

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**
 State Fiscal Year: **2016**
 Submission Date: **6/30/2016**
 Submission Type: **Quarterly**
 Program: **STAR+PLUS**
 Service Area: **Hidalgo**
 Rptg Period End Date: **5/31/2016**

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:												YTD
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
1 Member Months	15,702	15,590	15,718	15,762	15,496	15,670	15,712	15,849	15,827	0	0	0	141,326
2 Average Monthly Member Months													15,703
Revenues:													
3 Medical Premiums	22,581,104	21,714,753	21,923,169	22,035,214	21,602,526	21,785,160	21,863,654	21,903,042	21,770,886	0	0	0	197,179,508
4 Pharmacy Premiums	1,926,946	1,934,920	1,946,804	1,956,241	1,954,132	1,964,121	1,962,135	1,962,983	1,952,809	0	0	0	17,561,091
5 Investment Income	16,636	16,966	17,662	23,589	27,296	30,275	34,068	41,454	41,647				249,592
6 Health Insurance Providers Fee Reimbursement	1,548,621												1,548,621
7 Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Gross Revenues	26,073,306	23,666,639	23,887,635	24,015,044	23,583,954	23,779,556	23,859,857	23,907,479	23,765,342	0	0	0	216,538,811
9 Health Insurance Providers Fee & Related Costs	1,521,520												1,521,520
10 Health Insurance Providers Fee (NAIP)	0	0	0	0	0	0	0	0	0				0
11 Premium Taxes	455,992	413,869	417,725	419,850	412,242	415,612	416,951	417,655	415,165				3,785,061
12 Maintenance Taxes	1,099	1,091	1,100	1,103	1,085	1,097	1,100	1,109	1,108				9,893
13 Net Revenues	24,094,695	23,251,678	23,468,810	23,594,090	23,170,628	23,362,847	23,441,806	23,488,714	23,349,069	0	0	0	211,222,338
Medical Expenses:													
14 Fee-For-Service	16,057,200	16,151,860	15,744,925	16,568,640	15,684,463	15,065,626	15,850,103	14,397,603	6,752,294	0	0	0	132,272,714
15 Capitated Services	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Net Reinsurance cost	(17,009)	(17,740)	(16,968)	(28,578)	5,964	5,993	5,976	5,987	5,946	0	0	0	(50,419)
17 BNR Accrual - Medical	86,188	111,460	134,350	792,801	828,852	1,101,293	1,560,725	2,736,179	11,748,918	0	0	0	19,100,766
18 Minimum Payment Amount Program (MPAP)	726,033	577,605	587,232	0	0	0	0	0	0	0	0	0	1,890,870
19 Other Medical Expenses	555,478	537,343	499,919	584,165	548,782	733,055	555,125	587,808	848,990	0	0	0	5,450,665
20 Total Medical Expenses	17,407,890	17,360,528	16,949,468	17,917,028	17,068,061	16,905,967	17,971,929	17,727,577	19,356,148	0	0	0	158,664,596
21 Prescription Expenses (excluding PBM Admin)	2,057,114	1,906,030	1,861,597	2,014,237	2,080,074	2,035,843	2,192,877	1,955,954	2,105,165	0	0	0	18,189,890
22 Total Medical and Prescription Expenses	19,465,004	19,266,558	18,811,065	19,931,265	19,128,135	18,941,810	20,164,806	19,683,531	21,461,313	0	0	0	176,853,486
23 Administrative Expenses	2,038,217	2,411,568	2,395,820	2,434,112	2,311,984	1,854,551	2,339,392	2,215,404	2,570,096				20,571,143
24 Total Expenses	21,503,221	21,678,126	21,206,886	22,365,377	21,440,118	20,796,361	22,504,198	21,898,934	24,031,409	0	0	0	197,424,630
25 Net Income Before Taxes	2,591,474	1,573,552	2,261,924	1,228,713	1,730,510	2,566,486	937,608	1,589,780	(682,340)	0	0	0	13,797,708
26 % Medical Exp to Net Revenues	72.2%	74.7%	72.2%	75.9%	73.7%	72.4%	76.7%	75.5%	82.9%	0.0%	0.0%	0.0%	75.1%
27 % Prescription Exp to Net Revenues	8.5%	8.2%	7.9%	8.5%	8.9%	8.7%	9.4%	8.3%	9.0%	0.0%	0.0%	0.0%	8.6%
28 % Total Medical and Prescription to Net Rev. (MLR)	80.8%	82.9%	80.2%	84.5%	82.6%	81.1%	86.0%	83.8%	91.9%	0.0%	0.0%	0.0%	83.7%
29 % Admin Exp to Net Revenues	8.5%	10.4%	10.2%	10.3%	10.0%	7.9%	10.0%	9.4%	11.0%	0.0%	0.0%	0.0%	9.7%
30 % Net Income to Net Revenues	10.8%	6.8%	9.6%	5.2%	7.5%	11.0%	4.0%	6.8%	-2.9%	0.0%	0.0%	0.0%	6.5%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)	9.2%	11.3%	11.1%	11.2%	10.9%	8.7%	10.9%	10.3%	12.0%	0.0%	0.0%	0.0%	10.6%
Post-income items:													
32 Performance Assessment													0
Not Included in Total Expenses Above:													
Medicare Cost-sharing & Wrap-around Rx													
33 Medicare Portion of Rx Expense	27,979	24,269	22,943	26,324	25,475	23,795	24,800	20,505	22,184				218,275
34 Reimbursement Received	24,766	23,736	22,363	25,866	24,337	5,984	0	0	0				127,051
35 Net Unreimbursed Expense	3,213	534	580	458	1,138	17,811	24,800	20,505	22,184	0	0	0	91,224
36 Number of Prescriptions (Rx) corresponding to Expense	2,695	2,600	2,637	2,823	2,872	2,772	2,948	2,790	2,876				25,013

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 BNR estimates.