UFCW Local 1500 Welfare Fund

Associated Administrators, LLC Report

March 8, 2016

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Agenda

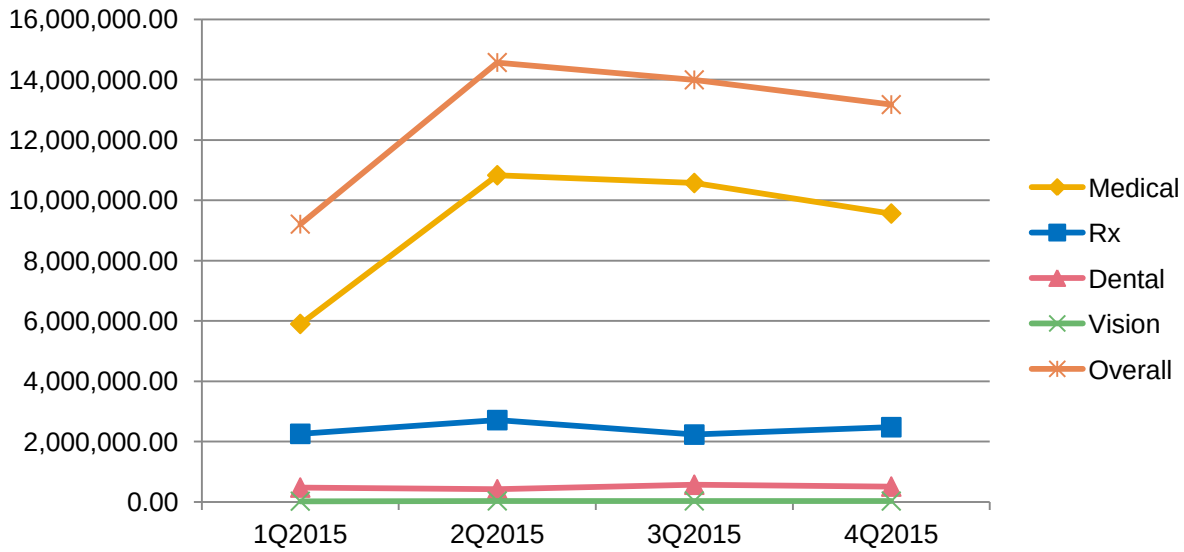
- AMR Summary 4Qtr 2015
- Claims Utilization Report
- JAA Status Update
  - Snapshot
  - Top Five Health Conditions
  - Top Five Providers
  - In-Network vs. Out-of-Network
  - Age and Gender
  - Part-Time ACA Deductible
- Out-Of-Network Discount Report
- Other Fund Business
- Tabled Appeal

AMR Summary : 4Q2015

Full Time Plan

	1Q2015	2Q2015	3Q2015	**4Q2015**	YTD Totals
Medical	$5,900,482	$10,830,642	$10,572,710	**$9,560,477**	$36,864,311
Rx	$2,256,241	$2,711,341	$2,231,540	**$2,476,566**	$9,675,688
Dental	$475,911	$418,664	$569,540	**$508,596**	$1,972,711
Vision	$22,658	$31,948	$31,621	**$27,499**	$113,726

