

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: STAR
State Fiscal Year: 2016	Service Area: Dallas
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		19,644	19,715	19,792	20,060	19,929	19,856	19,815	19,409	18,999	0	0	0	177,219
2 Average Monthly Member Months														19,691
Revenues:														
3 Medical Premiums		3,904,853	3,902,734	3,908,193	3,969,925	3,945,266	3,947,249	3,952,369	3,855,704	3,716,956	0	0	0	35,103,249
4 Delivery Supplemental Payments		544,718	403,233	321,879	343,102	336,027	343,101	336,027	314,805	159,171	0	0	0	3,102,063
5 Pharmacy Premiums		771,455	774,429	774,803	784,435	778,140	773,976	771,219	754,229	737,861	0	0	0	6,920,547
6 Investment Income		3,544	3,645	3,703	5,012	5,863	6,456	7,235	8,554	8,100				52,111
7 Health Insurance Providers Fee Reimbursement		1,578,396												1,578,396
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		6,802,966	5,084,041	5,008,578	5,102,474	5,065,296	5,070,782	5,066,850	4,933,292	4,622,088	0	0	0	46,756,365
10 Health Insurance Providers Fee & Related Costs		1,550,774												1,550,774
11 Health Insurance Providers Fee (NAIP)		5,785	5,806	5,829	5,908	5,869	5,848	5,836	5,716	5,595				52,192
12 Premium Taxes		118,990	88,907	87,585	89,206	88,540	88,626	88,543	86,183	80,745				817,324
13 Maintenance Taxes		1,375	1,380	1,385	1,404	1,395	1,390	1,387	1,359	1,330				12,405
14 Net Revenues		5,126,042	4,987,948	4,913,778	5,005,956	4,969,492	4,974,918	4,971,084	4,840,034	4,534,418	0	0	0	44,323,672
Medical Expenses:														
15 Fee-For-Service		3,297,459	3,475,361	3,544,339	3,875,674	3,571,274	3,917,277	3,671,829	3,010,549	1,875,565	0	0	0	30,239,327
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		3,345	3,364	(2,876)	3,420	4,783	4,765	4,756	4,658	4,560	0	0	0	30,775
19 IBNR Accrual - Medical		7,176	25,781	45,496	67,096	84,006	193,882	513,504	572,162	2,871,611	0	0	0	4,380,714
20 Total Medical Expenses		3,307,980	3,504,506	3,586,959	3,946,190	3,660,063	4,115,924	4,190,089	3,587,369	4,751,736	0	0	0	34,650,816
21 Prescription Expenses (excluding PBM Admin)		593,614	605,618	639,311	636,963	707,002	718,427	839,863	679,031	648,920	0	0	0	6,068,749
22 Total Medical and Prescription Expenses		3,901,594	4,110,124	4,226,270	4,583,153	4,367,065	4,834,351	5,029,952	4,266,400	5,400,656	0	0	0	40,719,565
23 Administrative Expenses		531,805	518,050	502,337	517,176	496,561	395,467	496,790	457,147	499,854				4,415,188
24 Total Expenses		4,433,399	4,628,174	4,728,608	5,100,328	4,863,627	5,229,817	5,526,743	4,723,547	5,900,511	0	0	0	45,134,754
25 Net Income Before Taxes		692,643	359,774	185,170	(94,372)	105,865	(254,899)	(555,659)	116,487	(1,366,093)	0	0	0	(811,082)
26 % Medical Exp to Net Revenues		64.5%	70.3%	73.0%	78.8%	73.7%	82.7%	84.3%	74.1%	104.8%	0.0%	0.0%	0.0%	78.2%
27 % Prescription Exp to Net Revenues		11.6%	12.1%	13.0%	12.7%	14.2%	14.4%	16.9%	14.0%	14.3%	0.0%	0.0%	0.0%	13.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		76.1%	82.4%	86.0%	91.6%	87.9%	97.2%	101.2%	88.1%	119.1%	0.0%	0.0%	0.0%	91.9%
29 % Admin Exp to Net Revenues		10.4%	10.4%	10.2%	10.3%	10.0%	7.9%	10.0%	9.4%	11.0%	0.0%	0.0%	0.0%	10.0%
30 % Net Income to Net Revenues		13.5%	7.2%	3.8%	-1.9%	2.1%	-5.1%	-11.2%	2.4%	-30.1%	0.0%	0.0%	0.0%	-1.8%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		12.2%	12.3%	12.1%	12.3%	11.8%	9.4%	11.8%	11.2%	13.2%	0.0%	0.0%	0.0%	11.8%
Post-income items:														
32 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.