

UNIFORM MANAGED CARE MANUAL

5.3.1.112 CHIP Dental Services

Program Financial Statistical Report

Document History Log

STATUS¹	DOCUMENT REVISION²	EFFECTIVE DATE	DESCRIPTION³
Baseline	2.0	November 28, 2022	Initial version Uniform Managed Care Manual Chapter 5.3.1.112, "CHIP Dental Services Program Financial Statistical Report (FSR) Instructions." This chapter applies to contracts issued as a result of HHSC RFP number 529-12-0003 and replaces UMCM Chapter 5.3.1.86 for reporting transactions for dates of service on or after September 1, 2021.
Revision	2.1	March 27, 2023	Accessibility Version.

¹ Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions.

² Revisions should be numbered according to the version of the issuance and sequential numbering of the revision—e.g., "1.2" refers to the first version of the document and the second revision.

³ Brief description of the changes to the document made in the revision.

Objective

All entities contracting with the State of Texas to arrange for or to provide dental health care to Members in the CHIP Dental Services Program must submit CHIP Dental Services Program Financial Statistical Reports (FSRs) for the statewide Service Area (SA) in accordance with the Contract for Services between HHSC and Dental Contractor, and in accordance with the instructions below.

General

All CHIP Dental Services Program FSRs must be completed using the locked Microsoft Excel template provided by HHSC. Data integrity is critical to the automated compilation of the data. Do not alter the file name, sheet names, existing cell locations, or formatting of the data in the file and sheets. Do not add or delete any columns or rows. **Any deviations from the locked template will render the FSR unreadable by the software application and therefore unacceptable to HHSC.**

All shaded data fields in the FSR represent fields where data input is required. In order to maintain consistency please ensure that the data input is in black. All data fields not shaded represents referenced data or calculations. All line numbers in these instructions refer to the line numbers in column A on each worksheet.

Cells can be linked within the template but there can be no outside links to the Dental Contractor Accounting Systems or other contractor sources.

The following note is included on all FSR pages **"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."** Also, Member months' data must be updated in accordance with information provided by the enrollment broker.

Before completing the CHIP Dental Services Program FSR, complete the Admin and QI FSR.

FSR Page Headers

Header information entered on Part 1 populates header data for all the other sheets; please make sure Part 1 is correct. Enter the following on Part 1:

MCO Name: Select name from the drop-down menu.

State Fiscal Year: Select the State Fiscal Year (SFY) from the drop-down menu.

Submission Date: Enter the month, day, and year, e.g., 9/1/2022.

Submission Type: Select the type of FSR, e.g. Quarterly; Year-End 90-Days; Year-End 334-Days from the drop-down menu.

Rptg Period End Date: Enter the month, day, and year, e.g., 5/31/2022.



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Part 1: Summary Income Statement

Line 1 Member Months: Referenced from Part 3, Line 15, "Total Member Months."

Line 2 Average Monthly Member Months: Calculated as Line 1, "Member Months," divided by the number of months of membership data.

Revenues:

Line 3 Dental Premiums: Referenced from Part 3, Line 5, "Total Dental Premiums."

Line 4 Investment Income: Enter all interest and dividend income resulting from investment of funds received from the State and Federal Governments under this Managed Care Contract.

Line 5 Other Revenue: Enter all income generated from the CHIP Dental Services Program for this contract Service Area other than Premiums (HHSC Capitation), and Investment Income.

Line 6 Total Gross Revenues: Calculated sum of Lines 3 through 5.

Line 7 Premium Taxes: Enter the premium taxes incurred for premiums applicable to the reporting period.

Line 8 Maintenance Taxes: Enter the maintenance taxes incurred for premiums applicable to the reporting period.

Line 9 Net Revenues: Calculated as Line 6, "Total Gross Revenues," less the sum of Line 7, "Premium Taxes," and Line 8, "Maintenance Taxes."

