

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **Molina Healthcare**
 State Fiscal Year: **2018** Program: **STAR**
 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

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
HHSC Managed Care contract costs													
1 Member Months	55,240	54,845	54,683	54,343	53,792	53,188	52,484	51,819	51,252	50,487	49,982	49,671	631,786
2 Average Monthly Member Months													52,649
Revenues:													
3 Medical Premiums	7,628,902	7,553,445	7,500,854	7,428,031	7,346,659	7,265,842	7,914,174	7,810,380	7,743,358	7,633,425	7,558,748	7,369,055	90,752,873
4 Delivery Supplemental Payments	473,983	514,902	416,014	388,734	439,884	330,765	310,305	392,144	334,175	385,324	405,784	460,343	4,852,357
5 Pharmacy Premiums	2,623,568	2,605,990	2,597,879	2,588,007	2,564,866	2,546,976	2,513,187	2,484,373	2,460,164	2,421,904	2,398,040	1,089,817	28,894,771
6 Investment Income	28,619	36,974	36,385	46,208	34,869	39,798	52,266	53,397	64,234	60,637	71,774	63,785	588,947
7 Health Insurance Providers Fee Reimbursement	2,743,031												2,743,031
8 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues	13,498,103	10,711,311	10,551,132	10,450,980	10,386,278	10,183,381	10,789,932	10,740,294	10,601,931	10,501,290	10,434,346	8,983,000	127,831,978
10 Health Insurance Providers Fee & Related Costs	2,695,028												2,695,028
11 Health Insurance Providers Fee (NAIP)	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes	235,716	186,801	184,008	182,084	181,150	177,513	187,909	187,021	184,410	182,711	181,345	156,086	2,226,753
13 Maintenance Taxes	3,314	3,291	3,281	3,261	3,228	3,191	3,149	3,109	3,075	3,029	2,999	2,980	37,907
14 Net Revenues	10,564,045	10,521,219	10,363,843	10,265,636	10,201,901	10,002,677	10,598,874	10,550,164	10,414,446	10,315,549	10,250,002	8,823,933	122,872,290
Medical Expenses:													
15 Fee-For-Service	7,875,815	8,259,419	8,478,163	6,504,647	7,402,315	6,793,654	6,373,644	6,724,843	6,558,943	5,702,331	5,875,844	6,655,784	83,205,401
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	(90,579)	(60,381)	(59,179)	(25,605)	(15,151)	8,367	8,595	14,502	16,355	18,680	18,493	18,378	(147,525)
19 IBNR Accrual - Medical	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement	832,031	816,757	728,969	980,856	834,827	697,629	954,059	843,283	855,870	797,434	1,021,983	783,413	10,147,111
21 Total Medical Expenses	8,617,267	9,015,794	9,147,953	7,459,899	8,221,991	7,499,649	7,336,298	7,582,628	7,431,168	6,518,445	6,916,320	7,457,575	93,204,987
22 Prescription Expenses (excluding PBM Admin)	2,680,350	2,846,055	3,048,963	2,964,510	3,081,071	2,788,299	2,446,799	2,421,865	1,990,296	1,708,261	1,590,455	1,916,166	29,483,089
23 Total Medical and Prescription Expenses	11,297,617	11,861,849	12,196,916	10,424,409	11,303,062	10,287,948	9,783,097	10,004,493	9,421,464	8,226,706	8,506,775	9,373,741	122,688,076
24 Administrative Expenses	1,211,647	650,664	769,163	759,722	700,329	735,946	1,018,823	665,870	756,599	670,986	586,626	600,784	9,127,158
25 Total Expenses	12,509,264	12,512,513	12,966,079	11,184,132	12,003,391	11,023,894	10,801,919	10,670,363	10,178,063	8,897,692	9,093,401	9,974,524	131,815,235
26 Net Income Before Taxes	(1,945,219)	(1,991,294)	(2,602,236)	(918,496)	(1,801,490)	(1,021,217)	(203,045)	(120,199)	236,383	1,417,857	1,156,601	(1,150,591)	(8,942,945)
27 % Medical Exp to Net Revenues	81.6%	85.7%	88.3%	72.7%	80.6%	75.0%	69.2%	71.9%	71.4%	63.2%	67.5%	84.5%	75.9%
28 % Prescription Exp to Net Revenues	25.4%	27.1%	29.4%	28.9%	30.2%	27.9%	23.1%	23.0%	19.1%	16.6%	15.5%	21.7%	24.0%
29 % Total Medical and Prescription to Net Rev. (MLR)	106.9%	112.7%	117.7%	101.5%	110.8%	102.9%	92.3%	94.8%	90.5%	79.8%	83.0%	106.2%	99.9%
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 % Net Income to Net Revenues	-18.4%	-18.9%	-25.1%	-8.9%	-17.7%	-10.2%	-1.9%	-1.1%	2.3%	13.7%	11.3%	-13.0%	-7.3%
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)	15.3%	8.2%	9.9%	9.9%	9.2%	9.9%	12.6%	8.3%	9.5%	8.5%	7.5%	7.8%	9.7%
Post-income items:													
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.