

UFCW Local 1500 Welfare Fund

Associated Administrators, LLC Report

September 11, 2017

Bill Jensen
Jeff Ianniello



Agenda

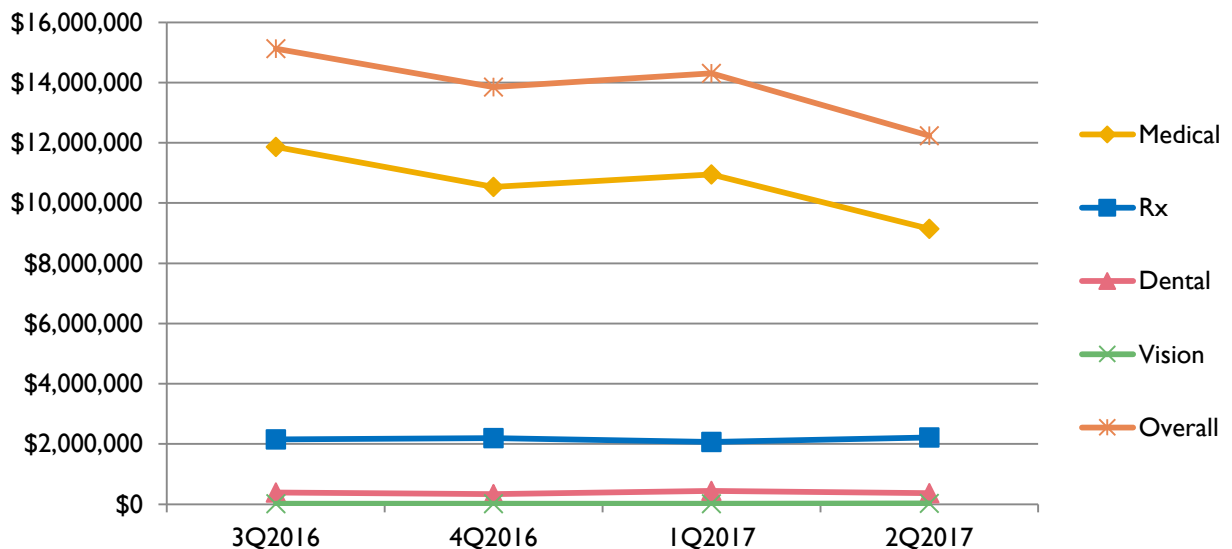
- AMR Summary and Claims Utilization Report 2Qtr 2017
 - Full Time
 - Special Part Time
 - Part Time ACA
 - Basic Part Time
 - Retiree
 - Summary and Reserve
- JAA Status Update
 - Snapshot
 - Top Five Health Conditions
 - Top Five Providers
- In-Network vs. Out-of-Network
- Out-Of-Network Discount Report
- Other Fund Business
- Tabled Appeal

AMR Summary : 2Q2017

Full Time Plan

	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
Medical	\$11,862,068	\$10,532,413	\$10,954,802	\$9,146,723	\$42,496,006
Rx	\$2,154,324	\$2,195,829	\$2,069,933	\$2,213,682	\$8,633,768
Dental	\$387,528	\$330,674	\$445,263	\$367,927	\$1,531,392
Vision	\$19,798	\$19,124	\$18,195	\$23,563	\$80,680