- **4Q15 deficit of $953,493**
- **PPPM Cost 4Q15 - $1,193**

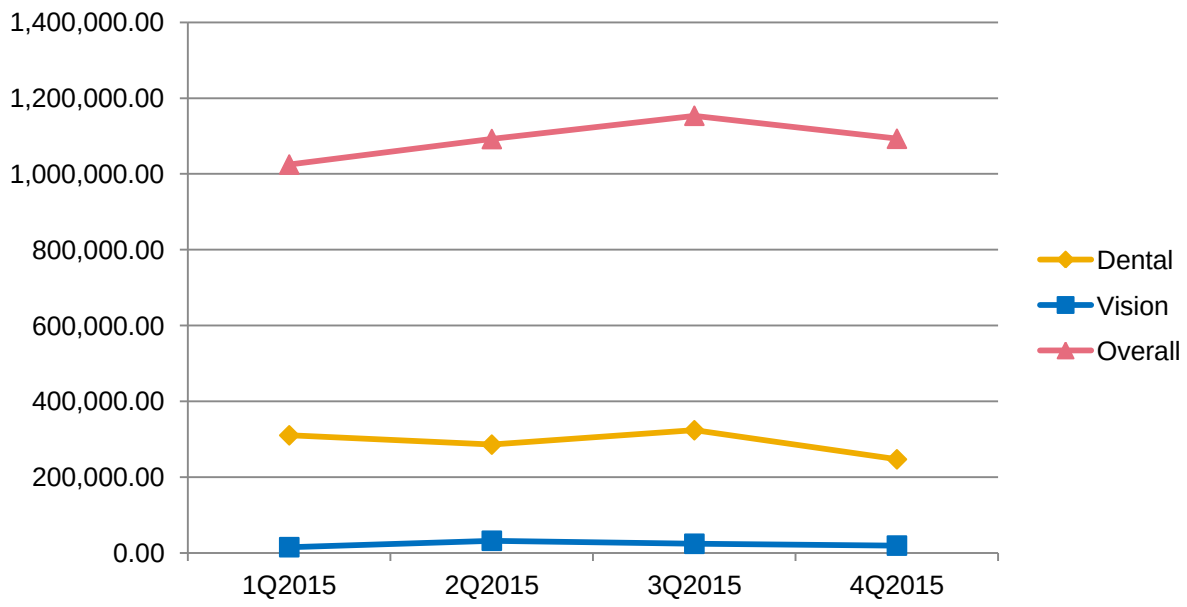


AMR Summary : 4Q2015

Part Time Plan

	1Q2015	2Q2015	3Q2015	**4Q2015**	YTD Totals
Dental	$310,224	$285,689	$323,604	**$246,897**	$1,166,414
Vision	$15,073	$32,016	$24,061	**$19,274**	$90,424

- **4Q15 surplus of $1,751,322**
- **PPPM Cost 4Q15 - $30**

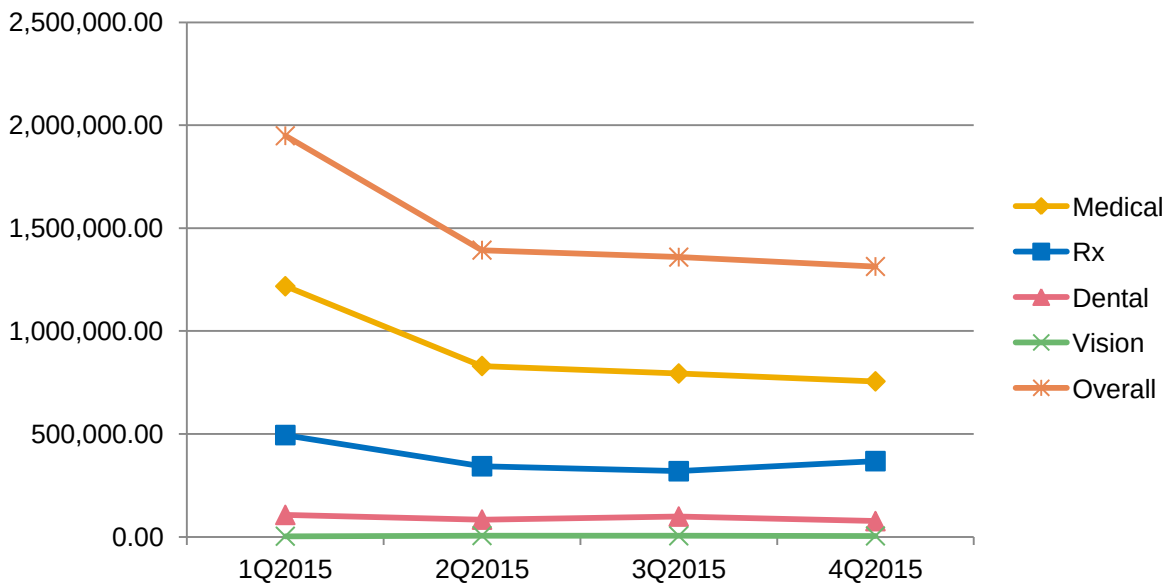


AMR Summary : 4Q2015

Special Part Time Plan

	1Q2015	2Q2015	3Q2015	**4Q2015**	YTD Totals
Medical	$1,217,793	$830,388	$793,825	**$755,809**	$3,597,815
Rx	$494,680	$343,321	$319,160	**$368,109**	$1,525,270
Dental	$107,006	$84,084	$98,930	**$76,672**	$366,692
Vision	$3,186	$6,194	$5,174	**$4,694**	$19,248

