6%	17.5%	16.3%	11.8%	11.2%	10.1%	9.5%	8.7%	10.7%	12.2%
29 % Total Medical and Prescription to Net Rev. (MLR)		84.2%	91.5%	85.3%	103.6%	97.6%	83.7%	90.1%	84.5%	86.5%	86.6%	80.0%	109.0%	90.0%
30 % 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%
31 <b>% Net Income to Net Revenues</b>		<b>4.3%</b>	<b>2.3%</b>	<b>7.3%</b>	<b>-11.0%</b>	<b>-4.5%</b>	<b>8.9%</b>	<b>0.3%</b>	<b>9.2%</b>	<b>6.2%</b>	<b>6.8%</b>	<b>14.2%</b>	<b>-15.8%</b>	<b>2.6%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		13.9%	7.5%	9.0%	9.0%	8.3%	9.0%	11.4%	7.5%	8.6%	7.7%	6.8%	7.5%	8.8%
<b>Post-income items:</b>														
33 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.