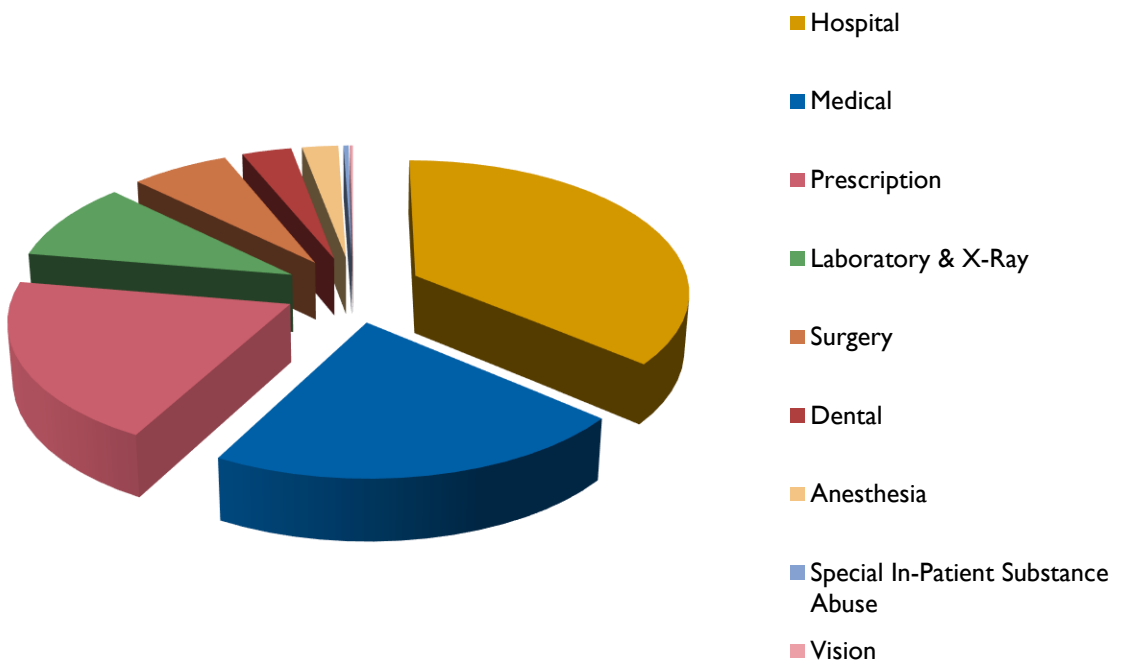
- **2Q17 surplus of \$456,000**
- **PPPM Cost 2Q17 - \$1,190**



Claims – 2Q2017

FULL-TIME PLAN

Hospital	\$4,037,731.60	36.12%
Medical	\$2,431,834.03	21.75%
Prescription	\$2,213,682.00	19.80%
Laboratory & X-Ray	\$1,073,020.40	9.60%
Surgery	\$726,752.28	6.50%
Dental	\$367,927.37	3.29%
Anesthesia	\$267,340.52	2.39%
Special In-Patient Substance Abuse	\$37,511.91	0.34%
Vision	\$23,563.00	0.21%
		100%