- **4Q15 surplus of $298,360**
- **PPPM Cost 4Q15 - $353**

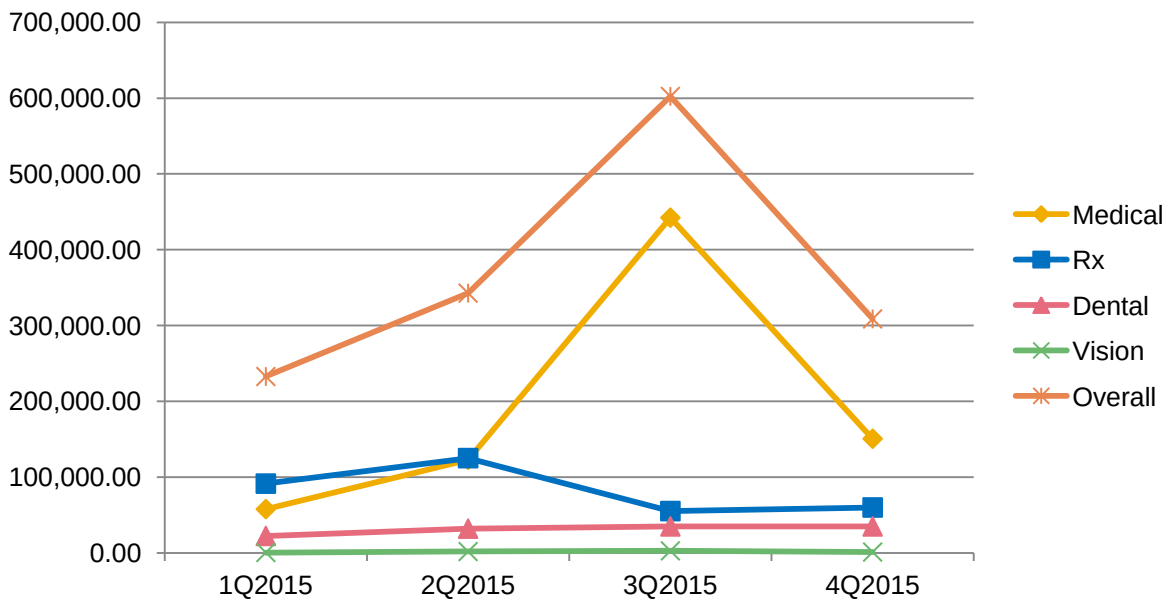


AMR Summary : 4Q2015

Part Time ACA Plan

	1Q2015	2Q2015	3Q2015	**4Q2015**	YTD Totals
Medical	$57,737	$122,901	$442,296	**$150,654**	$773,588
Rx	$91,409	$125,032	$55,172	**$59,912**	$331,525
Dental	$22,428	$32,050	$34,973	**$34,970**	$124,421
Vision	$500	$1,773	$2,721	**$1,097**	$6,091

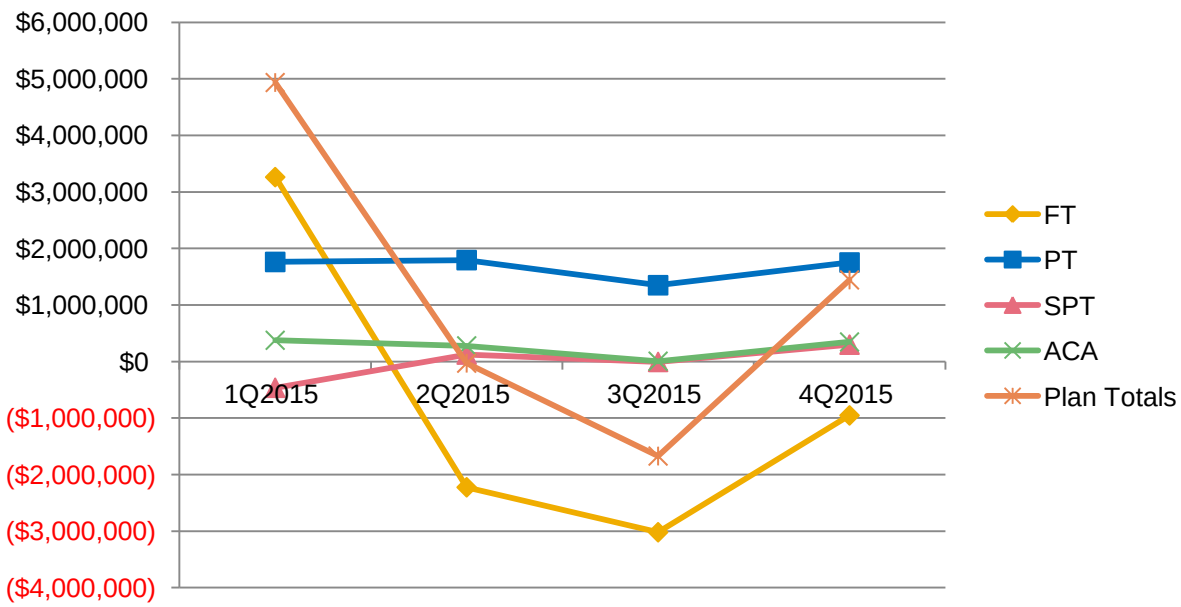
- **4Q15 surplus of $346,526**
- **PPPM Cost 4Q15 - $145**



