

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **MCNA Insurance**
 State Fiscal Year: **2018** Program: **Medicaid 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	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		1,261,735	1,263,317	1,274,698	1,274,540	1,259,472	1,253,938	1,248,652	1,241,126	1,240,171	1,235,447	1,230,014	1,228,603	15,011,713
2 Average Monthly Member Months														1,250,976
Revenues:														
3 Dental Premiums		43,417,987	43,506,308	43,883,237	43,896,679	43,390,674	43,130,380	42,925,655	42,640,047	42,582,793	42,420,249	42,264,346	42,210,191	516,268,546
4 Investment Income		31,742	38,157	34,740	37,976	36,681	34,587	52,416	60,233	44,643	54,875	45,544	16,328	487,922
5 Health Insurance Providers Fee Reimbursement														0
6 Other Revenue														0
7 Total Gross Revenues		43,449,729	43,544,465	43,917,977	43,934,655	43,427,355	43,164,967	42,978,071	42,700,280	42,627,436	42,475,124	42,309,890	42,226,519	516,756,468
8 Health Insurance Providers Fee & Related Costs														0
9 Premium Taxes		759,815	761,360	767,957	768,192	759,337	754,782	751,199	746,201	745,199	742,354	739,626	738,678	9,034,700
10 Maintenance Taxes		24,129	23,941	22,947	24,070	23,390	23,472	24,440	23,500	23,645	23,494	23,488	23,243	283,759
11 Net Revenues		42,665,785	42,759,164	43,127,074	43,142,393	42,644,628	42,386,713	42,202,432	41,930,579	41,858,593	41,709,276	41,546,776	41,464,598	507,438,010
Dental Expenses:														
12 Fee-For-Service		33,650,498	37,779,631	35,289,611	31,525,410	37,756,499	35,382,904	40,320,473	36,208,308	35,338,448	36,784,436	38,275,055	42,863,097	441,174,370
13 Net Reinsurance Cost		123,525	123,704	125,368	124,869	122,746	122,075	122,347	120,901	121,461	120,762	120,221	120,101	1,468,080
14 IBNR Accrual		0	0	0	0	0	0	0	0	0	0	0	0	0
15 Quality Improvement		361,405	361,271	361,504	354,704	354,611	354,549	343,955	343,052	344,674	371,557	369,292	371,397	4,291,971
16 Other Dental Expenses		(14,932)	(59,378)	(37,462)	(10,898)	(51,791)	(10,898)	(57,594)	(31,863)	(61,677)	(54,073)	(67,268)	(84,769)	(542,603)
17 Total Dental Expenses		34,120,496	38,205,228	35,739,021	31,994,085	38,182,065	35,848,630	40,729,181	36,640,398	35,742,906	37,222,682	38,697,300	43,269,826	446,391,818
18 Administrative Expenses		4,420,173	4,172,284	4,373,715	4,843,653	3,977,195	3,915,944	4,026,933	4,017,307	4,165,292	4,117,902	3,729,049	4,185,786	49,945,231
19 Total Expenses		38,540,669	42,377,512	40,112,736	36,837,738	42,159,260	39,764,574	44,756,114	40,657,705	39,908,198	41,340,584	42,426,349	47,455,612	496,337,051
20 Net Income Before Taxes		4,125,116	381,652	3,014,338	6,304,655	485,368	2,622,139	(2,553,682)	1,272,874	1,950,395	368,692	(879,573)	(5,991,014)	11,100,959
21 % Dental Exp to Net Revenues		80.0%	89.3%	82.9%	74.2%	89.5%	84.6%	96.5%	87.4%	85.4%	89.2%	93.1%	104.4%	88.0%
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		9.7%	0.9%	7.0%	14.6%	1.1%	6.2%	-6.1%	3.0%	4.7%	0.9%	-2.1%	-14.4%	2.2%
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.