

**HHSC FINANCIAL STATISTICAL REPORT (FSR)**

MCO name: **DentaQuest USA Insurance Co**  
 State Fiscal Year: **2018** Program: **Medicaid 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	Incurred 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		1,675,199	1,680,184	1,699,679	1,702,251	1,684,813	1,677,251	1,669,587	1,660,879	1,661,615	1,657,029	1,650,983	1,648,996	<b>20,068,466</b>
2 <b>Average Monthly Member Months</b>														<b>1,672,372</b>
<b>Revenues:</b>														
3 Dental Premiums		57,838,679	58,074,336	58,747,994	58,881,210	58,307,191	57,976,224	57,703,933	57,387,593	57,410,201	57,263,310	57,099,715	57,039,596	693,729,982
4 Investment Income		90,025	88,574	89,780	89,702	90,809	90,426	89,462	91,857	91,409	92,685	92,727	93,208	1,090,664
5 Health Insurance Providers 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		57,928,704	58,162,910	58,837,774	58,970,912	58,398,000	58,066,650	57,793,395	57,479,450	57,501,610	57,355,995	57,192,442	57,132,804	694,820,646
8 Health Insurance Providers Fee & Related Costs														0
9 Premium Taxes		1,012,177	1,016,301	1,028,090	1,030,421	1,020,376	1,014,584	1,009,819	1,004,283	1,004,679	1,002,108	999,245	998,193	12,140,275
10 Maintenance Taxes		23,135	23,230	23,499	23,552	23,323	23,190	23,082	22,955	22,964	22,905	22,840	22,816	277,492
11 <b>Net Revenues</b>		<b>56,893,392</b>	<b>57,123,379</b>	<b>57,786,185</b>	<b>57,916,938</b>	<b>57,354,301</b>	<b>57,028,876</b>	<b>56,760,495</b>	<b>56,452,212</b>	<b>56,473,967</b>	<b>56,330,982</b>	<b>56,170,357</b>	<b>56,111,795</b>	<b>682,402,879</b>
<b>Dental Expenses:</b>														
12 Fee-For-Service		48,451,977	53,968,860	51,381,345	46,511,609	54,508,655	49,755,238	57,095,760	50,869,960	49,876,451	52,901,787	54,717,985	59,830,354	629,869,981
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		115,034	114,508	113,914	113,850	115,659	114,006	116,060	115,211	116,402	115,349	115,799	116,489	1,382,281
16 Other Dental Expenses		329,883	329,883	329,883	329,815	329,815	329,815	108,944	100,731	99,932	(80,136)	(39,703)	(14,523)	2,154,339
17 <b>Total Dental Expenses</b>		<b>48,896,894</b>	<b>54,413,251</b>	<b>51,825,142</b>	<b>46,965,274</b>	<b>54,954,129</b>	<b>50,199,059</b>	<b>57,320,764</b>	<b>51,085,902</b>	<b>50,092,785</b>	<b>52,937,000</b>	<b>54,794,081</b>	<b>59,932,320</b>	<b>633,406,601</b>
18 <b>Administrative Expenses</b>		<b>2,216,826</b>	<b>2,440,177</b>	<b>2,054,931</b>	<b>2,326,633</b>	<b>2,238,819</b>	<b>2,011,738</b>	<b>1,900,301</b>	<b>2,357,829</b>	<b>2,284,911</b>	<b>2,046,778</b>	<b>2,734,135</b>	<b>2,659,200</b>	<b>27,272,279</b>
19 <b>Total Expenses</b>		<b>51,113,720</b>	<b>56,853,428</b>	<b>53,880,073</b>	<b>49,281,907</b>	<b>57,192,948</b>	<b>52,210,797</b>	<b>59,221,065</b>	<b>53,443,731</b>	<b>52,377,696</b>	<b>54,983,778</b>	<b>57,528,216</b>	<b>62,591,520</b>	<b>660,678,879</b>
20 <b>Net Income Before Taxes</b>		<b>5,779,672</b>	<b>269,951</b>	<b>3,906,112</b>	<b>8,635,031</b>	<b>161,353</b>	<b>4,818,079</b>	<b>(2,460,570)</b>	<b>3,008,481</b>	<b>4,096,271</b>	<b>1,347,204</b>	<b>(1,357,859)</b>	<b>(6,479,725)</b>	<b>21,724,000</b>
21 % Dental Exp to Net Revenues		85.9%	95.3%	89.7%	81.1%	95.8%	88.0%	101.0%	90.5%	88.7%	94.0%	97.5%	106.8%	92.8%
22 % Admin Exp to Net Revenues		3.9%	4.3%	3.6%	4.0%	3.9%	3.5%	3.3%	4.2%	4.0%	3.6%	4.9%	4.7%	4.0%
23 <b>% Net Income to Net Revenues</b>		<b>10.2%</b>	<b>0.5%</b>	<b>6.8%</b>	<b>14.9%</b>	<b>0.3%</b>	<b>8.4%</b>	<b>-4.3%</b>	<b>5.3%</b>	<b>7.3%</b>	<b>2.4%</b>	<b>-2.4%</b>	<b>-11.5%</b>	<b>3.2%</b>
<b>Post-income items:</b>														
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.