AMR Summary : 4Q2015

All Plans: Surplus/Deficit

	1Q2015	2Q2015	3Q2015	4Q2015	YTD TOTAL
FT	$3,262,012	($2,224,679)	($3,020,079)	($953,493)	($2,936,239)
PT	$1,761,391	$1,793,661	$1,349,668	$1,751,322	$6,656,042
SPT	($464,187)	$123,491	($7,558)	$298,360	($49,894)
ACA	$375,598	$277,977	$6,009	$346,526	$1,006,110
Plan Totals	$4,934,814	($29,550)	($1,671,960)	$1,442,715	$4,676,019



AMR Summary : 4Q2015

Reserve Projection

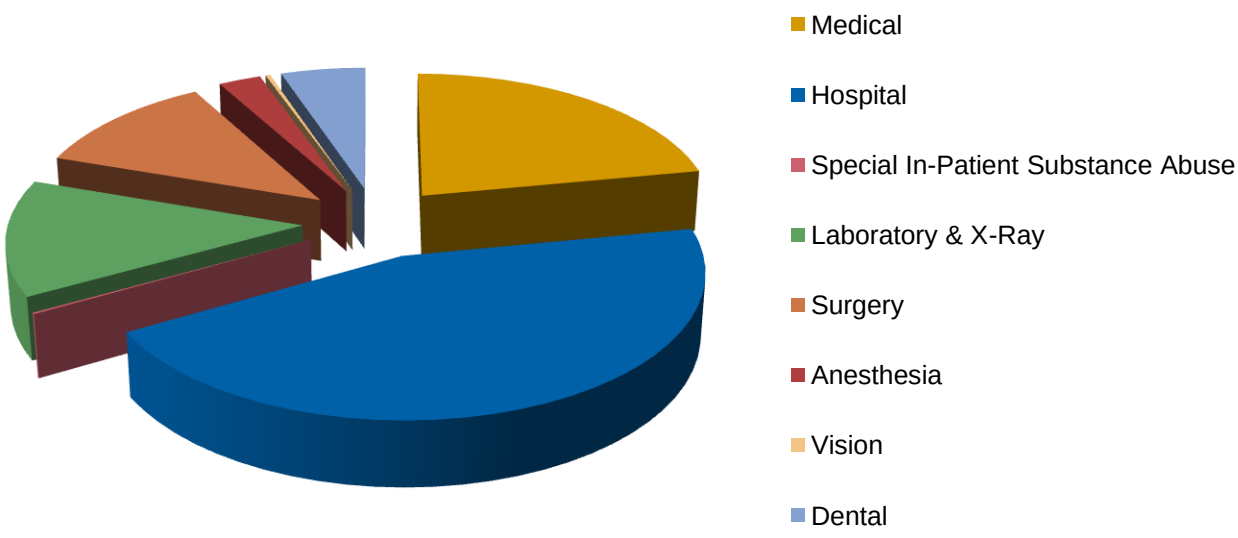
- As of December 31, 2015 – 6.5 months

  Future projections
  - 3 months out (3/31/16): 6.7 months
  - 6 months out (6/30/16): 6.9 months
  - 12 months out (12/31/16): 7.3 months