Dental Expenses:

Line 10 Fee-For-Service: Referenced from Part 4, Line 5, "Total Paid Claims (FFS)."

Line 11 Net Reinsurance Cost: Referenced from Part 4, Line 10, "Total Net Reinsurance."

Line 12 IBNR Accrual: Referenced from Part 4, Line 15, "Total IBNR."

Line 13 Quality Improvement: Referenced from Part 4, Line 16 "Quality Improvement."

Line 14 Capitated Services: Referenced from Part 4, Line 18, "Total Paid Capitation."

Line 15 Value Based Purchasing: Referenced from Part 4, Line 20, "Value Based Purchasing."

Line 16 Other Dental Expenses: Referenced from Part 4, Line 25, "Total Other Dental Expenses."

Line 17 Total Dental Expenses: Calculated as sum of Lines 10 through 16.

Line 18 Administrative Expenses: Enter the allocated Administrative Expenses from the Admin and QI FSR, Admin - Part 4, by the applicable Program/Service Area.

Line 19 Total Expenses: Calculated as sum of Line 17, "Total Dental Expenses," and Line 18, "Administrative Expenses."

Line 20 Net Income Before Taxes: Calculated as Line 9, "Net Revenues," minus Line 19, "Total Expenses."

Line 21 % Dental Exp to Net Revenues: Calculated as Line 17, "Total Dental Expenses," divided by Line 9, "Net Revenues."

Line 22 % Admin Exp to Net Revenues: Calculated as Line 18, "Administrative Expenses," divided by Line 9, "Net Revenues."

Line 23 % Net Income to Net Revenues: Calculated as Line 20, "Net Income Before Taxes," divided by Line 9, "Net Revenues."

Post-income items:

Line 24 Performance Assessment: Enter in the YTD cell the amount of the Pay for Quality (P4Q) performance assessment.

Part 2: Statistics

Line 1 Paid Dental Expenses Completion Factor: Calculated as the difference between Part 5, Line 9, "Total Dental Expenses," and Part 5, Line 6, "Incurred But Not Reported (IBNR)," divided by Part 5, Line 9, "Total Dental Expenses."

Total Cost \$PMPM:

Line 2 Dental Contractor Admin Cost: Calculated as Part 1, Line 18, "Administrative Expenses," divided by Part 1, Line 1, "Member Months."

Line 3 Premium & Maintenance Taxes: Calculated as sum of Part 1, Line 7, "Premium Taxes," and Part 1, Line 8, "Maintenance Taxes," divided by Part 1, Line 1, "Member Months."

Line 4 Dental Expenses, excl. Net Reinsurance and Quality Improvement: Calculated as the difference of Part 1, Line 17, "Total Dental Expenses," and the sum of Part 1, Line 11, "Net Reinsurance Cost," and Part 1, Line 13, "Quality Improvement", divided by Part 1, Line 1, "Member Months."



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Line 5 Net Reinsurance: Calculated as Part 1, Line 11, "Net Reinsurance Cost," divided by Part 1, Line 1, "Member Months."

Line 6 Quality Improvement: Calculated as Part 1, Line 13 "Quality Improvement", divided by Part 1, Line 1, "Member Months."

Line 7 Subtotal: Calculated as sum of Lines 2 through 6.

Line 8 Profit/Loss (before Experience Rebate): Calculated as Part 1, Line 20, "Net Income Before Taxes," divided by Part 1, Line 1, "Member Months."

Line 9 Total Cost \$PMPM to HHSC: Calculated as sum of Lines 7 and 8 above.

Part 3: Dental Premiums

Dental Premiums (HHSC Capitation):

Lines 1 through 4 Dental Premiums (HHSC Capitation): Each cell in this matrix is calculated and is the product of the corresponding capitation rate in the matrix of Lines 6 through 9 and the corresponding member months in the matrix of Lines 11 through 14.

