

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: <b>Molina Healthcare</b>	Program: <b>STAR</b>
State Fiscal Year: <b>2018</b>	Service Area: <b>Jefferson</b>
Submission Date: <b>9/3/2019</b>	Rptg Period End Date: <b>8/31/2018</b>
Submission Type: <b>Yr-End 334-Day</b>	

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		4,585	4,630	4,685	4,649	4,567	4,550	4,506	4,507	4,507	4,441	4,425	4,375	<b>54,427</b>
2 <b>Average Monthly Member Months</b>														<b>4,536</b>
<b>Revenues:</b>														
3 Medical Premiums		836,027	840,654	835,600	825,690	824,390	817,232	924,988	922,813	930,366	911,393	912,880	872,232	10,454,265
4 Delivery Supplemental Payments		67,892	71,286	61,102	57,708	108,627	37,340	54,313	57,708	84,865	57,708	57,708	50,919	767,176
5 Pharmacy Premiums		247,661	250,121	250,344	248,418	244,952	245,051	243,056	242,772	241,746	236,294	235,930	137,288	2,823,633
6 Investment Income		3,073	4,025	3,969	5,026	3,968	4,314	5,950	6,112	7,662	7,001	8,357	7,584	67,041
7 Health Insurance Providers Fee Reimbursement		335,316												335,316
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		1,489,969	1,166,086	1,151,015	1,136,842	1,181,937	1,103,937	1,228,307	1,229,405	1,264,639	1,212,396	1,214,875	1,068,023	14,447,431
10 Health Insurance Providers Fee & Related Costs		329,448												329,448
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0	0	0	0	0
12 Premium Taxes		26,021	20,336	20,073	19,807	20,614	19,243	21,391	21,408	21,997	21,094	21,114	18,558	251,657
13 Maintenance Taxes		275	278	281	279	274	273	270	270	270	266	266	263	3,266
14 <b>Net Revenues</b>		<b>1,134,225</b>	<b>1,145,472</b>	<b>1,130,661</b>	<b>1,116,756</b>	<b>1,161,049</b>	<b>1,084,421</b>	<b>1,206,645</b>	<b>1,207,727</b>	<b>1,242,371</b>	<b>1,191,035</b>	<b>1,193,495</b>	<b>1,049,203</b>	<b>13,863,060</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		949,994	883,527	1,204,364	995,556	1,692,969	689,331	713,827	1,392,562	681,823	684,375	1,049,068	938,232	11,875,630
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		1,192	1,204	1,218	1,209	1,690	1,684	1,667	1,668	1,668	1,643	1,637	1,619	18,098
19 IBNR Accrual - Medical		0	0	0	0	0	0	0	0	0	0	0	0	0
20 Quality Improvement		91,843	88,916	79,523	106,696	95,002	75,627	108,608	96,528	102,091	92,065	118,990	93,143	1,149,032
21 Total Medical Expenses		1,043,029	973,647	1,285,105	1,103,461	1,789,660	766,642	824,103	1,490,757	785,582	778,084	1,169,695	1,032,994	<b>13,042,759</b>
22 Prescription Expenses (excluding PBM Admin)		258,016	215,003	189,732	188,787	194,700	165,514	159,049	161,384	162,330	117,733	123,764	171,662	<b>2,107,673</b>
23 <b>Total Medical and Prescription Expenses</b>		<b>1,301,045</b>	<b>1,188,650</b>	<b>1,474,837</b>	<b>1,292,248</b>	<b>1,984,360</b>	<b>932,156</b>	<b>983,152</b>	<b>1,652,141</b>	<b>947,912</b>	<b>895,817</b>	<b>1,293,459</b>	<b>1,204,656</b>	<b>15,150,432</b>
24 <b>Administrative Expenses</b>		<b>130,081</b>	<b>70,834</b>	<b>83,907</b>	<b>82,641</b>	<b>79,696</b>	<b>79,781</b>	<b>115,981</b>	<b>76,220</b>	<b>90,250</b>	<b>77,467</b>	<b>68,301</b>	<b>71,429</b>	<b>1,026,589</b>
25 <b>Total Expenses</b>		<b>1,431,126</b>	<b>1,259,484</b>	<b>1,558,744</b>	<b>1,374,889</b>	<b>2,064,056</b>	<b>1,011,937</b>	<b>1,099,133</b>	<b>1,728,361</b>	<b>1,038,162</b>	<b>973,284</b>	<b>1,361,760</b>	<b>1,276,085</b>	<b>16,177,021</b>
26 <b>Net Income Before Taxes</b>		<b>(296,901)</b>	<b>(114,012)</b>	<b>(428,083)</b>	<b>(258,133)</b>	<b>(903,007)</b>	<b>72,484</b>	<b>107,512</b>	<b>(520,634)</b>	<b>204,209</b>	<b>217,751</b>	<b>(168,265)</b>	<b>(226,882)</b>	<b>(2,313,961)</b>
27 % Medical Exp to Net Revenues		92.0%	85.0%	113.7%	98.8%	154.1%	70.7%	68.3%	123.4%	63.2%	65.3%	98.0%	98.5%	94.1%
28 % Prescription Exp to Net Revenues		22.7%	18.8%	16.8%	16.9%	16.8%	15.3%	13.2%	13.4%	13.1%	9.9%	10.4%	16.4%	15.2%
29 % Total Medical and Prescription to Net Rev. (MLR)		114.7%	103.8%	130.4%	115.7%	170.9%	86.0%	81.5%	136.8%	76.3%	75.2%	108.4%	114.8%	109.3%
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>-26.2%</b>	<b>-10.0%</b>	<b>-37.9%</b>	<b>-23.1%</b>	<b>-77.8%</b>	<b>6.7%</b>	<b>8.9%</b>	<b>-43.1%</b>	<b>16.4%</b>	<b>18.3%</b>	<b>-14.1%</b>	<b>-21.6%</b>	<b>-16.7%</b>
32 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		14.7%	7.9%	9.5%	9.5%	8.7%	9.5%	12.0%	7.9%	9.0%	8.1%	7.1%	7.8%	9.3%
<b>Post-income items:</b>														
33 Performance Assessment														<b>0</b>

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.