- *Reserve is based on unassigned reserve only.*

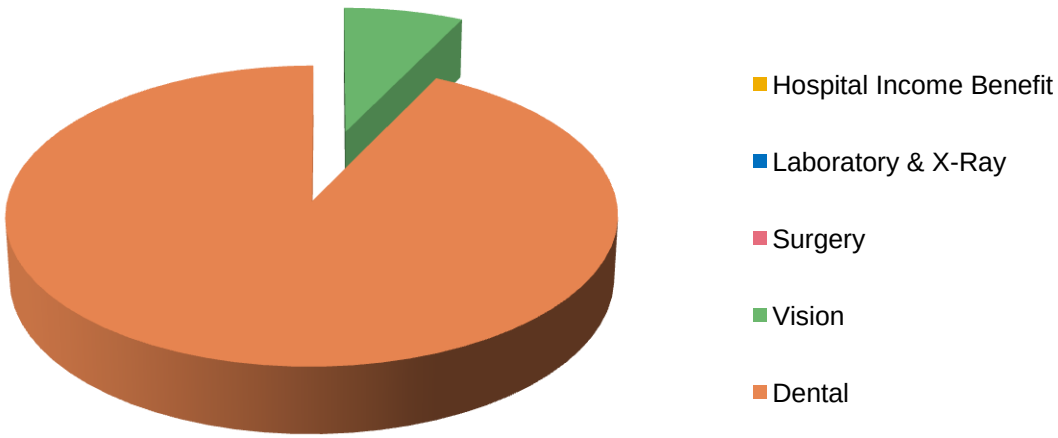
Claims - 4Q2015

FULL-TIME PLAN		
Medical	2,144,525.34	22.00%
Hospital	4,367,826.64	44.80%
Special In-Patient Substance Abuse	14,920.75	0.15%
Laboratory & X-Ray	1,292,602.65	13.26%
Surgery	1,137,245.99	11.67%
Anesthesia	255,493.64	2.62%
Vision	27,499.00	0.28%
Dental	508,595.55	5.22%
Total	**9,748,709.56**	100.00%



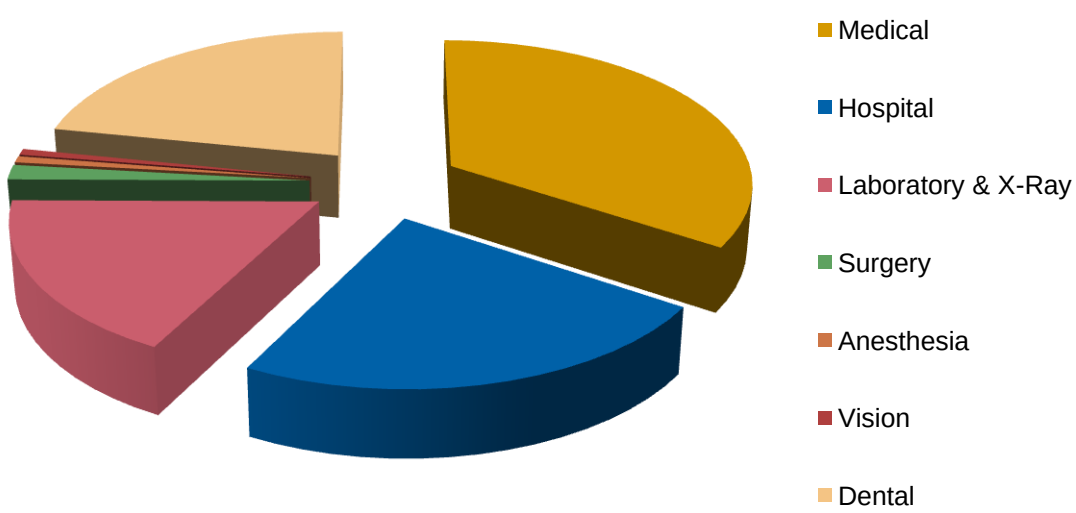
Claims cont'd – 4Q2015

PART-TIME PLAN		
Hospital Income Benefit	-	0.00%
Laboratory & X-Ray	-	0.00%
Surgery	-	0.00%
Vision	19,274.00	7.24%
Dental	246,897.15	92.76%
Total	**266,171.15**	100.00%