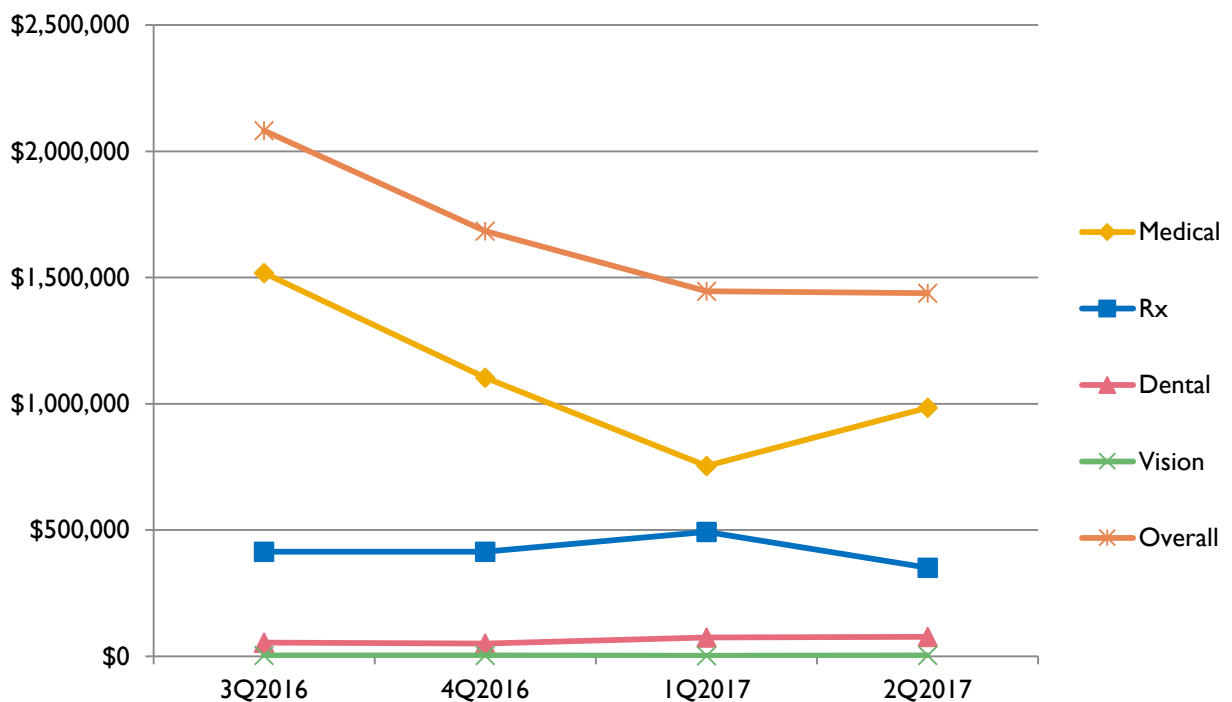


AMR Summary : 2Q2017

Special Part Time Plan

	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
Medical	\$1,517,702	\$1,103,594	\$753,701	\$984,847	\$4,359,844
Rx	\$413,610	\$413,834	\$492,816	\$350,286	\$1,670,546
Dental	\$54,024	\$50,612	\$74,131	\$77,110	\$255,877
Vision	\$3,671	\$3,110	\$2,283	\$3,263	\$12,327

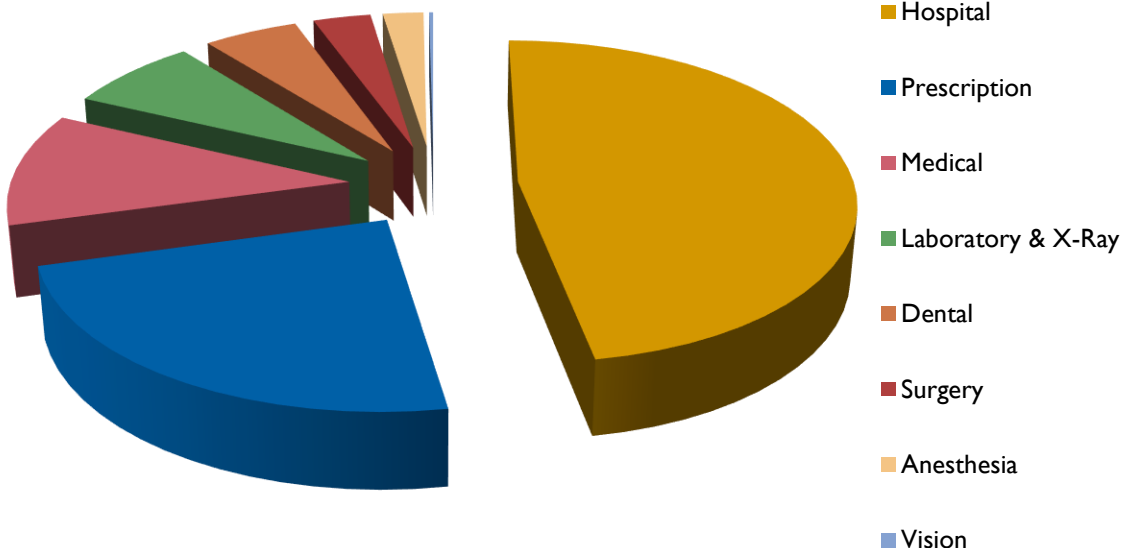
- **2Q17 deficit of \$178,298**
- **PPPM Cost 2Q17 - \$521**



Claims cont'd – 2Q2017

SPECIAL PART-TIME PLAN

Hospital	\$706,201.73	47.26%
Prescription	\$350,286.00	23.44%
Medical	\$168,686.54	11.29%
Laboratory & X-Ray	\$108,553.34	7.27%
Dental	\$77,110.10	5.16%
Surgery	\$47,005.75	3.15%
Anesthesia	\$33,028.11	2.21%
Vision	\$3,263.00	0.22%
		100%

