

Audit Report

UnitedHealthcare Dental's Financial Statistical Reports

January 23, 2025

OIG Report No. AUD-25-007



**Inspector
General**

Texas Health
and Human Services



UnitedHealthcare Dental's Financial Statistical Reports

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) conducted an audit of UnitedHealthcare Dental's process for preparing and submitting expenses on its financial statistical reports (FSRs). The Texas Health and Human Services Commission (HHSC) paid dental management organizations \$1.53 billion for the provision of Texas Children's Medicaid and CHIP dental services in state fiscal year 2023, a three percent increase from state fiscal year 2022.

During the period from September 1, 2020, through August 31, 2022, UnitedHealthcare Dental reported on its FSRs \$165.8 million in gross revenue, which included \$165.5 million in capitation payments from HHSC, and served an average of 249,161 members per month.

Summary of Review

The audit objective was to determine whether UnitedHealthcare Dental (a) reported expenses on its FSRs in accordance with applicable requirements and (b) designed and implemented effective internal controls over the preparation of its FSRs.

The audit scope covered administrative, quality improvement, and pre-implementation expenses during the period from October 29, 2019, through August 31, 2022.

For more information, contact:

OIGAuditReports@hhs.texas.gov

Conclusion

UnitedHealthcare Dental had a process for preparing and reviewing financial statistical reports (FSRs); however, UnitedHealthcare Dental's internal controls were not always effective and allowed for reporting errors, which resulted in UnitedHealthcare Dental overstating reported expenses by \$799,351.

Key Results

UnitedHealthcare Dental did not have an effective process for reporting expenses accurately and in accordance with requirements on its state fiscal year 2021 and 2022 FSRs and its pre-implementation expense report. As a result, UnitedHealthcare Dental overstated expenses by \$799,351. Additionally, UnitedHealthcare Dental (a) did not establish fair market value for reported affiliate expenses of \$9,717 and (b) incorrectly categorized \$9,002,010 in expenses within those reports.

Recommendations

UnitedHealthcare Dental should:

- Strengthen its FSR preparation and review procedures to report expenses that (a) are accurate, allowable, complete, and reported in the correct period based on the date incurred and (b) comply with reporting requirements.
- Implement a process to either report affiliate expenses on its FSRs at the affiliate's actual cost or establish the fair market value for those expenses.
- Communicate with and follow instructions from Texas Health and Human Services Commission (HHSC) Financial Reporting and Audit Coordination to determine the impact of not establishing fair market value for the identified affiliates.
- Implement a process to report expenses on its FSRs based on the type of expense.

Management Response

UnitedHealthcare Dental agreed with the audit recommendations and indicated it was evaluating and implementing corrective actions as of January 2025.

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Audit Overview

Overall Conclusion

UnitedHealthcare Dental¹ had a process for preparing and reviewing financial statistical reports (FSRs); however, UnitedHealthcare Dental's internal controls were not always effective and allowed for reporting errors, which resulted in UnitedHealthcare Dental overstating reported expenses by \$799,351.

Key Audit Results

UnitedHealthcare Dental did not have an effective process for reporting expenses accurately and in accordance with requirements on its 2021 and 2022² FSRs and its pre-implementation expense report. As a result, UnitedHealthcare Dental overstated expenses by \$799,351. Additionally, UnitedHealthcare Dental (a) did not establish fair market value for reported affiliate expenses of \$9,717 and (b) incorrectly categorized \$9,002,010 in expenses within those reports.

The "Detailed Audit Results" section of this report presents additional information about the audit results and is considered written education in accordance with Texas Administrative Code.³ In addition, audit issues identified in this report may be subject to liquidated damages or OIG administrative enforcement measures,⁴ including administrative penalties.⁵ This report does not address compliance beyond the scope and objective of this audit.

Objective

The audit objective was to determine whether UnitedHealthcare Dental (a) reported expenses on its FSRs in accordance with applicable requirements and (b) designed and implemented effective internal controls over the preparation of its FSRs.

Scope

The audit scope covered administrative, quality improvement, and pre-implementation expenses during the period from October 29, 2019, through August 31, 2022.