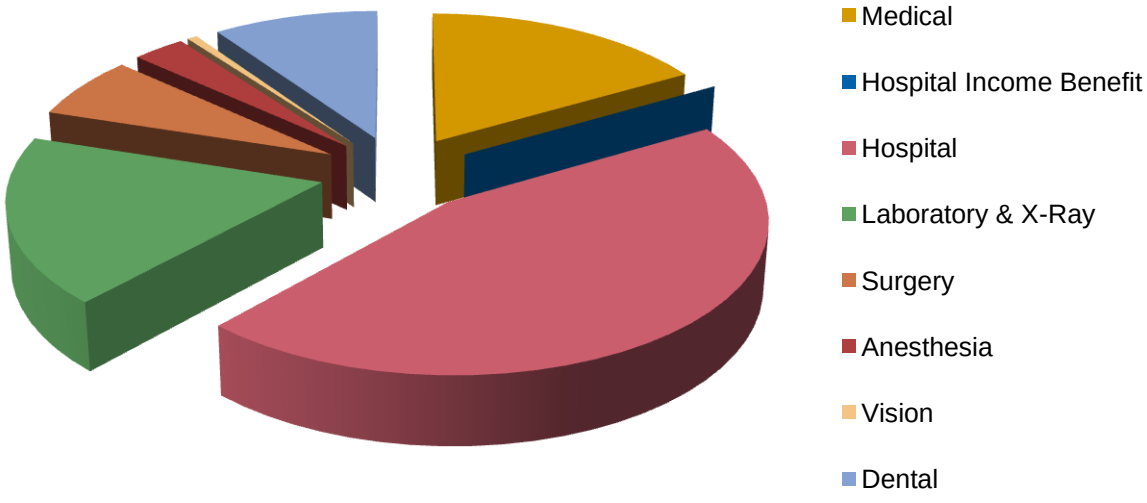
Claims cont'd - 4Q2015

PART-TIME ACA PLAN		
Medical	54,910.26	34.26%
Hospital	37,437.18	23.36%
Laboratory & X-Ray	28,068.84	17.52%
Surgery	2,632.94	1.64%
Anesthesia	1,139.00	0.71%
Vision	1,097.00	0.68%
Dental	34,970.35	21.82%
Total	**160,255.57**	100.00%



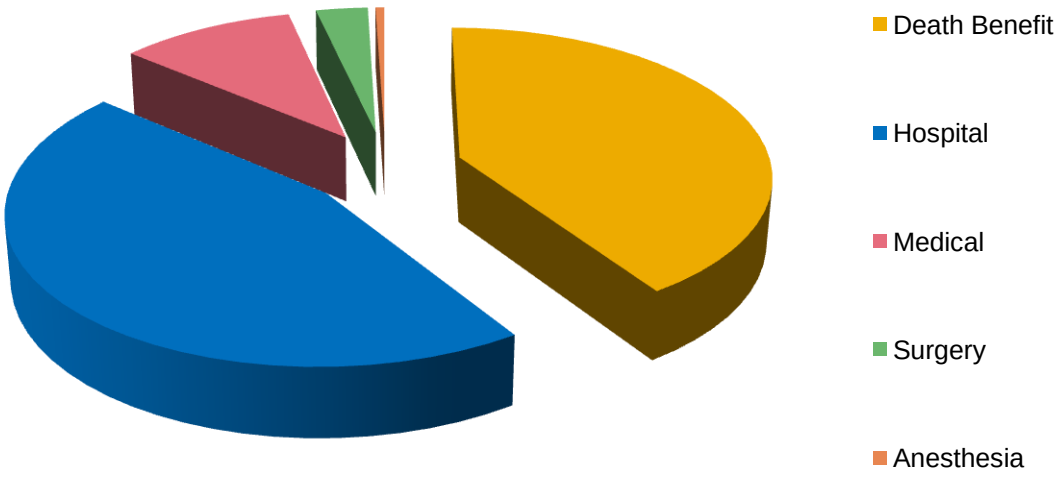
Claims cont'd – 4Q2015

SPECIAL PART-TIME PLAN		
Medical	132,402.94	16.69%
Hospital Income Benefit	-	0.00%
Hospital	357,916.90	45.11%
Laboratory & X-Ray	143,551.05	18.09%
Surgery	53,554.70	6.75%
Anesthesia	24,611.54	3.10%
Vision	4,694.00	0.59%
Dental	76,671.55	9.66%
Total	**793,402.68**	100.00%



Claims cont'd - 4Q2015

RETIREES		
Death Benefit	21,000.00	Death Benefit
Hospital	23,435.63	Hospital
Medical	5,327.59	Medical
Surgery	1,575.62	Surgery
Anesthesia	268.50	Anesthesia
Total	**51,607.34**	**Total**



