

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: El Paso
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		3,540	3,556	3,561	3,539	3,515	3,491	3,533	3,487	3,412	0	0	0	31,634
2 Average Monthly Member Months														3,515
Revenues:														
3 Medical Premiums		481,632	479,645	481,004	476,968	474,089	472,263	481,787	473,367	458,625	0	0	0	4,279,380
4 Delivery Supplemental Payments		58,532	51,646	51,646	48,203	34,430	44,759	44,760	41,316	6,886	0	0	0	382,178
5 Pharmacy Premiums		114,196	115,115	115,721	114,228	114,033	112,936	114,338	112,338	109,739	0	0	0	1,022,644
6 Investment Income		444	464	480	629	721	803	916	1,089	1,010				6,556
7 Health Insurance Providers Fee Reimbursement		213,034												213,034
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		867,838	646,870	648,851	640,028	623,273	630,761	641,801	628,110	576,260	0	0	0	5,903,792
10 Health Insurance Providers Fee & Related Costs		209,306												209,306
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		15,179	11,312	11,346	11,189	10,895	11,024	11,215	10,973	10,067				103,202
13 Maintenance Taxes		248	249	249	248	246	244	247	244	239				2,214
14 Net Revenues		643,105	635,309	637,255	628,591	612,132	619,492	630,338	616,893	565,954	0	0	0	5,589,070
Medical Expenses:														
15 Fee-For-Service		678,424	498,223	554,499	525,648	441,851	493,639	460,554	399,374	303,626	0	0	0	4,355,839
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		885	889	890	885	844	838	848	837	819	0	0	0	7,734
19 IBNR Accrual - Medical		1,847	3,125	7,651	8,968	9,075	19,659	49,200	71,616	223,623	0	0	0	394,764
20 Total Medical Expenses		681,156	502,237	563,040	535,501	451,770	514,136	510,602	471,827	528,068	0	0	0	4,758,337
21 Prescription Expenses (excluding PBM Admin)		103,075	117,342	96,566	111,130	123,795	122,247	119,954	109,606	113,599	0	0	0	1,017,314
22 Total Medical and Prescription Expenses		784,231	619,579	659,606	646,631	575,565	636,383	630,556	581,433	641,667	0	0	0	5,775,651
23 Administrative Expenses		67,841	65,914	65,077	64,872	61,101	49,193	62,927	58,204	62,319				557,448
24 Total Expenses		852,073	685,494	724,683	711,503	636,666	685,575	693,483	639,637	703,986	0	0	0	6,333,100
25 Net Income Before Taxes		(208,968)	(50,185)	(87,428)	(82,912)	(24,534)	(66,083)	(63,145)	(22,744)	(138,032)	0	0	0	(744,030)
26 % Medical Exp to Net Revenues		105.9%	79.1%	88.4%	85.2%	73.8%	83.0%	81.0%	76.5%	93.3%	0.0%	0.0%	0.0%	85.1%
27 % Prescription Exp to Net Revenues		16.0%	18.5%	15.2%	17.7%	20.2%	19.7%	19.0%	17.8%	20.1%	0.0%	0.0%	0.0%	18.2%
28 % Total Medical and Prescription to Net Rev. (MLR)		121.9%	97.5%	103.5%	102.9%	94.0%	102.7%	100.0%	94.3%	113.4%	0.0%	0.0%	0.0%	103.3%
29 % Admin Exp to Net Revenues		10.5%	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		-32.5%	-7.9%	-13.7%	-13.2%	-4.0%	-10.7%	-10.0%	-3.7%	-24.4%	0.0%	0.0%	0.0%	-13.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		12.8%	12.7%	12.5%	12.6%	12.3%	9.7%	12.2%	11.5%	13.7%	0.0%	0.0%	0.0%	12.2%
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.