¹ UnitedHealthcare Dental is UnitedHealthcare Insurance Company's brand name for dental services for Texas Children's Medicaid and the Children's Health Insurance Program (CHIP).

² Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

³ 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

⁴ 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

⁵ Tex. Hum. Res. Code § 32.039 (Apr. 2, 2015).

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) offered recommendations to UnitedHealthcare Dental, which, if implemented, will improve compliance with applicable requirements.

OIG Audit presented preliminary audit results, issues, and recommendations to UnitedHealthcare Dental in a draft report dated December 20, 2024. UnitedHealthcare Dental agreed with the audit recommendations and indicated it was evaluating and implementing corrective actions as of January 2025. UnitedHealthcare Dental's management responses are included in the report following each recommendation.

OIG Audit communicated other, less significant issues to UnitedHealthcare Dental in a separate written communication.

OIG Audit thanks UnitedHealthcare Dental management and staff for their cooperation and assistance during this audit.

Key Program Data

UnitedHealthcare Dental is a dental maintenance organization (DMO) contracted to provide comprehensive medically necessary covered dental services to Texas Children's Medicaid⁶ and Children's Health Insurance Program (CHIP) members through its network of providers.⁷ Under the managed care model, DMOs receive a capitation payment for each member enrolled, based on historical expenses of the populations served. Capitation payments are monthly prospective payments the Texas Health and Human

What Prompted This Audit

HHSC paid DMOs \$1.53 billion for the provision of Texas Children's Medicaid and CHIP dental services in 2023, a three percent increase from 2022.

DMOs report program costs to HHSC each year on the FSRs. HHSC relies on this information to project future program costs and set capitation rates for Texas Medicaid and CHIP DMOs.

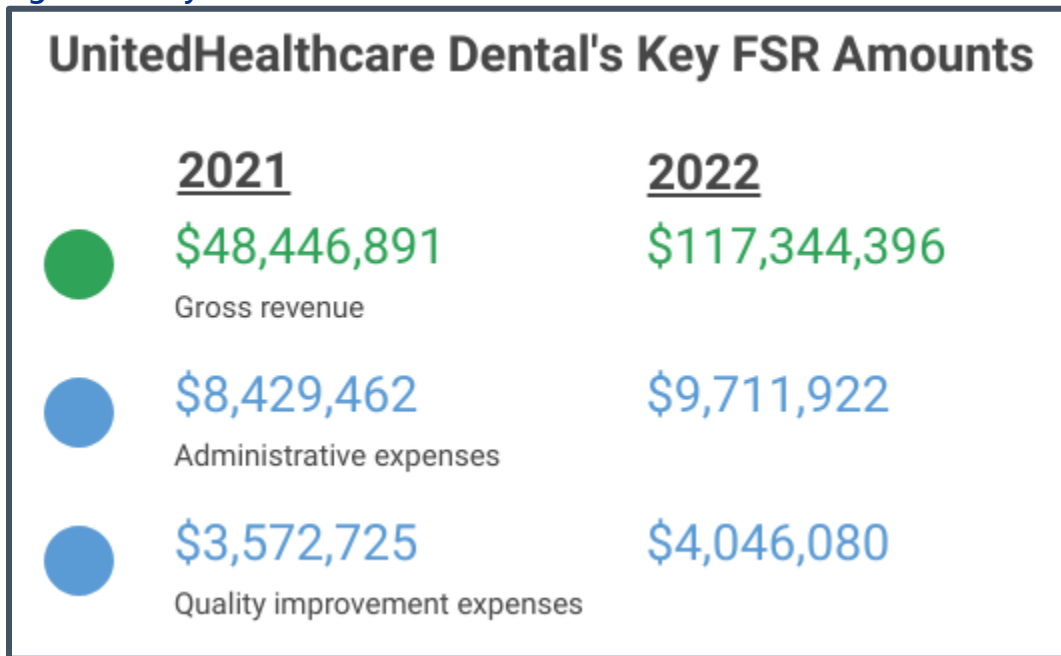
⁶ Texas Children's Medicaid dental services are administered by dental plans for most Texas Medicaid managed care members who are 20 years of age and younger regardless of their medical benefit plan.