Line 5 Total Dental Premiums: Calculated as the sum of Lines 1 through 4

Dental Premium \$PMPM:

Lines 6 through 9 Dental Premium \$PMPM: Enter each risk group's dental capitation rate.

Line 10 Total Dental Premium \$PMPM: Calculated as Line 5, "Total Dental Premiums," divided by Line 15, "Total Member Months."

Member Months:

Lines 11 through 14 Member Months: Enter the member months based on the supplemental files supporting HHSC's monthly capitation payments to the MCO.

Line 15 Total Member Months: Calculated as the sum of Lines 11 through 14.

Part 4: Dental Expense by Expense Class

Paid Claims (FFS):

Lines 1 through 4 Paid Claims (FFS): Enter monthly paid claims by risk groups as incurred.



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Line 5 Total Paid Claims (FFS): Calculated as the sum of Lines 1 through 4

Paid Reinsurance Premiums, Net of Reinsurance Recoveries:

Lines 6 through 9 Paid Reinsurance Premiums, Net of Reinsurance Recoveries:

Enter the paid reinsurance premiums net of collected reinsurance recoveries specific to each risk group by the months the reinsurance coverage was effective. Report collected Reinsurance Recoveries by the appropriate risk group and by the incurred month of the services to which the recoveries relate.

Line 10 Total Net Reinsurance: Calculated as the sum of Lines 6 through 9

IBNR:

Lines 11 through 14 IBNR: Enter Incurred But Not Reported estimate by risk group.

Line 15 Total IBNR: Calculated as the sum of Lines 11 through 14

Quality Improvement Cost:

Line 16 Quality Improvement: Referenced from Part 5, Line 8 "Quality Improvement."

Paid Capitation:

Line 17 Capitated Dental Services: Enter total payments under capitation agreement.

Line 18 Total Paid Capitation: Referenced from Line 17.

Value Based Purchasing:

Line 19 VBP Services, all other, non-capitated: Enter total payments under value based purchasing agreement(s). Do not include capitated arrangements.

Line 20 Total Value Based Purchasing: Referenced from Line 19.

Other Dental Expenses:

Lines 21 through 24 Other Dental Expenses: Enter any other Dental expenses not captured by Paid Claims, Paid Capitation, Reinsurance Premiums net of Recoveries or IBNR for each risk group. Examples of these expenses include incentives paid directly to physicians; third party recoveries, other recoveries, or settlements that have not been captured through claims adjustments in the claims processing system; refunds; etc.

Line 25 Total Other Dental Expenses: Calculated as the sum of Lines 21 through 24.

Line 26 Other Dental Expenses: Identify each category of expense included in Lines 21 through 24 Other Dental Expenses.

Section Beneath Line 26: No action necessary. These lines populate based on the member months' data entered in Part 3.

Part 5: Dental Expenses by Service Type

Line 1 Preventive Services: Enter all paid expenses related to preventive dental services provided to Members. The Dental Contract identifies preventive services.

Line 2 Therapeutic Services: Enter all paid expenses related to the therapeutic services provided to Members. The Dental Contract identifies therapeutic services.

Line 3 Other Dental Services: Enter all paid expenses of dental services and supplies rendered that are not classified in either of the dental expense classifications above.

Line 4 Reinsurance Premiums: Enter paid expenses to obtain reinsurance coverage from reinsurance companies that assume all or part of the financial risks associated with catastrophic Dental expenses that could otherwise be ruinous to the Dental Contractor (also termed Premiums Ceded for Reinsurance). Offset any reinsurance premiums collected for any reinsurance risks assumed.

Line 5 Reinsurance Recoveries: Enter all return of funds or recovery of paid losses that have been collected from reinsurers associated with a particular case where catastrophic Dental expenses have been incurred. Offset any reinsurance recoveries paid for reinsurance risks assumed. Record Reinsurance Recoveries in the month(s) in which the dental services were rendered to which the recoveries relate.

