Executive Summary Prepared for

The Local 1500 Welfare Fund

Current period reflects claims paid from May 1, 2012 through Apr 31, 2013(CP). Prior period reflects claims paid from May 1, 2011 through Apr 31, 2012(PP).

PMPM = Per Member Per Month
HCC = High cost claimant; total cost per claimant of greater than $75,000

Summary:

The growth in total plan PMPM cost in the new reporting period is lower than it has been in previous reporting periods. The main driver behind this trend is the slowed increase in High Cost Claims paid amount growth which is only 3.1% in the Current Period. Although PMPM costs for both Chronic and Lifestyle conditions still varied above Benchmark, the variance was not as significant as in Prior Periods. Overall, the downward trend in High Cost Claims and Lifestyle/Chronic conditions contributed the most to abating total plan cost increase.

Demographics:

- There are 9,989 members in the CP a 3.2% decrease from the PP
- 25.0% of members did not file a claim in the CP (i.e. they did not utilize any health services)
- The average subscriber age in the CP is 47; the average member age is 35
- Males account for 53.2% of the membership population while females account for 46.8%

Medical Paid Amount:

- Total medical paid amount in the CP is $38,138,928 a 5.5% increase from the PP ($36,164,822)
- 0.6% of claimants drove 27.0% of total paid amount cost
  - Total paid PMPM cost in the CP is $318.17, a 9.0% increase from the PP ($292.03)
  - *The top five Chronic Conditions are: Cancer, CAD, Diabetes, Low Back Pain, and Obesity (the top five chronic conditions remained the same from the prior period except for Obesity which is new to the list)*
  - *The top five Lifestyle related conditions are: Coronary Artery Disease, Osteoarthritis, Cancer-Lip/Oral, Diabetes, Breast Cancer (the top five health conditions also remained relatively unchanged from the prior period)*

High Cost Claimants:

- Total High Cost Claims (HCC) paid amount in the CP is $10,271,578 a 3.1% increase from the PP ($9,960,118)
- Total HCC PMPM cost in the CP is $85.69 a 6.5% increase from the PP ($80.43)
- The number of HCCs in the CP is 67 compared to 64 in the PP
- The top five HCC condition categories by paid amount are Neoplasms, Circulatory System, Musculoskeletal, Supplemental, and Genitourinary System

Utilization by Setting:

- Professional Services account for 41.8% of total paid amount ($15,938,580) followed by Inpatient at 35.0% ($13,329,572) and Outpatient at 23.2% ($8,870,775)
- Professional Services PMPM cost in the CP is $132.96 a 9.2% increase from the PP. Professional visits/1,000 decreased by 1.9% to 4,673.6 in the CP
- Inpatient PMPM cost in the CP is $111.20 a 12.3% increase from the PP. Acute admissions/1,000 increased by 4.8% to 71.7 in the CP. Days/1,000 decreased by 5.4% to 340.3 and average length of stay decreased by 9.7%
- Outpatient PMPM cost in the CP is $74.00 a 3.9% increase from the PP. Visits/1,000 decreased by 2.3% to 765.2