⁷ The managed care contract relevant to this audit is the Dental Services for Texas Children's Medicaid and Children's Health Insurance Program contract.

Services Commission (HHSC) makes to DMOs for the provision of covered services.

During the period from September 1, 2020, through August 31, 2022, UnitedHealthcare Dental reported on its FSRs \$165.8 million in gross revenue, which included \$165.5 million in capitation payments from HHSC,⁸ and served an average of 249,161 members per month. Figure 1 provides key amounts UnitedHealthcare Dental reported on its FSRs.

Figure 1: Key Amounts from UnitedHealthcare Dental's FSRs



Source: OIG Audit, based on UnitedHealthcare Dental's 334-day 2021 and 2022 FSRs

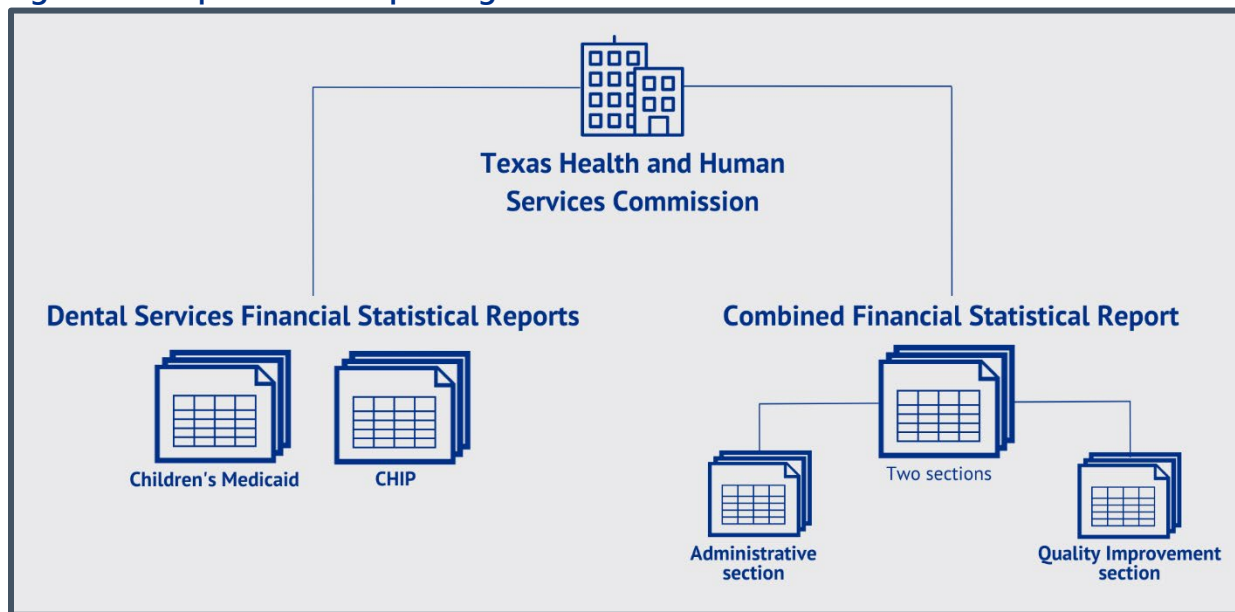
Financial Statistical Reports and Pre-Implementation Expense Reporting

DMOs provide financial information—including dental, administrative, and quality improvement expenses—on FSRs related to the Texas Children's Medicaid and CHIP dental services programs. DMOs are required to submit (a) dental FSRs for

⁸ Gross revenue reported on the FSRs includes capitation payments (dental premiums) and investment income.

Texas Children’s Medicaid and CHIP⁹ and (b) a separate combined FSR to report administrative and quality improvement expenses.^{10,11,12} HHSC uses the amounts reported on the FSRs to set capitation payments and calculate each DMO’s experience rebate. Figure 2 outlines UnitedHealthcare Dental’s FSR reporting to HHSC.

