

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.

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Molina Healthcare	Program: CHIP
State Fiscal Year: 2016	Service Area: Jefferson
Submission Date: 6/30/2016	Rptg Period End Date: 5/31/2016
Submission Type: Quarterly	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		247	227	231	242	228	221	244	234	231	0	0	0	2,105
2 Average Monthly Member Months														234
Revenues:														
3 Medical Premiums		34,319	29,690	30,676	35,546	32,102	30,036	37,538	31,437	29,688	0	0	0	291,032
4 Delivery Supplemental Payments		0	0	0	0	3,100	0	0	0	0	0	0	0	3,100
5 Pharmacy Premiums		7,015	6,469	6,627	6,908	6,516	6,391	6,987	6,751	6,743	0	0	0	60,407
6 Investment Income		28	26	28	42	48	46	64	66	64				412
7 Health Insurance Providers Fee Reimbursement		13,749												13,749
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		55,111	36,185	37,331	42,496	41,766	36,473	44,589	38,254	36,495	0	0	0	368,700
10 Health Insurance Providers Fee & Related Costs		13,509												13,509
11 Premium Taxes		964	633	653	743	730	637	779	668	638				6,445
12 Maintenance Taxes		17	16	16	17	16	15	17	16	16				147
13 Net Revenues		40,621	35,536	36,662	41,736	41,020	35,820	43,793	37,569	35,841	0	0	0	348,599
Medical Expenses:														
14 Fee-For-Service		25,962	22,243	19,566	70,584	19,090	24,160	30,596	23,679	13,662	0	0	0	249,541
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		28	26	26	27	23	23	24	24	24	0	0	0	226
18 IBNR Accrual - Medical		47	52	58	204	116	313	1,413	4,085	20,486	0	0	0	26,774
19 Total Medical Expenses		26,037	22,321	19,650	70,815	19,229	24,496	32,033	27,788	34,172	0	0	0	276,541
20 Prescription Expenses (excluding PBM Admin)		7,549	13,051	5,666	4,549	9,063	5,600	11,052	10,383	15,167	0	0	0	82,078
21 Total Medical and Prescription Expenses		33,586	35,372	25,316	75,364	28,292	30,096	43,085	38,171	49,339	0	0	0	358,619
22 Administrative Expenses		4,308	3,687	3,744	4,307	4,094	2,845	4,372	3,545	3,947				34,849
23 Total Expenses		37,894	39,059	29,060	79,671	32,386	32,940	47,457	41,715	53,285	0	0	0	393,467
24 Net Income Before Taxes		2,727	(3,523)	7,602	(37,935)	8,634	2,880	(3,664)	(4,146)	(17,444)	0	0	0	(44,868)
25 % Medical Exp to Net Revenues		64.1%	62.8%	53.6%	169.7%	46.9%	68.4%	73.1%	74.0%	95.3%	0.0%	0.0%	0.0%	79.3%
26 % Prescription Exp to Net Revenues		18.6%	36.7%	15.5%	10.9%	22.1%	15.6%	25.2%	27.6%	42.3%	0.0%	0.0%	0.0%	23.5%
27 % Total Medical and Prescription to Net Rev. (MLR)		82.7%	99.5%	69.1%	180.6%	69.0%	84.0%	98.4%	101.6%	137.7%	0.0%	0.0%	0.0%	102.9%
28 % Admin Exp to Net Revenues		10.6%	10.4%	10.2%	10.3%	10.0%	7.9%	10.0%	9.4%	11.0%	0.0%	0.0%	0.0%	10.0%
29 % Net Income to Net Revenues		6.7%	-9.9%	20.7%	-90.9%	21.0%	8.0%	-8.4%	-11.0%	-48.7%	0.0%	0.0%	0.0%	-12.9%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		12.8%	12.7%	12.5%	12.4%	11.9%	9.7%	11.9%	11.5%	13.6%	0.0%	0.0%	0.0%	12.1%
Post-income items:														
31 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.