Total for 4th quarter: $11,020,146.30

JAA Status Update

Snapshot

Month	Claims Processed	Billed Amount	Paid Amount
July	9,180	9,175,399.49	3,042,921.21
August	9,529	11,788,346.09	3,298,660.92
September	9,236	11,121,139.77	3,580,352.83
October	10,534	9,408,006.09	2,405,300.27
November	9,199	10,753,667.18	2,947,593.88
December	9,731	10,100,139.69	3,497,608.57
Totals	**57,409**	**62,346,698.31**	**18,772,437.68**

JAA Claims – 4Q2015

- Top 5 Diagnoses By Plan

FULL-TIME	
Amount Paid	**Diagnosis**
$172,294.93	ecounter for antineoplastic chemotherapy
$148,133.71	cervical disc disorder with myelopathy, mid-cervical region
$135,234.05	acute myocardial infarction of unspecified site, initial episode
$124,226.28	spinal stenosis, lumbar region
$112,368.97	neurysm of other specified arteries

PART-TIME ACA	
Amount Paid	**Diagnosis**
$35,437.77	ecounter for antineoplastic chemotherapy
$9,247.86	intraductal carcinoma in situ of left breast
$8,028.20	acute on chronic systolic heart failure
$6,319.81	malignant neoplasm of unspecified site of left female breast
$5,236.66	malignant neoplasm of unspecified site of unspecified female

ICD-10 was implemented for dates of service on or after October 1, 2015, which provides a greater level of detail for coding. There are nearly 5 times as many diagnosis codes in ICD-10 than ICD-9, per cdc.gov.

JAA Claims – 4Q2015

- Top 5 Diagnoses By Plan

SPECIAL PART-TIME	
Amount Paid	**Diagnosis**
$50,597.53	diabetes with other specified manifestations, type II or unspecified type, uncontrolled
$35,232.16	septicemia
$34,721.41	encounter for prophylactic removal of breast
$34,642.24	osteoarthritis of knee, unspecified
$29,109.35	Legionnaires' disease

ICD-10 was implemented for dates of service on or after October 1, 2015, which provides a greater level of detail for coding. There are nearly 5 times as many diagnosis codes in ICD-10 than ICD-9, per cdc.gov.

JAA Claims – 4Q2015

- Top 5 Providers By Plan

FULL-TIME	
Provider	**Amount Paid**
WINTHROP UNIVERSITY HOSPITAL	$549,961.37
JOHN T. MATHER MEMORIAL HOSPITAL	$290,131.26
STONY BROOK UNIVERSITY HOSPITAL	$254,684.38
STATEN ISLAND UNIVERSITY HOSPITAL	$242,941.78
SOUTH NASSAU COMMUNITIES HOSPITAL	$230,655.09

PART-TIME ACA	
Provider	**Amount Paid**
VASSAR BROTHERS MEDICAL CENTER	$57,980.25
NASSAU HEALTH CARE CORP	$14,090.72
ST. MARY'S HOSPITAL	$3,818.28
THE STAMFORD HOSPITAL	$3,233.64
NORTHERN LITHO, INC	$2,892.00

JAA Claims – 4Q2015

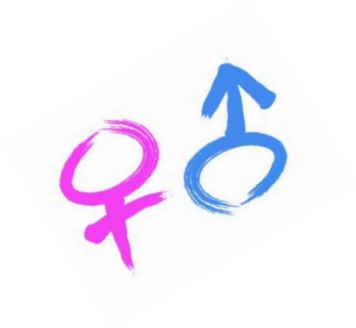
- Top 5 Providers By Plan

SPECIAL PART-TIME	
Provider	**Amount Paid**
MONTEFIORE MEDICAL CENTER	$54,533.39
PECONIC BAY MEDICAL CENTER	$36,187.05
PLAINVIEW HOSPITAL	$35,232.16
ST. LUKES ROOSEVELT HOSPITAL	$28,987.16
WHITE PLANS HOSPITAL MEDICAL CENTER	$26,672.79

JAA Claims – 4Q2015

- Inpatient Facility Utilization
  - In-Network Total: $2,766,020.84
    - Full-Time: $2,529,754.75
    - Part-Time ACA: $12,743.38
    - Special Part-Time: $223,522.71
  - Out-of-Network Total: $0
- Outpatient Facility Utilization
  - In-Network Total: $1,971,837.35
    - Full-Time: $1,818,609.41
    - Part-Time ACA: $23,514.18
    - Special Part-Time: $129,713.76
  - Out-of-Network Total: $44,591.40
    (Full-Time Only)

JAA Claims – 4Q2015



Gender

Part-Time ACA Plan

Female……..79

Male……110

Special Part-Time Plan

Female……345

Male……..…186

Full-Time Plan

Female ……2,464

Male……2,301

The numbers above represent the population that had a paid/denied claim in the 4th quarter.

