

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.

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: **DentaQuest USA Insurance Co**
 State Fiscal Year: **2016** Program: **Medicaid Dental**
 Submission Date: **6/30/2016** Service Area: **Statewide**
 Submission Type: **Quarterly** Rptg Period End Date: **5/31/2016**

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		1,603,989	1,620,251	1,626,499	1,634,508	1,632,664	1,630,510	1,630,151	1,615,483	1,596,262	0	0	0	14,590,317
2 Average Monthly Member Months														1,621,146
Revenues:														
3 Dental Premiums		57,568,680	58,058,003	58,310,186	58,591,735	58,528,673	58,410,021	58,327,439	57,777,542	57,013,393	0	0	0	522,585,672
4 Investment Income														0
5 Health Insurance Providers Fee Reimbursement		18,482,484												18,482,484
6 Other Revenue														0
7 Total Gross Revenues		76,051,164	58,058,003	58,310,186	58,591,735	58,528,673	58,410,021	58,327,439	57,777,542	57,013,393	0	0	0	541,068,156
8 Health Insurance Providers Fee & Related Costs		18,159,037												18,159,037
9 Premium Taxes		1,330,895	1,016,015	1,020,428	1,025,355	1,024,252	1,022,175	1,020,730	1,011,107	997,734	0	0	0	9,468,693
10 Maintenance Taxes		56,140	56,709	56,927	57,208	57,143	57,068	57,055	56,542	55,869	0	0	0	510,661
11 Net Revenues		56,505,092	56,985,279	57,232,830	57,509,172	57,447,278	57,330,778	57,249,654	56,709,893	55,959,789	0	0	0	512,929,765
Dental Expenses:														
12 Fee-For-Service		49,773,831	53,129,087	46,557,522	47,739,131	50,423,820	51,624,946	56,051,236	49,101,970	32,995,641	0	0	0	437,397,184
13 Net Reinsurance Cost		0	0	0	0	0	0	0	0	0	0	0	0	0
14 IBNR Accrual		10,408	19,394	34,472	68,150	121,514	237,755	872,357	1,883,431	15,132,673	0	0	0	18,380,154
15 Other Dental Expenses		338,264	338,264	338,264	338,264	338,264	338,264	338,264	338,264	338,264	0	0	0	3,044,373
16 Total Dental Expenses		50,122,503	53,486,745	46,930,258	48,145,545	50,883,598	52,200,965	57,261,857	51,323,665	48,466,578	0	0	0	458,821,711
17 Administrative Expenses		2,161,701	2,485,774	2,045,111	2,481,891	1,942,580	2,203,014	2,218,597	2,421,463	2,200,077				20,160,208
18 Total Expenses		52,284,204	55,972,519	48,975,369	50,627,436	52,826,178	54,403,979	59,480,454	53,745,128	50,666,655	0	0	0	478,981,922
19 Net Income Before Taxes		4,220,888	1,012,760	8,257,461	6,881,736	4,621,100	2,926,799	(2,230,800)	2,964,765	5,293,134	0	0	0	33,947,843
20 % Dental Exp to Net Revenues		88.7%	93.9%	82.0%	83.7%	88.6%	91.1%	100.0%	90.5%	86.6%	0.0%	0.0%	0.0%	89.5%
21 % Admin Exp to Net Revenues		3.8%	4.4%	3.6%	4.3%	3.4%	3.8%	3.9%	4.3%	3.9%	0.0%	0.0%	0.0%	3.9%
22 % Net Income to Net Revenues		7.5%	1.8%	14.4%	12.0%	8.0%	5.1%	-3.9%	5.2%	9.5%	0.0%	0.0%	0.0%	6.6%
Post-income items:														
23 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.