

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: Harris / Houston
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		12,515	12,568	12,645	12,684	12,731	12,757	12,753	12,612	12,373	0	0	0	113,638
2 Average Monthly Member Months														12,626
Revenues:														
3 Medical Premiums		2,272,273	2,287,075	2,313,715	2,312,728	2,366,375	2,386,614	2,410,689	2,364,912	2,314,192	0	0	0	21,028,573
4 Delivery Supplemental Payments		105,576	105,576	165,402	119,653	235,786	228,748	214,672	147,806	56,307	0	0	0	1,379,526
5 Pharmacy Premiums		479,047	482,715	486,471	486,417	489,033	490,137	490,436	485,592	478,322	0	0	0	4,368,170
6 Investment Income		1,939	2,063	2,194	2,870	3,582	3,959	4,455	5,208	5,001				31,271
7 Health Insurance Providers Fee Reimbursement		954,724												954,724
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		3,813,559	2,877,429	2,967,782	2,921,668	3,094,776	3,109,458	3,120,252	3,003,518	2,853,822	0	0	0	27,762,264
10 Health Insurance Providers Fee & Related Costs		938,016												938,016
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		66,703	50,319	51,898	51,079	54,096	54,346	54,526	52,470	49,854				485,292
13 Maintenance Taxes		876	880	885	888	891	893	893	883	866				7,955
14 Net Revenues		2,807,963	2,826,230	2,914,999	2,869,701	3,039,789	3,054,219	3,064,833	2,950,165	2,803,102	0	0	0	26,331,001
Medical Expenses:														
15 Fee-For-Service		2,172,065	1,833,111	1,982,509	2,074,140	2,952,375	2,628,847	2,740,968	2,284,086	984,468	0	0	0	19,652,570
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		3,129	3,142	3,161	3,171	3,055	3,062	3,061	3,027	2,970	0	0	0	27,777
19 IBNR Accrual - Medical		5,405	13,602	24,702	43,501	85,826	137,203	480,546	484,735	1,522,269	0	0	0	2,797,789
20 Total Medical Expenses		2,180,599	1,849,855	2,010,372	2,120,812	3,041,256	2,769,112	3,224,575	2,771,848	2,509,707	0	0	0	22,478,136
21 Prescription Expenses (excluding PBM Admin)		393,586	369,461	367,275	405,060	394,563	459,217	460,066	451,244	397,702	0	0	0	3,698,174
22 Total Medical and Prescription Expenses		2,574,185	2,219,316	2,377,647	2,525,872	3,435,819	3,228,329	3,684,641	3,223,092	2,907,409	0	0	0	26,176,310
23 Administrative Expenses		298,116	293,202	297,655	296,134	303,387	242,504	305,932	278,323	308,626				2,623,879
24 Total Expenses		2,872,301	2,512,519	2,675,302	2,822,005	3,739,206	3,470,833	3,990,573	3,501,415	3,216,034	0	0	0	28,800,188
25 Net Income Before Taxes		(64,338)	313,711	239,697	47,696	(699,417)	(416,614)	(925,740)	(551,250)	(412,932)	0	0	0	(2,469,187)
26 % Medical Exp to Net Revenues		77.7%	65.5%	69.0%	73.9%	100.0%	90.7%	105.2%	94.0%	89.5%	0.0%	0.0%	0.0%	85.4%
27 % Prescription Exp to Net Revenues		14.0%	13.1%	12.6%	14.1%	13.0%	15.0%	15.0%	15.3%	14.2%	0.0%	0.0%	0.0%	14.0%
28 % Total Medical and Prescription to Net Rev. (MLR)		91.7%	78.5%	81.6%	88.0%	113.0%	105.7%	120.2%	109.3%	103.7%	0.0%	0.0%	0.0%	99.4%
29 % 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%
30 % Net Income to Net Revenues		-2.3%	11.1%	8.2%	1.7%	-23.0%	-13.6%	-30.2%	-18.7%	-14.7%	0.0%	0.0%	0.0%	-9.4%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		12.8%	12.5%	12.3%	12.4%	11.9%	9.5%	11.9%	11.3%	13.3%	0.0%	0.0%	0.0%	11.9%
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.