



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER <b>5.3.1.88</b>	PAGE <b>1 of 10</b>
	EFFECTIVE DATE <b>December 15, 2018</b>	
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>		
<b>Version 2.0</b>		

**DOCUMENT HISTORY LOG**

STATUS <sup>1</sup>	DOCUMENT REVISION <sup>2</sup>	EFFECTIVE DATE	DESCRIPTION <sup>3</sup>
Baseline	2.0	December 15, 2018	<p>Initial version Uniform Managed Care Manual Chapter 5.3.1.88, “Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions.”</p> <p>This chapter applies to contracts issued as a result of HHSC RFP number 529-12-0003 and replaces UMCM Chapter 5.3.1.74 for reporting transactions occurring on or after September 1, 2018.</p>
<p><sup>1</sup> Status should be represented as “Baseline” for initial issuances, “Revision” for changes to the Baseline version, and “Cancellation” for withdrawn versions.</p> <p><sup>2</sup> 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.</p> <p><sup>3</sup> Brief description of the changes to the document made in the revision.</p>			



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	5.3.1.88	2 of 10
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	December 15, 2018	
Version 2.0		

**Objective**

All entities contracting with the State of Texas to arrange for or to provide dental health care to enrollees in the Children’s Medicaid Dental Services Program must submit Children’s Medicaid 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 Children’s Medicaid 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 Children’s Medicaid 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 entered correctly. Enter the following on Part 1:

**Dental Contractor:** Select name from the drop-down menu.



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER <b>5.3.1.88</b>	PAGE <b>3 of 10</b>
	EFFECTIVE DATE <b>December 15, 2018</b>	
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>		
<b>Version 2.0</b>		

**State Fiscal Year:** Select the State Fiscal Year (SFY) from the drop-down menu.  
**Submission Date:** Enter the month, day, and year, e.g., 9/1/2018.  
**Submission Type:** Select the type of FSR, e.g., Quarterly; Year End + 90 Days; etc. from the drop-down menu.  
**Rptg Period End Date:** Enter the month, day, and year, e.g., 5/31/2019.

**Part 1: Summary Income Statement**

Line 1 Member Months: Referenced from Part 3, Line 18, “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 6, “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 Health Insurance Providers Fee Reimbursement: Enter the amount of the Health Insurance Providers Fee, which was reimbursed by HHSC as required under the Affordable Care Act (ACA), including any gross up for corporate federal income tax and state premium taxes as applicable to the FSR.

Line 6 Other Revenue: Enter all income generated from the Children’s Medicaid Dental Services Program for this contract Service Area other than Premiums (HHSC Capitation), Health Insurance Providers Fee Reimbursement, and Investment Income.

Line 7 Total Gross Revenues: Calculated sum of Lines 3 through 6.

Line 8 Health Insurance Providers Fee & Related Costs: Enter the sum of:

- a) the amount paid to the IRS specifically and solely for the ACA Health Insurance Providers Fee, as required under the Affordable Care Act (ACA) and as attributable to the FSR (exclude any amounts accrued for ACA Health Insurance Providers Fee which were not paid during the FSR period);
- b) the increase in the amount incurred for corporate federal income taxes resulting from the Health Insurance Providers Fee Reimbursement which is attributable to the FSR.



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER <b>5.3.1.88</b>	PAGE <b>4 of 10</b>
	EFFECTIVE DATE <b>December 15, 2018</b>	
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>		<b>Version 2.0</b>

Do not include any increase to Premium Taxes resulting from the Health Insurance Providers Fee Reimbursement in Line 8. All Premium Taxes incurred should be included in Line 9.

Maintain for FSR audit purposes the derivations supporting items a) and b) above.

Line 9 Premium Taxes: Enter the premium taxes incurred for premiums applicable to the reporting period including any additional taxes incurred as a result of the Health Insurance Providers Fee Reimbursement from HHSC.

Line 10 Maintenance Taxes: Enter the maintenance taxes incurred for premiums applicable to the reporting period.

Line 11 Net Revenues: Calculated as Line 7, “Total Gross Revenues,” less the sum of Line 8, “Health Insurance Providers Fee & Related Costs,” Line 9, “Premium Taxes,” and Line 10, “Maintenance Taxes.”

Dental Expenses:

Line 12 Fee-For-Service: Referenced from Part 4, Line 6, “Total Paid Claims (FFS).”

Line 13 Net Reinsurance Cost: Referenced from Part 4, Line 12, “Total Net Reinsurance.”

Line 14 IBNR Accrual: Referenced from Part 4, Line 18, “Total IBNR.”

Line 15 Quality Improvement: Referenced from Part 4, Line 19, "Quality Improvement."

Line 16 Capitated Services: Referenced from Part 4, Line 21, “Total Paid Capitation.”

Line 17 Value Based Purchasing: Referenced from Part 4, Line 23, “Value Based Purchasing.”

Line 18 Other Dental Expenses: Referenced from Part 4, Line 29, “Total Other Dental Expenses.”

Line 19 Total Dental Expenses: Calculated as sum of Lines 12 through 18.

Line 20 Administrative Expenses: Enter the Allocated Administrative Expenses from the Admin and QI FSR, Admin - Part 4, by the applicable Program/Service Area.

Line 21 Total Expenses: Calculated as sum of Line 19, “Total Dental Expenses,” and Line 20, “Administrative Expenses.”



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	<b>5.3.1.88</b>	<b>5 of 10</b>
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	<b>December 15, 2018</b>	
	<b>Version 2.0</b>	

Line 22 Net Income Before Taxes: Calculated as Line 11, “Net Revenues,” minus Line 21, “Total Expenses.”

Line 23 % Dental Exp to Net Revenues: Calculated as Line 19, “Total Dental Expenses,” divided by Line 11, “Net Revenues.”