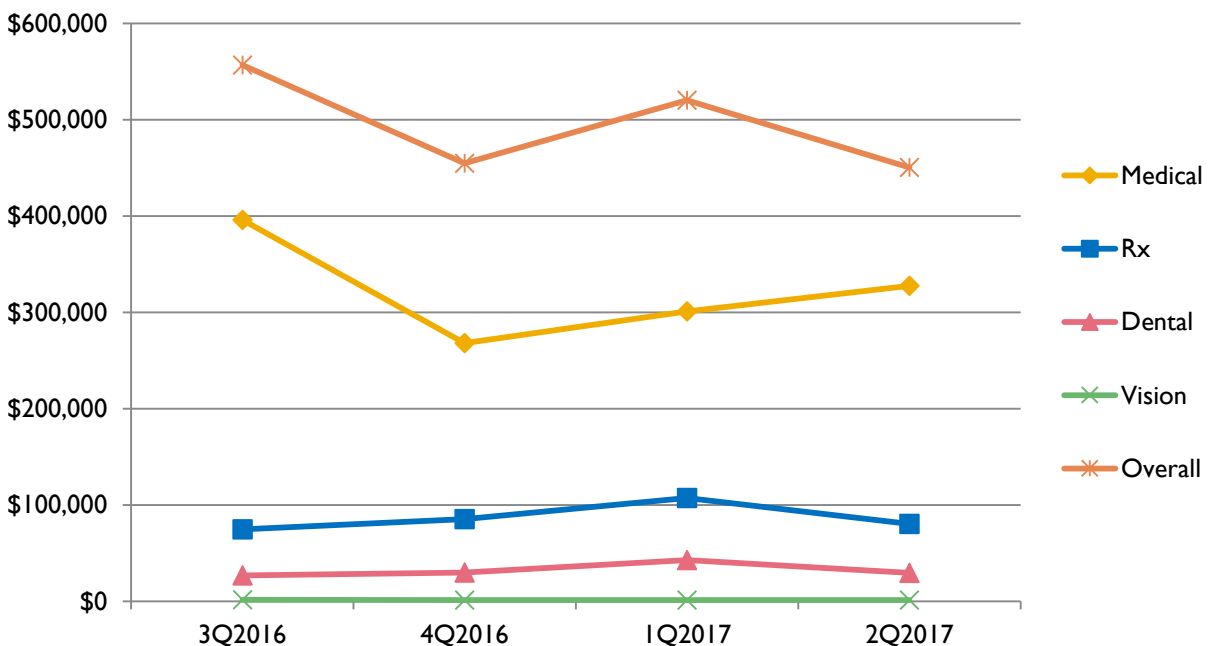


AMR Summary : 2Q2017

Part Time ACA Plan

	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
Medical	\$395,981	\$268,077	\$301,031	\$327,393	\$1,292,482
Rx	\$74,641	\$85,391	\$107,235	\$80,157	\$347,424
Dental	\$26,910	\$29,621	\$42,642	\$29,379	\$128,552
Vision	\$1,370	\$1,317	\$1,112	\$1,162	\$4,961

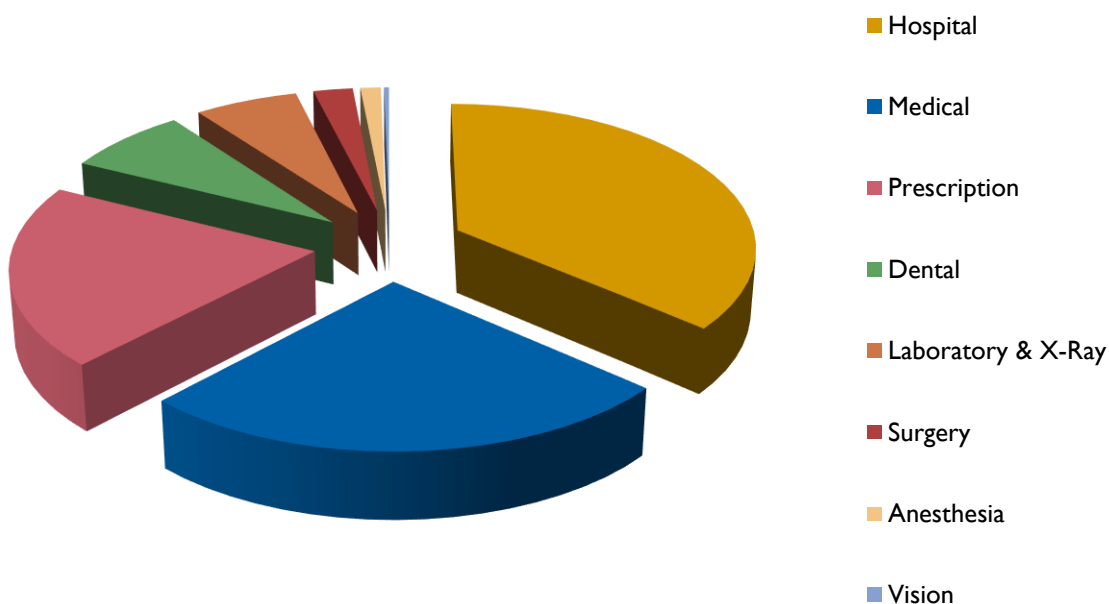
- **2Q17 surplus of \$306,572**
- **PPPM Cost 2Q17 - \$246**