JAA Claims – 4Q2015

- **Age**

Part-Time ACA Plan

Member average age…….41.32

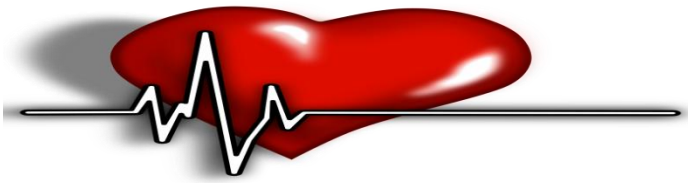
Special Part-Time Plan

Member average age…….52.31

Full-Time Plan

Member average age…….50.68

Dependent average age…….28.25



The numbers above represent the population that had a paid/denied claim in the 4th quarter.

JAA Claims – 4Q15

- **Part-Time ACA Plan Deductible/Out-of-pocket maximum**
  - **28 members met their $5,600 deductible for the 2015 plan year by the end of the 4th quarter.**
  - **See utilization below. Amounts shown include first $400 basic benefit.**

MEMBER	AMOUNT PAID THROUGH 4Q2015
1	$1,183.21
2	$2,521.15
3*	$1,515.35
4*	$19,299.91
5	$6,172.68
6	$7,614.92
7	$3,912.52
8	$148,997.49
9	$6,218.90
10*	$12,392.40
11	$1,887.77
12	$3,870.74
13	$2,416.65
14*	$35,753.81

MEMBER	AMOUNT PAID THROUGH 4Q2015
15	$10,401.43
16	$1,989.44
17	$6,745.11
18*	$15,878.05
19*	$4,596.45
20	$19,232.88
21*	$7,070.18
22	$223,169.92
23	$848.21
24	$4,030.54
25	$757.58
26	$4,015.25
27	$30,221.34
28	$733.43

* Member's Part-Time ACA Benefits have terminated.

Out-Of-Network Discounts HRGi Savings

- October 2015 Invoice – Total billed $236,843.42
  - Savings: $82,535.68
  - Average 35% per claim
- November 2015 Invoice – Total billed $217,416.28
  - Savings: $66,250.51
  - Average 31% per claim
- December 2015 Invoice – Total billed $1,623,433.68
  - Savings: $1,038,791.59
  - Average 64% per claim

Other Fund Business

- Dependent Social Security Numbers

  As of 3/8/16, 26 dependent socials are missing. Additional attempts have been made to contact the members. A list of these 26 dependents are being provided to the Fund office today.

- Plan Reporting – ACA sections 6055 and 6056

  Form 1095-B was mailed to all applicable participants on 2/2/16

- Disclosure of Creditable Coverage – CMS filing 2/22/16

  Rx coverage – Medicare-eligible participants

Tabled Appeal

NAME: **SS#:**
REGARDING:

UFCW LOCAL 1500 WELFARE FUND

LOCAL: 1500
STATUS: Full Time

ISSUE: Hospital/Medical – Prior-Authorization, Out-of-Network Benefit Level #M16/112-4641

FUND RULE:
"**IV. Plan Design Changes Effective March 1, 2014**

Deductible
In-Network: $150 single/$300 family
Out-of-Network: $500 single/$1,000 family

Co-Insurance
In-Network
Paid by the Fund.....80% of the In-Network Fee Schedule
Paid by the Patient.....20% of the In-Network Fee Schedule

Out-of-Network
Paid by the Fund.....70% of the Usual & Customary Rate
Paid by the Patient.....30% of the Usual & Customary Rate"
(Quoted from the UFCW Local 1500 Full Time Plan Summary of Material Modifications)

SUMMARY: Appeal Received: January 27, 2016

The **provider,** Cochlear Americas (an out-of-network provider), is appealing on behalf of the participant's spouse for coverage of a replacement Cochlear Baha 5 sound processor at the in-network benefit level. The provider states that they are the sole source of this device and are willing to accept 95% of the MSRP.

After the appeal was received, it was sent to HealthLink for review. HealthLink certified the replacement Cochlear Baha 5 sound processor (L8691) **as medically necessary.**

ACTION: **Approved** ☐ **Denied** ☐ **Tabled** ☐
COMMENTS:

Conclusion

- Thank You
- Questions?