Figure 2: Required FSR Reporting



Source: OIG Audit

In addition to the FSRs, a DMO may use a separate pre-implementation expense report for certain expenses (a) necessary to implement its contract with HHSC and (b) incurred prior to its first year of operation.¹³ UnitedHealthcare Dental reported \$4,094,328 on its pre-implementation expense report, which covered the period from October 29, 2019, through September 1, 2020. HHSC uses

⁹ Dental FSRs contain income statements with all reportable revenues and expenses, including administrative and quality improvement expenses.

¹⁰ Administrative expenses directly or indirectly support Texas Medicaid and CHIP, and quality improvement expenses are activities that improve health care quality and outcomes.

¹¹ Dental Services for Texas Children’s Medicaid and Children’s Health Insurance Program, HHSC Contract #HHS0002879-00003, §§ 1.3.28.2.2 (Oct. 29, 2019) and 2.3.28.2.2 (May 19, 2020, as amended).

¹² FSRs for each state fiscal year are due to HHSC 334 days after the end of the state fiscal year and are referred to as 334-day FSRs.

¹³ Uniform Managed Care Manual, Chapter 6.1, § II, v. 2.7 (May 29, 2019, as amended).

amounts reported on the pre-implementation expense report to calculate each DMO's experience rebate for its first year of operation.

Financial Statistical Reports and the Experience Rebate

The Dental Services for Texas Children's Medicaid and Children's Health Insurance Program contract establishes profit sharing terms through an experience rebate calculation.¹⁴ Each DMO may retain a percentage of profit for Texas Medicaid and CHIP before the HHSC profit sharing experience rebate applies. While each DMO must calculate its expected experience rebate, HHSC Financial Reporting and Audit Coordination (FRAC) is responsible for the final experience rebate calculation. The results of this audit and other work overseen by FRAC¹⁵ are considered in the final experience rebate calculation.

In 2022, UnitedHealthcare Dental calculated an expected experience rebate of \$16,525,348¹⁶ and, per FRAC, remitted \$17,415,417 in payments to HHSC towards its calculated experience rebate. Managed care organizations and DMOs may remit more experience rebate funds than they calculate in an effort to avoid accumulating interest if the actual rebate amount calculated by FRAC is greater. Based on the misstatements identified in this audit, the calculated experience rebate should be increased by \$799,351. Table 1 provides details about these amounts.

Table 1: UnitedHealthcare Dental's Experience Rebate Amounts

Category	Amount
UnitedHealthcare Dental's calculated experience rebate	\$ 16,525,348
OIG Audit's estimated experience rebate adjustment	\$ 799,351
OIG Audit's estimated experience rebate	\$ 17,324,699¹⁷

Source: OIG Audit

¹⁴ In this report, profit is the DMO's net income before taxes as a percentage of revenue for the Texas Medicaid and CHIP programs using income and expenses included on the FSRs.

¹⁵ FRAC contracts with external accounting firms to perform agreed upon procedures engagements of each DMO's FSRs.

¹⁶ In 2021, UnitedHealthcare Dental did not report a profit; therefore, it also did not calculate an expected experience rebate.

¹⁷ According to HHSC, UnitedHealthcare Dental remitted payments towards its calculated experience rebate in excess of OIG Audit's estimated experience rebate.

OIG Audit's calculation is an estimate as of the date of this report without consideration of potential resubmission of UnitedHealthcare Dental's FSRs, financial requirements applicable to the calculation of the experience rebate, or findings from additional reviews, audits, or contractual interest¹⁸ that may apply.

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁸ A DMO may owe interest as a result of late payments or underpayment of the experience rebate.

Detailed Audit Results

UnitedHealthcare Dental did not have an effective process for reporting expenses accurately and in accordance with requirements on its 2021 and 2022 FSRs and its pre-implementation expense report.

For the purposes of this report, a designation of “allowable” or “unallowable” reflects what is reportable on the FSRs. To be allowable, expenses must conform to the requirements of Uniform Managed Care Manual cost principles, which include being reasonable and allocable. Expenses that are not allowable may still be incurred and paid by the DMO but may not be reported on the FSR.¹⁹

The following sections of this report provide additional details about the findings of noncompliance identified by OIG Audit.