Claims cont'd - 2Q2017

PART-TIME ACA PLAN

Hospital	\$143,490.80	36.35%
Medical	\$101,565.91	25.73%
Prescription	\$80,157.00	20.31%
Dental	\$29,378.75	7.44%
Laboratory & X-Ray	\$24,697.62	6.26%
Surgery	\$9,400.86	2.38%
Anesthesia	\$4,872.64	1.23%
Vision	\$1,162.00	0.29%
		100%



JAA Claims – 2Q2017

Part-Time ACA Plan Deductible/Out-of-pocket maximum

- 17 members met their \$5,600 deductible for the 2017 plan year by the end of the 2nd quarter.
- Utilization below -- amounts shown include first \$400 basic benefit.

MEMBER	AMOUNT PAID THROUGH 2Q2017
1	\$25,827.55
2	\$4,380.55
3*	\$14,383.42
4	\$5,736.64
5	\$77,445.28
6	\$2,997.78
7*	\$800.03
8	\$177,727.00
9	\$14,571.18

MEMBER	AMOUNT PAID THROUGH 2Q2017
10	\$4,815.75
11	\$5,487.45
12	\$62,068.33
13	\$15,634.29
14	\$4,038.75
15	\$15,188.16
16	\$7,080.50
17	\$4,414.80

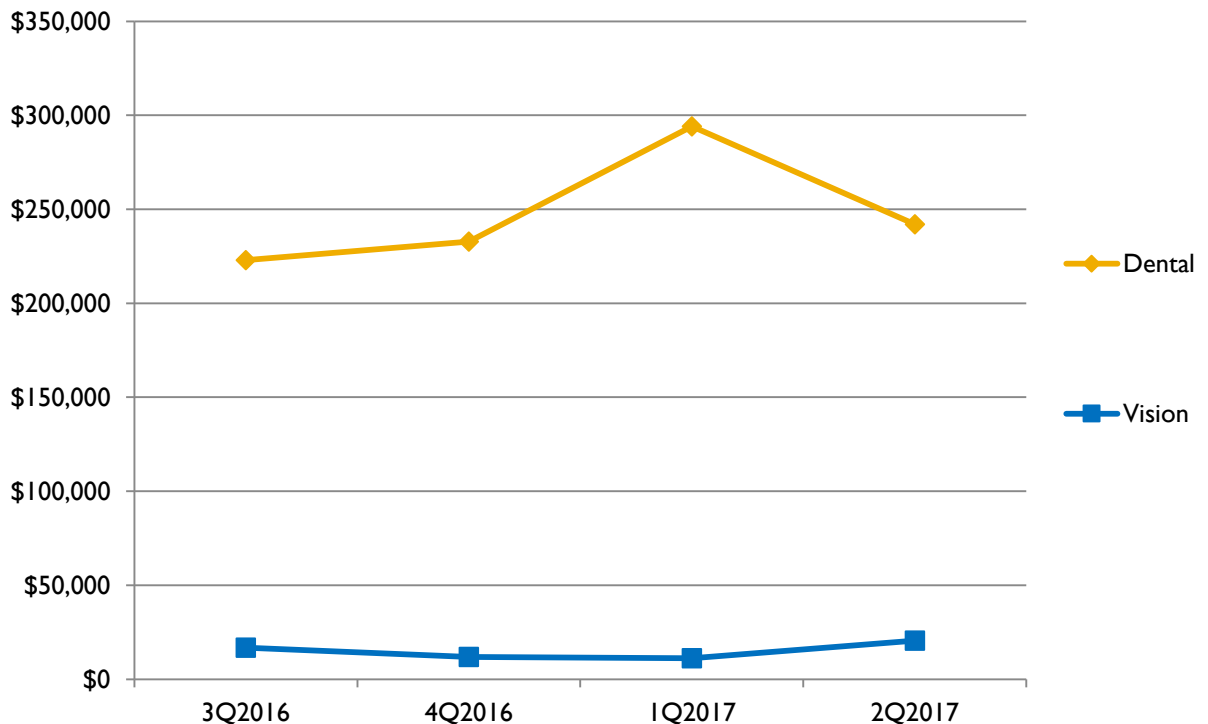
* Member's Part-Time ACA Benefits have terminated.

