

## 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: <b>Molina Healthcare</b>	Program: <b>STAR</b>
State Fiscal Year: <b>2016</b>	Service Area: <b>Hidalgo</b>
Submission Date: <b>6/30/2016</b>	Rptg Period End Date: <b>5/31/2016</b>
Submission Type: <b>Quarterly</b>	

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		61,472	61,484	61,408	61,309	61,131	61,151	60,827	60,071	58,639	0	0	0	547,492
2 <b>Average Monthly Member Months</b>														<b>60,832</b>
<b>Revenues:</b>														
3 Medical Premiums		8,518,805	8,515,124	8,499,313	8,479,443	8,450,720	8,471,096	8,467,479	8,342,455	8,107,353	0	0	0	75,851,788
4 Delivery Supplemental Payments		620,611	583,101	542,182	525,132	555,822	497,853	555,822	487,623	208,007	0	0	0	4,576,153
5 Pharmacy Premiums		2,962,227	2,963,023	2,958,103	2,952,524	2,946,494	2,950,058	2,934,080	2,899,183	2,830,768	0	0	0	26,396,460
6 Investment Income		8,214	8,653	8,879	11,757	13,850	15,194	17,098	20,373	19,567				123,584
7 Health Insurance Providers Fee Reimbursement		3,963,585												3,963,585
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		16,073,442	12,069,901	12,008,477	11,968,856	11,966,886	11,934,201	11,974,479	11,749,634	11,165,695	0	0	0	110,911,570
10 Health Insurance Providers Fee & Related Costs		3,894,222												3,894,222
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		281,141	211,072	209,993	209,249	209,178	208,583	209,254	205,262	195,057				1,938,790
13 Maintenance Taxes		4,303	4,304	4,299	4,292	4,279	4,281	4,258	4,205	4,105				38,324
14 <b>Net Revenues</b>		<b>11,893,776</b>	<b>11,854,525</b>	<b>11,794,185</b>	<b>11,755,315</b>	<b>11,753,429</b>	<b>11,721,338</b>	<b>11,760,967</b>	<b>11,540,167</b>	<b>10,966,533</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,040,235</b>
<b>Medical Expenses:</b>														
15 Fee-For-Service		7,778,196	7,409,990	7,141,973	7,278,233	8,107,624	8,339,931	7,794,480	7,021,666	3,910,850	0	0	0	64,782,941
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		15,368	15,371	15,352	15,327	14,671	14,676	14,598	14,417	14,073	0	0	0	133,855
19 IBNR Accrual - Medical		18,527	38,382	61,647	81,585	200,891	280,183	689,807	1,051,579	5,742,521	0	0	0	8,165,122
20 Total Medical Expenses		7,812,091	7,463,743	7,218,972	7,375,145	8,323,186	8,634,790	8,498,885	8,087,662	9,667,444	0	0	0	73,081,918
21 Prescription Expenses (excluding PBM Admin)		2,927,121	2,824,094	2,750,962	2,761,309	3,112,925	3,220,994	2,902,007	2,912,795	2,676,108	0	0	0	26,088,316
22 <b>Total Medical and Prescription Expenses</b>		<b>10,739,212</b>	<b>10,287,837</b>	<b>9,969,934</b>	<b>10,136,454</b>	<b>11,436,111</b>	<b>11,855,784</b>	<b>11,400,892</b>	<b>11,000,457</b>	<b>12,343,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99,170,234</b>
23 <b>Administrative Expenses</b>		<b>1,256,502</b>	<b>1,229,891</b>	<b>1,204,395</b>	<b>1,213,137</b>	<b>1,173,139</b>	<b>930,740</b>	<b>1,174,064</b>	<b>1,088,788</b>	<b>1,207,511</b>				<b>10,478,167</b>
24 <b>Total Expenses</b>		<b>11,995,714</b>	<b>11,517,728</b>	<b>11,174,329</b>	<b>11,349,591</b>	<b>12,609,250</b>	<b>12,786,524</b>	<b>12,574,956</b>	<b>12,089,245</b>	<b>13,551,063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>109,648,400</b>
25 <b>Net Income Before Taxes</b>		<b>(101,938)</b>	<b>336,797</b>	<b>619,856</b>	<b>405,724</b>	<b>(855,821)</b>	<b>(1,065,186)</b>	<b>(813,989)</b>	<b>(549,078)</b>	<b>(2,584,530)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,608,165)</b>
<b>% Ratios:</b>														
26 % Medical Exp to Net Revenues		65.7%	63.0%	61.2%	62.7%	70.8%	73.7%	72.3%	70.1%	88.2%	0.0%	0.0%	0.0%	69.6%
27 % Prescription Exp to Net Revenues		24.6%	23.8%	23.3%	23.5%	26.5%	27.5%	24.7%	25.2%	24.4%	0.0%	0.0%	0.0%	24.8%
28 % Total Medical and Prescription to Net Rev. (MLR)		90.3%	86.8%	84.5%	86.2%	97.3%	101.1%	96.9%	95.3%	112.6%	0.0%	0.0%	0.0%	94.4%
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 <b>% Net Income to Net Revenues</b>		<b>-0.9%</b>	<b>2.8%</b>	<b>5.3%</b>	<b>3.5%</b>	<b>-7.3%</b>	<b>-9.1%</b>	<b>-6.9%</b>	<b>-4.8%</b>	<b>-23.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-4.4%</b>
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		14.1%	13.8%	13.6%	13.8%	13.3%	10.6%	13.3%	12.6%	14.8%	0.0%	0.0%	0.0%	13.3%

**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.