¹⁹ Uniform Managed Care Manual, Chapter 6.1, § I(A), v. 2.7 (May 29, 2019, as amended).

Chapter 1: UnitedHealthcare Dental Overstated Its Reported Expenses

UnitedHealthcare Dental reported expenses that were (a) inaccurately calculated, (b) unallowable,²⁰ or (c) not incurred in the reported state fiscal year.²¹ OIG Audit identified errors across nine categories of expenses and across the three reporting periods. For example, UnitedHealthcare Dental reported corporate allocations based on an estimate that used data for an incorrect reporting period and did not identify specific costs. UnitedHealthcare Dental did not validate the accuracy of the estimate it reported to HHSC, which resulted in overstated expense of \$80,063 in 2021 and \$154,040 in 2022. As a result of cumulative reporting errors, UnitedHealthcare Dental overstated expenses by \$799,351 on its 2021 and 2022 FSRs and pre-implementation expense report.

Table 2 on the following page provides additional details about UnitedHealthcare Dental's misstated expenses by report.

²⁰ Uniform Managed Care Manual, Chapter 6.1, § I, v. 2.7 (May 29, 2019, as amended).

²¹ Uniform Managed Care Manual, Chapter 5.3.1.84 "Admin – Part 1: Administrative Expenses," v. 2.0 (Dec. 15, 2018, as amended).

Table 2: UnitedHealthcare Dental's Misstated Expenses

Report Line Subject (and Number)	Pre-Implementation Expense Report	2021 FSRs	2022 FSRs	Total
Pre-Implementation and Administrative Expenses				
Salaries, wages, and benefits (1)	-\$21,263 ²²	\$172,212	\$212,709	\$363,658
Bonuses (2)	—	—	-48,517	-48,517
Legal and professional services (11)	-21,000	11,200	64,870	55,070
Marketing (13)	-60,169	91,736	69,974	101,541
Other administrative (17)	46	-36,012	13,370	-22,596
Corporate allocations (24)	—	80,063	154,040	234,103
Quality Improvement Expenses				
Salaries, wages, and benefits (1)		10,429	9,814	20,243
Bonuses (2)	—	—	-28,227	-28,227
Outreach (13)	—	-83,296	207,372	124,076
Total	-\$102,386	\$246,332	\$655,405	\$799,351

Source: OIG Audit

Each DMO must submit reports to HHSC that are accurate, complete, and do not include unallowable expenses.^{23,24} When DMOs incorrectly report Texas Children's Medicaid and CHIP expenses, HHSC may rely on inaccurate information to set capitation rates and calculate experience rebates.

UnitedHealthcare Dental had high-level procedures for preparing and reviewing the FSRs; however, these procedures did not effectively describe the detailed

²² Negative amounts reflect expenses UnitedHealthcare Dental (a) did not report but should have included on its FSR or (b) incorrectly reported in one reporting period but should have reported in a different reporting period.

²³ Dental Services for Texas Children's Medicaid and Children's Health Insurance Program, HHSC Contract #HHS0002879-00003, §§ 1.3.28.2.2 (Oct. 29, 2019) and 2.3.28.2.2 (May 19, 2020, as amended).

²⁴ Uniform Managed Care Manual, Chapter 5.3.1.84 "Admin – Part 1: Administrative Expenses," v. 2.0 (Dec. 15, 2018, as amended).

steps needed to identify and compile Texas Children’s Medicaid and CHIP expenses accurately.²⁵

Recommendation 1

UnitedHealthcare Dental should strengthen its FSR preparation and review procedures to report expenses that (a) are accurate, allowable, complete, and reported in the correct period based on the date incurred and (b) comply with reporting requirements.

Management Response

Action Plan

There are multiple procedures that contribute to the FSR preparation process. Managed care organization will review each procedure for remediation to assess the feasibility and cost effectiveness for compliance.

Responsible Manager

Dental Chief Financial Officer

Target Implementation Date

Remediation efforts for material findings have been implemented and there are plans to continue to evaluate procedures to improve.