AMR Summary : 2Q2017

Part Time Plan

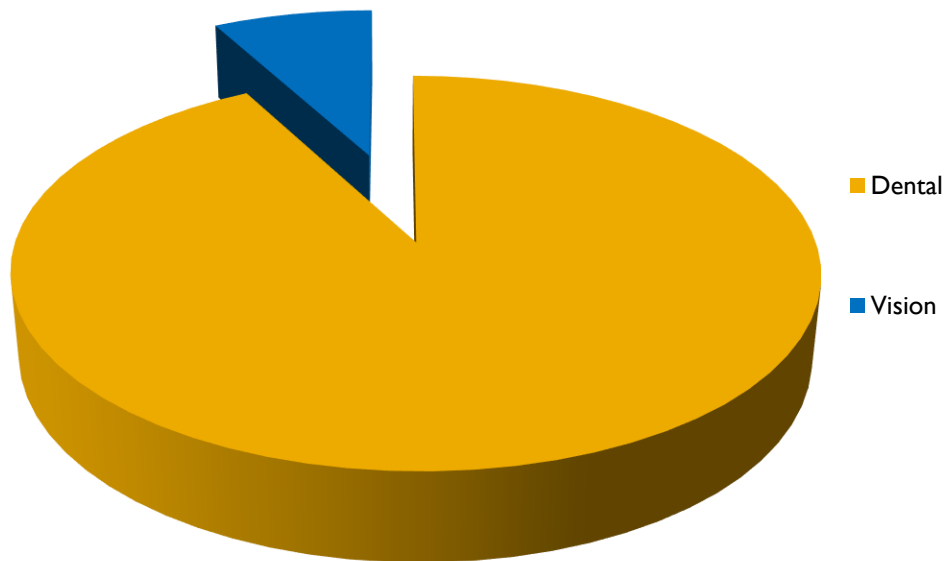
	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
Dental	\$222,979	\$232,754	\$294,169	\$242,046	\$991,948
Vision	\$16,868	\$11,829	\$11,191	\$20,603	\$60,491