Line 6 Incurred But Not Reported: Enter the total Dental expense accrual, which includes:

- Reported claims in process for adjudication;
- An estimated expense of the incurred but not reported dental services;
- Amounts withheld from paid claims; and
- Any reinsurance payable to reinsurers for ceded risk, net of any reinsurance receivable for assumed risk.

The IBNR Dental expenses accrual is an estimate of the expected dental expenses incurred, but not paid, based on claims lag schedules and completion factors, as well as any counts of services rendered but not billed. Any major change in the claims processing function that was not in effect during the period of time covered by the lag schedules could materially impact the estimated IBNR accrual; hence, actuarial judgment and adjustment may sometimes be needed.

Note: No IBNR should be reported on the second final FSR reflecting expenses paid through the 334th day after the end of the contract period.

Line 7 Incentives/Withhold Adjustments: Enter provider financial incentives or withholds related to managing dental services.

Line 8 Quality Improvement: Enter allocated "Quality Improvement Expenses" from the Combined Admin and QI FSR, QI - Part 4.

Line 9 Total Dental Expenses: Calculated as the sum of Lines 1 through 8

Beneath Line 9 there are balancing lines which compare the Total Dental Expenses on Part 5, Line 9, to the Dental Expenses entered in Part 4 (sum of Line 5, "Total Paid Claims (FFS)," Line 10, "Total Net Reinsurance," Line 15, "Total IBNR," Line 16, "Quality Improvement", Line 18, "Total Paid Capitation," Line 20, "Total Value Based Purchasing," and Line 25, "Total Other Dental Expenses"). If the two parts do not balance the "Check" line will show "Not balanced" and a rounding adjustment may be entered in the shaded area labeled "Balance."

Included in Total Dental Expenses Above:

Line 10 Capitated Payments to Providers: Enter the total capitation paid to providers that do not pay claims to other providers from the capitation payments received.

Line 11 % of Basic Dental Expenses: Calculated as Line 10, "Capitated Payments to Providers," divided by the sum of Line 1, "Preventive Services," Line 2, "Therapeutic Services," Line 3, "Other Dental Services," and Line 6, "Incurred But Not Reported (IBNR)" by quarter and year-to-date.

Not Included in Total Dental Above:

Line 12 Total Dental Value-added Services: Enter the expenses approved by HHSC and paid by the Dental Contractor for CHIP Members' dental services that are not covered under the HHSC Capitation nor reimbursed by HHSC. These expenses are the financial responsibility of the Dental Contractor. They are not included in Total Dental Expenses in the FSR and represent a reconciling item between the HHSC and TDI reports. The specific Value-added Services are included in the Dental Contract between HHSC and Dental Contractor.

Line 13: Total Dental Case-by-Case Services: Enter the expenses paid by the Dental Contractor for Medicaid Members' additional benefits that are outside the scope of services covered under the contract, and are not Value-added Services. These expenses are the financial responsibility of the Dental Contractor. They are not included in Total Dental Expenses in the FSR. Services may be based on medical necessity, cost-effectiveness, the wishes of the Member or the Member's Legally Authorized Representative (LAR), or the potential for improved dental

health status of the Member. The MCO must maintain documentation of each authorized service provided to each Member.

Data Certification Form

General Instructions:

1. The Data Certification Form must be submitted with the FSR Reports, and it must be signed by the CEO, CFO, or equivalent.
2. Certification of certain financial data is a Federal requirement.
3. It is acceptable to include the Data Certification Form pasted into the Certification tab as a PDF.

Instructions for Completing Specific Data Fields:

The name of the MCO, document name, date of submission, State Fiscal Year (SFY), FSR period, Program and service area will populate from header information entered in Part 1.

Data Field 7 – Type or print the name and title of the person signing the Certification. Data Field 9 – Sign the Certification.

Data Field 10 – Enter the date the form is signed without using a formula.