²⁵ DMOs submit pre-implementation expense reports as part of FSR reporting for their first year of operation.

Chapter 2: UnitedHealthcare Dental Incorrectly Reported Expenses

UnitedHealthcare Dental did not establish fair market value of \$9,717 in affiliate expenses it reported on its FSRs and pre-implementation expense report. On these reports, UnitedHealthcare Dental also incorrectly categorized \$9,002,010 in expenses. UnitedHealthcare Dental did not have procedures for reporting affiliate expenses or categorizing expenses based on the type of expense incurred.

Reporting Affiliate Expenses

UnitedHealthcare Dental did not establish fair market value of services provided by two affiliates when reporting \$9,717 of these expenses on its 2021 FSR or its pre-implementation expense report.

Fair market value is the probable price of a good or service between a DMO and an unrelated party that are both knowledgeable of relevant facts, not under any obligation to buy or sell, and entitled to all rights and benefits of the good or service.²⁶

DMOs must report affiliate expenses at fair market value or at the affiliate's actual cost incurred.²⁷ When a DMO does not report affiliate expenses at cost and has not established fair market value, there is a risk the DMO may have overpaid its affiliate and overstated expenses for the state of Texas.

Categorizing Expenses

UnitedHealthcare Dental incorrectly categorized expenses totaling \$9,002,010 on its 2021 and 2022 FSRs. For example, UnitedHealthcare Dental reported membership material expenses totaling \$187,958 as marketing expenses in 2022. As a result of cumulative reporting errors, UnitedHealthcare Dental incorrectly categorized its FSR expenses by \$3,535,018 in 2021 and \$5,466,992 in 2022.

Table 3 on the following page provides additional details about UnitedHealthcare Dental's incorrectly categorized expenses by report.

²⁶ Uniform Managed Care Manual, Chapter 6.1, § II, v. 2.7 (May 29, 2019, as amended).

²⁷ Uniform Managed Care Manual, Chapter 6.1, § I(D)–(E), v. 2.7 (May 29, 2019, as amended).

Table 3: UnitedHealthcare Dental's Incorrectly Categorized Expenses

Report Line Subject (and Number)	2021 FSRs	2022 FSRs	Total
Pre-Implementation and Administrative Expenses			
Legal and professional services (11)	15,638	—	15,638
Marketing (13)	552,734	192,026	744,760
Other administrative (17)	1,436,531	3,153,176	4,589,707
Corporate allocations (24)	1,204,958	1,402,234	2,607,192
Quality Improvement Expenses			
Outreach (13)	325,157	719,556	1,044,713
Total	\$3,535,018	\$5,466,992	\$9,002,010

Source: OIG Audit

DMOs must report expenses based on the type of expense incurred.²⁸ Incorrectly categorizing these expenses did not impact the 2021 or 2022 estimated experience rebate amount owed to HHSC; however, HHSC may rely on inaccurate information when setting capitation rates and monitoring DMOs.

Recommendation 2a

UnitedHealthcare Dental should implement a process to either report affiliate expenses on its FSRs at the affiliate's actual cost or establish the fair market value for those expenses.

Management Response

Action Plan

Managed care organization will review future FSR reporting to ensure that what is being reported on the FSRs is either at actual cost or at or below fair market value reporting.

Responsible Manager

Dental Chief Financial Officer

Target Implementation Date

We are currently evaluating options to bring affiliate expenses into compliance.

²⁸ Uniform Managed Care Manual, Chapter 5.3.1.84, "Admin – Part 1: Administrative Expenses," v. 2.0 (Dec. 15, 2018, as amended).

Recommendation 2b

UnitedHealthcare Dental should communicate with and follow instructions from FRAC to determine the impact of not establishing fair market value for the identified affiliates.

Management Response

Action Plan

The managed care organization will work with FRAC to determine the appropriateness of utilizing the internal intersegment rate cards as a basis for determining the fair market value affiliate service rates.

Responsible Manager

Dental Chief Financial Officer

Target Implementation Date

The plan is to complete discussion with FRAC before the state fiscal year 2025 334-day FSR.

