

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **DentaQuest USA Insurance Co**
 State Fiscal Year: **2018** Program: **CHIP Dental**
 Submission Date: **8/30/2019** Service Area: **Statewide**
 Submission Type: **Yr-End 334-Day** Rptg Period End Date: **8/31/2018**

Part 1: **Summary Income Statement**

| HHSC Managed Care contract costs | Incurring Months: | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sept-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | Jul-18 | Aug-18 | YTD | | | |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----|------------------|-------------------|---------|
| 1 Member Months | | 256,985 | 262,021 | 265,343 | 267,744 | 266,738 | 266,462 | 266,951 | 262,217 | 259,497 | 252,874 | 250,024 | 249,450 | | | | | | | | | | 3,126,306 | | |
| 2 Average Monthly Member Months | | | | | | | | | | | | | | | | | | | | | | | 260,526 | | |
| Revenues: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 Dental Premiums | | 6,346,818 | 6,470,709 | 6,554,056 | 6,615,604 | 6,592,587 | 6,587,697 | 6,600,762 | 6,482,535 | 6,412,539 | 6,246,052 | 6,174,750 | 6,160,033 | | | | | | | | | | 77,244,142 | | |
| 4 Investment Income | | 10,024 | 9,862 | 9,997 | 9,988 | 10,111 | 10,069 | 9,961 | 10,228 | 10,178 | 10,320 | 10,325 | 10,378 | | | | | | | | | | | 121,441 | |
| 5 Health Insurer Fee Reimbursement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | 0 | |
| 6 Other Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | 0 | |
| 7 Total Gross Revenues | | 6,356,842 | 6,480,571 | 6,564,053 | 6,625,592 | 6,602,698 | 6,597,766 | 6,610,723 | 6,492,763 | 6,422,717 | 6,256,372 | 6,185,075 | 6,170,411 | | | | | | | | | | | 77,365,583 | |
| 8 Health Insurance Providers Fee & Related Costs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | 0 | |
| 9 Premium Taxes | | 111,069 | 113,237 | 114,696 | 115,773 | 115,370 | 115,285 | 115,513 | 113,444 | 112,219 | 109,306 | 108,058 | 107,801 | | | | | | | | | | | 1,351,772 | |
| 10 Maintenance Taxes | | 2,539 | 2,588 | 2,622 | 2,646 | 2,637 | 2,635 | 2,640 | 2,593 | 2,565 | 2,498 | 2,470 | 2,464 | | | | | | | | | | | | 30,898 |
| 11 Net Revenues | | 6,243,234 | 6,364,745 | 6,446,735 | 6,507,173 | 6,484,691 | 6,479,846 | 6,492,569 | 6,376,726 | 6,307,933 | 6,144,568 | 6,074,547 | 6,060,146 | | | | | | | | | | | 75,982,913 | |
| Dental Expenses: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 Fee-For-Service | | 4,742,187 | 5,437,068 | 5,285,419 | 5,184,982 | 5,649,247 | 5,267,536 | 6,562,946 | 5,213,264 | 4,965,876 | 5,795,002 | 5,974,706 | 6,210,403 | | | | | | | | | | | 66,288,636 | |
| 13 Net Reinsurance Cost | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | 0 | |
| 14 IBNR Accrual | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | 0 | |
| 15 Quality Improvement | | 12,623 | 12,759 | 12,708 | 12,792 | 13,077 | 12,954 | 13,276 | 13,016 | 13,003 | 12,588 | 12,581 | 12,786 | | | | | | | | | | | | 154,163 |
| 16 Other Dental Expenses | | 36,730 | 36,731 | 36,731 | 36,724 | 36,723 | 36,723 | 3,626 | 7,813 | 11,686 | (14,834) | 3,163 | 12,362 | | | | | | | | | | | | 244,178 |
| 17 Total Dental Expenses | | 4,791,540 | 5,486,558 | 5,334,858 | 5,234,498 | 5,699,047 | 5,317,213 | 6,579,848 | 5,234,093 | 4,990,565 | 5,792,756 | 5,990,450 | 6,235,551 | | | | | | | | | | | 66,686,977 | |
| 18 Administrative Expenses | | 243,265 | 271,887 | 229,252 | 261,405 | 253,129 | 228,582 | 217,367 | 266,336 | 255,216 | 223,262 | 295,683 | 287,197 | | | | | | | | | | | 3,032,580 | |
| 19 Total Expenses | | 5,034,805 | 5,758,445 | 5,564,110 | 5,495,903 | 5,952,176 | 5,545,795 | 6,797,215 | 5,500,429 | 5,245,781 | 6,016,018 | 6,286,133 | 6,522,748 | | | | | | | | | | | 69,719,558 | |
| 20 Net Income Before Taxes | | 1,208,429 | 606,300 | 882,625 | 1,011,270 | 532,515 | 934,051 | (304,646) | 876,297 | 1,062,152 | 128,550 | (211,586) | (462,602) | | | | | | | | | | | 6,263,355 | |
| 21 % Dental Exp to Net Revenues | | 76.7% | 86.2% | 82.8% | 80.4% | 87.9% | 82.1% | 101.3% | 82.1% | 79.1% | 94.3% | 98.6% | 102.9% | | | | | | | | | | | 87.8% | |
| 22 % Admin Exp to Net Revenues | | 3.9% | 4.3% | 3.6% | 4.0% | 3.9% | 3.5% | 4.2% | 4.2% | 4.0% | 3.6% | 4.9% | 4.7% | | | | | | | | | | | 4.0% | |
| 23 % Net Income to Net Revenues | | 19.4% | 9.5% | 13.7% | 15.5% | 8.2% | 14.4% | -4.7% | 13.7% | 16.8% | 2.1% | -3.5% | -7.6% | | | | | | | | | | | 8.2% | |
| Post-income items: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 Performance Assessment | | | | | | | | | | | | | | | | | | | | | | | | | |

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.

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:

- **Dental Premiums** – Capitation payments paid to DMOs (Dental Maintenance Organization) 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 DMOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by DMOs for premiums applicable to the reported period.

Dental Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the DMO net of reinsurance recoveries.
- **IBNR Accrual** – Incurred But Not Reported (IBNR) accrual dental expenses are an estimate of the expected dental expenses incurred, but not paid, based on claims lag schedules and completion factors.

Administrative Expenses – includes those expenses that are directly or indirectly in support of the Texas Medicaid/CHIP Dental operations of the DMO. 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 DMO is at risk.

Quality Challenge Award – Amount awarded to the DMO 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.