

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: Jefferson
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		4,118	4,167	4,182	4,186	4,218	4,250	4,270	4,175	4,083	0	0	0	37,649
2 Average Monthly Member Months														4,183
Revenues:														
3 Medical Premiums		844,564	851,495	849,804	850,535	855,184	863,764	873,332	843,623	801,931	0	0	0	7,634,232
4 Delivery Supplemental Payments		74,681	84,865	57,708	78,075	95,048	98,443	64,497	78,075	23,762	0	0	0	655,154
5 Pharmacy Premiums		204,513	207,206	208,165	207,629	208,128	209,796	211,234	206,336	202,073	0	0	0	1,865,080
6 Investment Income		763	820	826	1,117	1,342	1,494	1,643	1,959	1,804				11,769
7 Health Insurance Providers Fee Reimbursement		372,472												372,472
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		1,496,993	1,144,386	1,116,503	1,137,356	1,159,702	1,173,497	1,150,706	1,129,993	1,029,570	0	0	0	10,538,707
10 Health Insurance Providers Fee & Related Costs		365,954												365,954
11 Health Insurance Providers Fee (NAIP)		0	0	0	0	0	0	0	0	0				0
12 Premium Taxes		26,184	20,012	19,524	19,884	20,271	20,510	20,109	19,741	17,986				184,221
13 Maintenance Taxes		288	292	293	293	295	298	299	292	286				2,635
14 Net Revenues		1,104,567	1,124,082	1,096,686	1,117,179	1,139,135	1,152,689	1,130,299	1,109,960	1,011,298	0	0	0	9,985,895
Medical Expenses:														
15 Fee-For-Service		811,022	826,837	692,574	661,017	925,712	925,399	795,073	747,958	281,178	0	0	0	6,666,769
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		1,030	1,042	1,046	1,047	1,012	1,020	1,025	1,002	980	0	0	0	9,202
19 IBNR Accrual - Medical		1,792	6,992	9,614	9,183	23,577	45,230	94,062	190,781	597,793	0	0	0	979,024
20 Total Medical Expenses		813,843	834,871	703,233	671,246	950,301	971,649	890,160	939,741	879,951	0	0	0	7,654,995
21 Prescription Expenses (excluding PBM Admin)		175,315	158,090	145,865	158,081	161,580	178,593	173,313	153,278	160,400	0	0	0	1,464,516
22 Total Medical and Prescription Expenses		989,158	992,961	849,098	829,327	1,111,881	1,150,242	1,063,473	1,093,019	1,040,351	0	0	0	9,119,511
23 Administrative Expenses		117,024	116,610	111,980	115,280	113,688	91,520	112,823	104,712	111,343				994,979
24 Total Expenses		1,106,182	1,109,571	961,078	944,607	1,225,569	1,241,762	1,176,296	1,197,731	1,151,694	0	0	0	10,114,490
25 Net Income Before Taxes		(1,615)	14,511	135,608	172,572	(86,434)	(89,073)	(45,998)	(87,771)	(140,396)	0	0	0	(128,595)
26 % Medical Exp to Net Revenues		73.7%	74.3%	64.1%	60.1%	83.4%	84.3%	78.8%	84.7%	87.0%	0.0%	0.0%	0.0%	76.7%
27 % Prescription Exp to Net Revenues		15.9%	14.1%	13.3%	14.1%	14.2%	15.5%	15.3%	13.8%	15.9%	0.0%	0.0%	0.0%	14.7%
28 % Total Medical and Prescription to Net Rev. (MLR)		89.6%	88.3%	77.4%	74.2%	97.6%	99.8%	94.1%	98.5%	102.9%	0.0%	0.0%	0.0%	91.3%
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		-0.1%	1.3%	12.4%	15.4%	-7.6%	-7.7%	-4.1%	-7.9%	-13.9%	0.0%	0.0%	0.0%	-1.3%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		13.0%	12.7%	12.6%	12.7%	12.2%	9.7%	12.3%	11.6%	13.8%	0.0%	0.0%	0.0%	12.3%
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.