Recommendation 2c

UnitedHealthcare Dental should implement a process to report expenses on its FSRs based on the type of expense.

Management Response

Action Plan

DMO will reassess the current process in place to report expenses on the FSR based on type of expense with the intent to strengthen controls and improve mapping of these expenses.

Responsible Manager

Dental Chief Financial Officer

Target Implementation Date

Efforts currently underway to reevaluate and map general ledger expenses to appropriate FSR expense lines.

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The audit objective was to determine whether UnitedHealthcare Dental (a) reported expenses on its FSRs in accordance with applicable requirements and (b) designed and implemented effective internal controls over the preparation of its FSRs.

The audit scope covered administrative, quality improvement, and pre-implementation expenses during the period from October 29, 2019, through August 31, 2022.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- Dental Services for Texas Children’s Medicaid and Children’s Health Insurance Program, HHSC Contract #HHS0002879-00003 (2019, as amended)
- Uniform Managed Care Manual, Chapter 5.3.1.83, v. 2.1 (2020, as amended)
- Uniform Managed Care Manual, Chapter 5.3.1.84, v. 2.0 (2018, as amended)
- Uniform Managed Care Manual, Chapter 6.1, v. 2.7 (2019, as amended)

Appendix B: Methodology and Data Reliability

OIG Audit issued an engagement letter to UnitedHealthcare Dental on November 1, 2023, providing information about the upcoming audit, and conducted fieldwork from November 1, 2023, through June 29, 2024.

OIG Audit reviewed UnitedHealthcare Dental's system of internal controls, including components of internal control,²⁹ within the context of the audit objectives, and tested controls related to UnitedHealthcare Dental's expenses reported on its 334-day Combined Administrative and Quality Improvement Expenses financial statistical reports (Combined FSRs) for 2021 and 2022 by:

- Interviewing UnitedHealthcare Dental management and staff with oversight responsibilities for maintenance, submission, review, and approval of FSR-related activities.
- Reviewing relevant documentation, such as policies, procedures, and documented approvals.
- Replicating selected FSR compilation and review controls.
- Reconciling FSR-reported amounts to UnitedHealthcare Dental's information systems and supporting documents.
- Testing samples of FSR-reported expenses.

UnitedHealthcare Dental's Combined FSRs consisted of two sections—an administrative section and a quality improvement section. Each part of these FSR sections is divided into line items, which indicate the type of expenses included.

²⁹ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed July 17, 2024).

OIG Audit tested significant manual adjustments and samples of expenses reported on the following line items in UnitedHealthcare Dental's 2021 and 2022 Combined FSRs:

- Administrative Section–Part 1:
 - Line 1 – Salaries, wages, and benefits (excl. bonuses)
 - Line 2 – Bonuses
 - Line 11 – Legal & Prof. Services, incl. External Audit, Tax, Consulting
 - Line 13 – Marketing, PR, and Outreach (excl. Salaries)
 - Line 17 – Other Administrative Expenses
 - Line 24 – Corporate Allocations
- Quality Improvement Section–Part 1
 - Line 1 – Salaries, wages, and benefits (excl. bonuses)
 - Line 2 – Bonuses
 - Line 13 – Outreach (excl. Salaries)

Additionally, OIG Audit tested expenses from UnitedHealthcare Dental's pre-implementation expense report submitted to HHSC, which covered the period from October 29, 2019, through August 31, 2020.

Sampling Methodology

Auditors selected nonstatistical samples of expenses reported on UnitedHealthcare Dental's pre-implementation expense report and on the selected line items on its 2021 and 2022 FSRs. These samples were designed to address specific risk factors, such as the amount, timing, and type of the expenses. The sample items were not representative of the population; therefore, it would not be appropriate to project the test results to the population.

Data Reliability

To assess the reliability of data related to expenses reported on the pre-implementation expense report and on the FSRs, auditors (a) analyzed the data for reasonableness and completeness, (b) traced samples of data to source documents, (c) interviewed staff who were knowledgeable about the data, and (d) reviewed related internal controls. OIG Audit determined the data was sufficiently reliable for the purpose of the audit.

