

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: **MCNA Insurance**
 State Fiscal Year: **2016** Program: **Medicaid Dental**
 Submission Date: **6/24/2016** Service Area: **Statewide**
 Submission Type: **Quarterly** Rptg Period End Date: **05/31/216**

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		1,313,717	1,311,449	1,316,393	1,317,998	1,311,184	1,304,218	1,298,913	1,281,740	1,261,288	0	0	0	11,716,900
2 Average Monthly Member Months														1,301,878
Revenues:														
3 Dental Premiums		46,649,374	46,706,591	46,911,356	46,985,425	46,762,061	46,492,274	46,255,432	45,635,161	44,853,483	0	0	0	417,251,157
4 Investment Income		3,851	4,535	5,820	6,849	7,542	6,851	5,316	9,325	10,629				60,718
5 Health Insurance Providers Fee Reimbursement														0
6 Other Revenue														0
7 Total Gross Revenues		46,653,225	46,711,126	46,917,176	46,992,274	46,769,603	46,499,125	46,260,748	45,644,486	44,864,112	0	0	0	417,311,875
8 Health Insurance Providers Fee & Related Costs														0
9 Premium Taxes		816,364	817,365	820,949	822,245	818,336	813,615	809,470	798,615	784,936				7,301,895
10 Maintenance Taxes		23,205	23,195	23,215	23,217	23,230	27,806	25,388	25,195	25,205				219,656
11 Net Revenues		45,813,656	45,870,566	46,073,012	46,146,812	45,928,037	45,657,704	45,425,890	44,820,676	44,053,971	0	0	0	409,790,324
Dental Expenses:														
12 Fee-For-Service		37,748,404	40,132,766	34,735,453	36,339,848	38,125,418	38,571,876	40,926,819	35,025,010	10,724,758	0	0	0	312,330,353
13 Net Reinsurance Cost		230,996	230,564	231,009	231,444	229,520	227,732	227,325	190,482	190,570	0	0	0	1,989,639
14 IBNR Accrual		362	4,135	4,606	12,838	28,386	166,292	703,803	2,235,252	23,724,063	0	0	0	26,879,737
15 Other Dental Expenses		174,644	174,644	174,644	174,644	174,644	174,644	174,644	174,644	174,644	0	0	0	1,571,799
16 Total Dental Expenses		38,154,406	40,542,109	35,145,712	36,758,774	38,557,968	39,140,544	42,032,591	37,625,388	34,814,035	0	0	0	342,771,528
17 Administrative Expenses		4,985,431	4,924,271	4,957,113	5,169,633	4,883,302	5,178,390	5,004,806	5,055,020	5,048,335				45,206,302
18 Total Expenses		43,139,837	45,466,380	40,102,825	41,928,407	43,441,270	44,318,934	47,037,397	42,680,408	39,862,370	0	0	0	387,977,828
19 Net Income Before Taxes		2,673,819	404,186	5,970,187	4,218,405	2,486,767	1,338,770	(1,611,507)	2,140,268	4,191,601	0	0	0	21,812,496
20 % Dental Exp to Net Revenues		83.3%	88.4%	76.3%	79.7%	84.0%	85.7%	92.5%	83.9%	79.0%	0.0%	0.0%	0.0%	83.6%
21 % Admin Exp to Net Revenues		10.9%	10.7%	10.8%	11.2%	10.6%	11.3%	11.0%	11.3%	11.5%	0.0%	0.0%	0.0%	11.0%
22 % Net Income to Net Revenues		5.8%	0.9%	13.0%	9.1%	5.4%	2.9%	-3.5%	4.8%	9.5%	0.0%	0.0%	0.0%	5.3%
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.