

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: 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		3,612	3,649	3,515	3,516	3,543	3,602	3,731	3,550	3,437	0	0	0	32,155
2 Average Monthly Member Months														3,573
Revenues:														
3 Medical Premiums		634,600	641,380	605,669	612,208	629,206	640,998	660,354	587,670	541,782	0	0	0	5,553,867
4 Delivery Supplemental Payments		6,200	0	0	0	0	0	3,100	3,100	0	0	0	0	12,400
5 Pharmacy Premiums		76,197	77,013	74,741	74,583	74,467	75,792	78,707	76,912	75,854	0	0	0	684,266
6 Investment Income		487	515	503	675	815	914	1,061	1,160	1,084				7,215
7 Health Insurance Providers Fee Reimbursement		231,272												231,272
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		948,756	718,908	680,913	687,466	704,488	717,704	743,222	668,842	618,720	0	0	0	6,489,020
10 Health Insurance Providers Fee & Related Costs		227,225												227,225
11 Premium Taxes		16,595	12,572	11,907	12,019	12,314	12,544	12,988	11,684	10,809				113,432
12 Maintenance Taxes		253	255	246	246	248	252	261	249	241				2,251
13 Net Revenues		704,684	706,081	668,760	675,201	691,926	704,908	729,973	656,909	607,671	0	0	0	6,146,112
Medical Expenses:														
14 Fee-For-Service		443,215	491,356	395,499	345,385	360,241	394,420	402,419	324,093	176,649	0	0	0	3,333,279
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		317	320	314	311	284	288	300	302	304	0	0	0	2,738
18 IBNR Accrual - Medical		788	1,132	1,040	1,196	2,629	6,337	18,747	61,664	314,177	0	0	0	407,710
19 Total Medical Expenses		444,320	492,808	396,853	346,892	363,154	401,045	421,466	386,059	491,130	0	0	0	3,743,727
20 Prescription Expenses (excluding PBM Admin)		65,991	67,778	52,279	50,508	64,736	68,545	81,753	70,801	66,027	0	0	0	588,417
21 Total Medical and Prescription Expenses		510,311	560,586	449,132	397,400	427,890	469,590	503,219	456,860	557,157	0	0	0	4,332,144
22 Administrative Expenses		74,167	73,255	68,292	69,680	69,062	55,973	72,871	61,979	66,911				612,191
23 Total Expenses		584,477	633,841	517,424	467,080	496,953	525,563	576,090	518,839	624,068	0	0	0	4,944,335
24 Net Income Before Taxes		120,207	72,240	151,336	208,121	194,973	179,345	153,883	138,070	(16,397)	0	0	0	1,201,777
25 % Medical Exp to Net Revenues		63.1%	69.8%	59.3%	51.4%	52.5%	56.9%	57.7%	58.8%	80.8%	0.0%	0.0%	0.0%	60.9%
26 % Prescription Exp to Net Revenues		9.4%	9.6%	7.8%	7.5%	9.4%	9.7%	11.2%	10.8%	10.9%	0.0%	0.0%	0.0%	9.6%
27 % Total Medical and Prescription to Net Rev. (MLR)		72.4%	79.4%	67.2%	58.9%	61.8%	66.6%	68.9%	69.5%	91.7%	0.0%	0.0%	0.0%	70.5%
28 % 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%
29 % Net Income to Net Revenues		17.1%	10.2%	22.6%	30.8%	28.2%	25.4%	21.1%	21.0%	-2.7%	0.0%	0.0%	0.0%	19.6%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.8%	11.6%	11.5%	11.6%	11.2%	8.9%	11.2%	10.7%	12.6%	0.0%	0.0%	0.0%	11.2%
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.