

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: C-RSA
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		36,120	36,149	35,559	35,230	34,689	34,196	34,263	33,120	32,175	0	0	0	311,501
2 Average Monthly Member Months														34,611
Revenues:														
3 Medical Premiums		3,454,746	3,416,303	3,307,268	3,254,899	3,194,641	3,143,725	3,127,361	2,924,229	2,811,103	0	0	0	28,634,275
4 Delivery Supplemental Payments		6,200	12,400	3,100	15,500	15,500	3,100	9,300	0	3,100	0	0	0	68,200
5 Pharmacy Premiums		1,191,733	1,193,045	1,174,384	1,163,738	1,146,670	1,130,758	1,133,016	1,096,872	1,066,652	0	0	0	10,296,868
6 Investment Income		3,158	3,316	3,318	4,360	5,048	5,453	6,105	6,984	6,813				44,556
7 Health Insurance Providers Fee Reimbursement		1,527,220												1,527,220
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		6,183,057	4,625,064	4,488,070	4,438,497	4,361,859	4,283,036	4,275,782	4,028,085	3,887,668	0	0	0	40,571,118
10 Health Insurance Providers Fee & Related Costs		1,500,494												1,500,494
11 Premium Taxes		108,148	80,881	78,483	77,597	76,244	74,858	74,719	70,369	67,915				709,215
12 Maintenance Taxes		1,861	1,849	1,794	1,774	1,743	1,711	1,708	1,608	1,552				15,600
13 Net Revenues		4,572,554	4,542,335	4,407,793	4,359,126	4,283,872	4,206,467	4,199,355	3,956,107	3,818,201	0	0	0	38,345,810
Medical Expenses:														
14 Fee-For-Service		2,956,748	3,174,776	2,750,106	2,967,191	2,812,996	3,103,564	2,943,244	2,445,866	1,105,692	0	0	0	24,260,184
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		4,249	4,272	4,227	4,198	3,820	3,768	3,785	3,701	3,607	0	0	0	35,626
18 IBNR Accrual - Medical		5,860	8,203	8,537	11,671	27,422	60,880	142,144	408,633	1,662,075	0	0	0	2,335,425
19 Total Medical Expenses		2,966,857	3,187,251	2,762,870	2,983,060	2,844,238	3,168,212	3,089,173	2,858,200	2,771,374	0	0	0	26,631,235
20 Prescription Expenses (excluding PBM Admin)		981,970	978,909	885,261	947,257	951,966	1,034,261	992,872	955,661	859,596	0	0	0	8,587,754
21 Total Medical and Prescription Expenses		3,948,827	4,166,160	3,648,131	3,930,317	3,796,204	4,202,473	4,082,045	3,813,861	3,630,970	0	0	0	35,218,989
22 Administrative Expenses		483,345	471,282	450,133	449,876	427,602	334,031	419,228	373,265	420,431				3,829,194
23 Total Expenses		4,432,173	4,637,442	4,098,264	4,380,193	4,223,806	4,536,504	4,501,274	4,187,127	4,051,400	0	0	0	39,048,183
24 Net Income Before Taxes		140,381	(95,107)	309,529	(21,067)	60,066	(330,037)	(301,919)	(231,020)	(233,199)	0	0	0	(702,373)
25 % Medical Exp to Net Revenues		64.9%	70.2%	62.7%	68.4%	66.4%	75.3%	73.6%	72.2%	72.6%	0.0%	0.0%	0.0%	69.5%
26 % Prescription Exp to Net Revenues		21.5%	21.6%	20.1%	21.7%	22.2%	24.6%	23.6%	24.2%	22.5%	0.0%	0.0%	0.0%	22.4%
27 % Total Medical and Prescription to Net Rev. (MLR)		86.4%	91.7%	82.8%	90.2%	88.6%	99.9%	97.2%	96.4%	95.1%	0.0%	0.0%	0.0%	91.8%
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		3.1%	-2.1%	7.0%	-0.5%	1.4%	-7.8%	-7.2%	-5.8%	-6.1%	0.0%	0.0%	0.0%	-1.8%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		14.3%	14.1%	13.9%	14.1%	13.6%	10.9%	13.7%	13.1%	15.3%	0.0%	0.0%	0.0%	13.7%
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.