

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **MCNA Insurance**
 State Fiscal Year: **2018** Program: **CHIP Dental**
 Submission Date: **8/29/2019** 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:	Sep-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		148,615	151,918	153,477	154,749	153,535	153,436	153,505	150,628	149,085	144,871	143,202	142,821	1,799,842
2 Average Monthly Member Months														149,987
Revenues:														
3 Dental Premiums		3,663,560	3,741,588	3,777,653	3,807,912	3,777,416	3,774,817	3,776,214	3,702,338	3,662,929	3,557,640	3,515,752	3,505,500	44,263,319
4 Investment Income		2,678	3,282	2,991	3,294	3,193	3,027	4,611	5,230	3,840	4,602	3,789	1,356	41,893
5 Health Insurer Fee Reimbursement														0
6 Other Revenue														0
7 Total Gross Revenues		3,666,238	3,744,870	3,780,644	3,811,206	3,780,609	3,777,844	3,780,825	3,707,568	3,666,769	3,562,242	3,519,541	3,506,856	44,305,212
8 Health Insurance Providers Fee & Related Costs														0
9 Premium Taxes		64,112	65,478	66,109	66,638	66,105	66,059	66,084	64,791	64,101	62,259	61,526	61,346	774,608
10 Maintenance Taxes		2,036	2,059	1,975	2,088	2,036	2,054	2,150	2,040	2,034	1,970	1,954	1,930	24,328
11 Net Revenues		3,600,090	3,677,333	3,712,560	3,742,480	3,712,468	3,709,730	3,712,591	3,640,737	3,600,634	3,498,013	3,456,061	3,443,579	43,506,276
Dental Expenses:														
12 Fee-For-Service		2,479,860	2,863,464	2,826,985	2,661,788	3,023,287	2,735,606	3,378,203	2,830,760	2,633,197	3,051,149	3,168,280	3,327,306	34,979,885
13 Net Reinsurance Cost		10,423	10,639	10,792	10,832	10,686	10,684	10,763	10,498	10,448	10,128	10,001	9,974	125,868
14 IBNR Accrual		0	0	0	0	0	0	0	0	0	0	0	0	0
15 Quality Improvement		42,568	43,444	43,526	43,067	43,229	43,384	42,285	41,634	41,434	43,570	42,994	43,174	514,309
16 Other Dental Expenses		(4,046)	(16,197)	(15,416)	(4,505)	(9,980)	(8,138)	(10,371)	(9,867)	(12,085)	(9,783)	(13,562)	(13,283)	(127,233)
17 Total Dental Expenses		2,528,805	2,901,350	2,865,887	2,711,182	3,067,222	2,781,536	3,420,880	2,873,025	2,672,994	3,095,064	3,207,713	3,367,171	35,492,829
18 Administrative Expenses		372,969	358,821	376,508	420,173	346,238	342,728	354,253	348,814	358,294	345,354	310,200	347,624	4,281,976
19 Total Expenses		2,901,774	3,260,171	3,242,395	3,131,355	3,413,460	3,124,264	3,775,133	3,221,839	3,031,288	3,440,418	3,517,913	3,714,795	39,774,805
20 Net Income Before Taxes		698,316	417,162	470,165	611,125	299,008	585,466	(62,542)	418,898	569,346	57,595	(61,852)	(271,216)	3,731,471
21 % Dental Exp to Net Revenues		70.2%	78.9%	77.2%	72.4%	82.6%	75.0%	92.1%	78.9%	74.2%	88.5%	92.8%	97.8%	81.6%
22 % Admin Exp to Net Revenues		10.4%	9.8%	10.1%	11.2%	9.3%	9.2%	9.5%	9.6%	10.0%	9.9%	9.0%	10.1%	9.8%
23 % Net Income to Net Revenues		19.4%	11.3%	12.7%	16.3%	8.1%	15.8%	-1.7%	11.5%	15.8%	1.6%	-1.8%	-7.9%	8.6%
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.