Line 24 % Admin Exp to Net Revenues: Calculated as Line 20, “Administrative Expenses,” divided by Line 11, “Net Revenues.”

Line 25 % Net Income to Net Revenues: Calculated as Line 22, “Net Income Before Taxes,” divided by Line 11, “Net Revenues.”

Post-income items:

Line 26 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 20, “Administrative Expenses,” divided by Part 1, Line 1, “Member Months.”

Line 3 Health Insurance Providers Fee & Related Costs: Calculated as Part 1, Line 8, “Health Insurance Providers Fee & Related Costs,” divided by Part 1, Line 1, “Member Months.”

Line 4 Premium & Maintenance Taxes: Calculated as sum of Part 1, Line 9, “Premium Taxes,” and Part 1, Line 10, “Maintenance Taxes,” divided by Part 1, Line 1, “Member Months.”

Line 5 Dental Expenses, excl Net Reinsurance and Quality Improvement: Calculated as the difference of Part 1, Line 19, “Total Dental Expenses,” and the sum of Part 1, Line 13, “Net Reinsurance Cost,” and Part 1, Line 15, “Quality Improvement,” divided by Part 1, Line 1, “Member Months.”

Line 6 Net Reinsurance: Calculated as Part 1, Line 13, “Net Reinsurance Cost,” divided by Part 1, Line 1, “Member Months.”



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	5.3.1.88	6 of 10
	EFFECTIVE DATE	
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	December 15, 2018	
	Version 2.0	

Line 7 Quality Improvement: Calculated as Part 1, Line 15, "Quality Improvement" divided by Part 1, Line 1 "Member Months."

Line 8 Subtotal: Calculated as sum of Lines 2 through 7.

Line 9 Profit/Loss (before Experience Rebate): Calculated as Part 1, Line 22, "Net Income Before Taxes," divided by Part 1, Line 1, "Member Months."

Line 10 Total Cost \$PMPM to HHSC: Calculated as sum of Line 8 and Line 9.

**Part 3: Dental Premiums**

Dental Premiums (HHSC Capitation):

Lines 1 through 5 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 7 through 11, and the corresponding member months in the matrix of Lines 13 through 17.

Line 6 Total Dental Premiums: Calculated as the sum of Lines 1 through 5.

Dental Premium \$PMPM:

Lines 7 through 11 Dental Premium \$PMPM: Enter each risk group’s dental capitation rate.

Line 12 Total Dental Premium \$PMPM: Calculated as Line 6, "Total Dental Premiums," divided by Line 18, "Total Member Months."

Member Months:

Lines 13 through 17 Member Months: Enter the member months based on the supplemental files supporting HHSC’s monthly capitation payments to the Dental Contractor.

Line 18 Total Member Months: Calculated as the sum of Lines 13 through 17.

**Part 4: Dental Expense by Expense Class**



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	<b>5.3.1.88</b>	<b>7 of 10</b>
<b>Children's Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	<b>December 15, 2018</b>	
<b>Version 2.0</b>		

Paid Claims (FFS):

Lines 1 through 5 Paid Claims (FFS): Enter monthly paid claims by risk groups as incurred.

Line 6 Total Paid Claims (FFS): Calculated as the sum of Lines 1 through 5.

Paid Reinsurance Premiums, Net of Reinsurance Recoveries:

Lines 7 through 11 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 12 Total Net Reinsurance: Calculated as the sum of Lines 7 through 11.

IBNR:

Lines 13 through 17 IBNR: Enter Incurred But Not Reported estimate by risk group.

Line 18 Total IBNR: Calculated as the sum of Lines 13 through 17.

Quality Improvement Costs

Line 19 Quality Improvement: Referenced from Part 5, Line 8, "Quality Improvement."

Paid Capitation:

Line 20 Capitated Dental Services: Enter total payments under capitation agreement.

Line 21 Total Paid Capitation: Referenced from Line 20.

Value Based Purchasing:

Line 22 VBP Services, all other, non-capitated: Enter total payments under value based purchasing agreement(s). Do not include capitated arrangements.

Line 23 Total Value Based Purchasing: Referenced from Line 22.

Other Dental Expenses:



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	<b>5.3.1.88</b>	<b>8 of 10</b>
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	<b>December 15, 2018</b>	
	<b>Version 2.0</b>	

Lines 24 through 28 Other Dental Expenses: Enter any other Dental expenses or adjustments to expense which are not captured by Paid Claims, Paid Reinsurance Premiums Net of Recoveries, IBNR, Quality Improvement Costs, or Value Based Purchasing for each risk group. Examples include but are not limited to third party recoveries, other recoveries, or settlements that have not been captured through claims adjustments in the claims processing system; refunds; etc.

Line 29 Total Other Dental Expenses: Calculated as the sum of Lines 26 through 30.

Line 30 Other Dental Expenses: Identify each category of expense included in Lines 24 through 28, Other Dental Expenses. Identify the YTD dollar amount associated with each category of expense, if more than one.

Section Beneath Line 30: 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:





<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	5.3.1.88	9 of 10
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	December 15, 2018	
Version 2.0		

- 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 334<sup>th</sup> 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 6, "Total Paid Claims (FFS)," Line 12, "Total Net Reinsurance," Line 18, "Total IBNR," Line 19, "Quality Improvement," Line 21, "Total Paid Capitation," Line 23 "Total Value Based Purchasing," and Line 29, "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.



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER	PAGE
	<b>5.3.1.88</b>	<b>10 of 10</b>
<b>Children’s Medicaid Dental Services Program Financial Statistical Report (FSR) Instructions</b>	EFFECTIVE DATE	
	<b>December 15, 2018</b>	
	<b>Version 2.0</b>	

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 Medicaid 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 Dental Contractor, 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.