Appendix C: Summary of Recommendations

Table C.1: Summary of Recommendations to UnitedHealthcare Dental

No.	Recommendation
1	UnitedHealthcare Dental should strengthen its FSR preparation and review procedures to report expenses that (a) are accurate, allowable, complete, and reported in the correct period based on the date incurred and (b) comply with reporting requirements.
2a	UnitedHealthcare Dental should implement a process to either report affiliate expenses on its FSRs at the affiliate's actual cost or establish the fair market value for those expenses.
2b	UnitedHealthcare Dental should communicate with and follow instructions from FRAC to determine the impact of not establishing fair market value for the identified affiliates.
2c	UnitedHealthcare Dental should implement a process to report expenses on its FSRs based on the type of expense.

Source: OIG Audit

Appendix D: Related Reports

- Cook Children’s Health Plan’s Financial Statistical Reports, [AUD-24-016](#), July 23, 2024
- Administrative and Medical Expenses Reported on Financial Statistical Reports: Texas Children’s Health Plan, Inc., [AUD-23-018](#), August 7, 2023
- Administrative and Medical Expenses Reported on Financial Statistical Reports: UnitedHealthcare Community Plan of Texas, L.L.C. and UnitedHealthcare Insurance Company, Inc., [AUD-22-024](#), August 24, 2022
- Administrative Expenses Reported by Molina Healthcare of Texas, Inc. on Its Financial Statistical Report, [AUD-22-021](#), August 16, 2022
- Driscoll Health Plan: A Texas Medicaid and CHIP Managed Care Organization, [AUD-21-010](#), May 27, 2021
- Reporting and Compliance of Affiliate Third-Party Administrator Services: MCNA Insurance Company, [AUD-21-007](#), February 25, 2021

Appendix E: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

For more information on Texas Medicaid and CHIP Financial Statistical Reports:

"Medicaid & CHIP Financial Statistical Reports," HHS, <https://www.hhs.texas.gov/services/health/medicaid-chip/managed-care-contract-management/medicaid-chip-financial-statistical-reports> (accessed June 13, 2024)

For more information on UnitedHealthcare Dental:

Homepage, UnitedHealthcare Dental, <https://dentaltx.uhc.com/> (accessed June 13, 2024)

Appendix F: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
- Sarah Corinne Warfel, CPA, Audit Director
- George D. Eure, CPA, Senior Managing Auditor
- Ronald Cintron, CIA, CISA, CGAP, CRMA, Senior Managing Auditor
- William Koenig, CIA, CFE, Audit Project Manager
- Andrew O'Brien, Senior Auditor
- Kathryn Wolf, Senior Auditor
- Sarah Ady, Staff Auditor
- Danita Villareal, Staff Auditor
- Alex Allred, Associate Auditor
- Karen Mullen, CGAP, CIGA, Quality Assurance Manager
- Ashley Rains, CPE, CFE, Senior Audit Operations Analyst

Report Distribution

Texas Health and Human Services Commission

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Jordan Dixon, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer

- Sylvia Hernandez Kauffman, Chief Information Officer
- Nicole Guerrero, Chief Audit Executive
- Emily Zalkovsky, Chief Medicaid and CHIP Services Officer, Medicaid and CHIP Services
- Camisha D. Banks, Deputy Executive Commissioner for Managed Care, Medicaid and CHIP Services
- Micheal Lopez, Deputy Executive Commissioner for Operations, Medicaid and CHIP Services
- Jason Mendl, Director, Financial Reporting and Audit Coordination

UnitedHealthcare Dental

- Staci Sorensen, Chief Executive Officer and Executive Director
- Mitchell Davis, Dental Chief Financial Officer
- Lauren Caddell, Compliance Director

Appendix G: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Raymond Charles Winter, Inspector General
- Susan Biles, Principal Deputy Inspector General
- Kacy J. VerColen, Chief of Audit and Inspections
- Eugenia Krieg, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Diane Salisbury, Chief of Data Reviews
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

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To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

To Contact OIG

- Email: oig.generalinquiries@hhs.texas.gov
- Mail: Texas Health and Human Services
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000