- **2Q17 surplus of \$3,291,115**
- **PPPM Cost 2Q17 - \$4**



Claims cont'd – 2Q2017

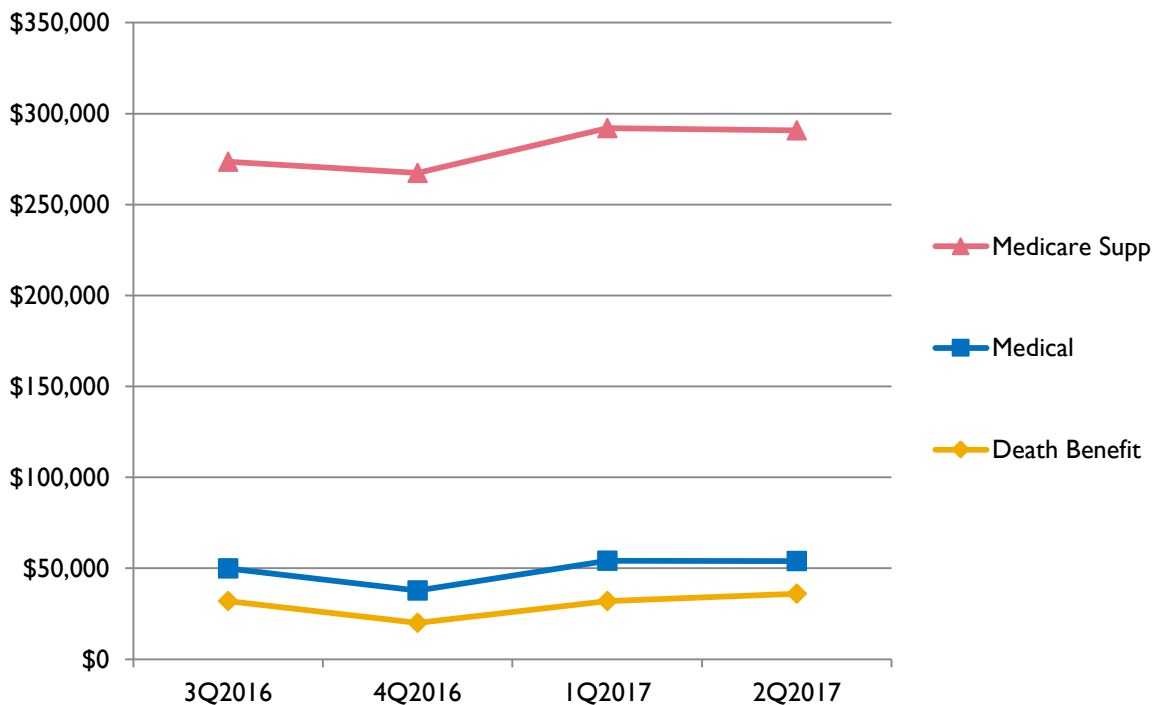
PART-TIME PLAN		
Dental	\$242,046.40	92.16%
Vision	\$20,603.00	7.84%
		100.00%



AMR Summary : 2Q2017

Retiree Plan

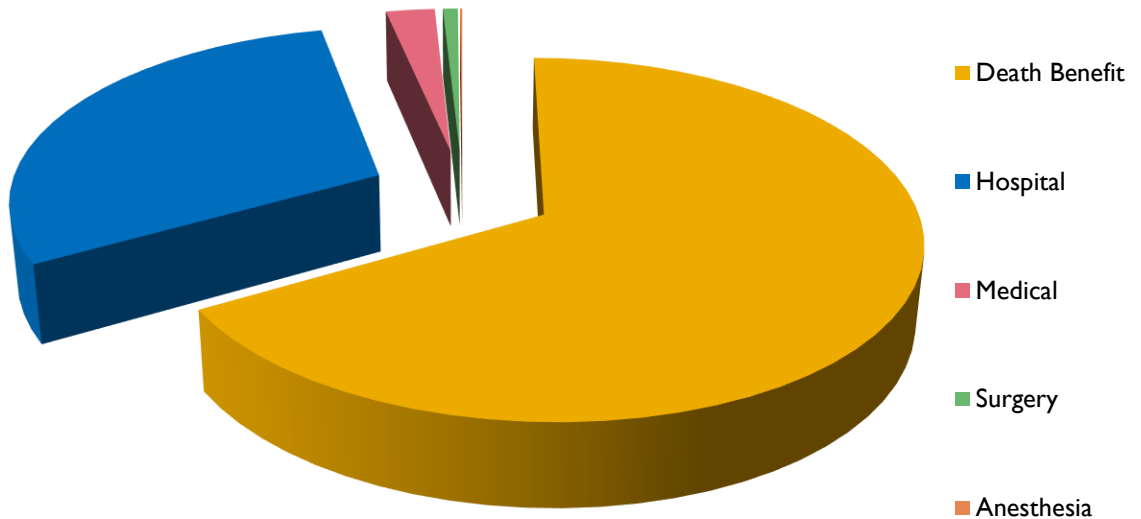
	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
Death Benefit	\$32,000	\$20,000	\$32,000	\$36,000	\$120,000
Medical	\$17,847	\$17,752	\$22,166	\$17,940	\$75,705
Medicare Supp Part B Reimbursement	\$223,655	\$229,602	\$237,824	\$236,886	\$927,967



Claims cont'd - 2Q2017

RETIREES

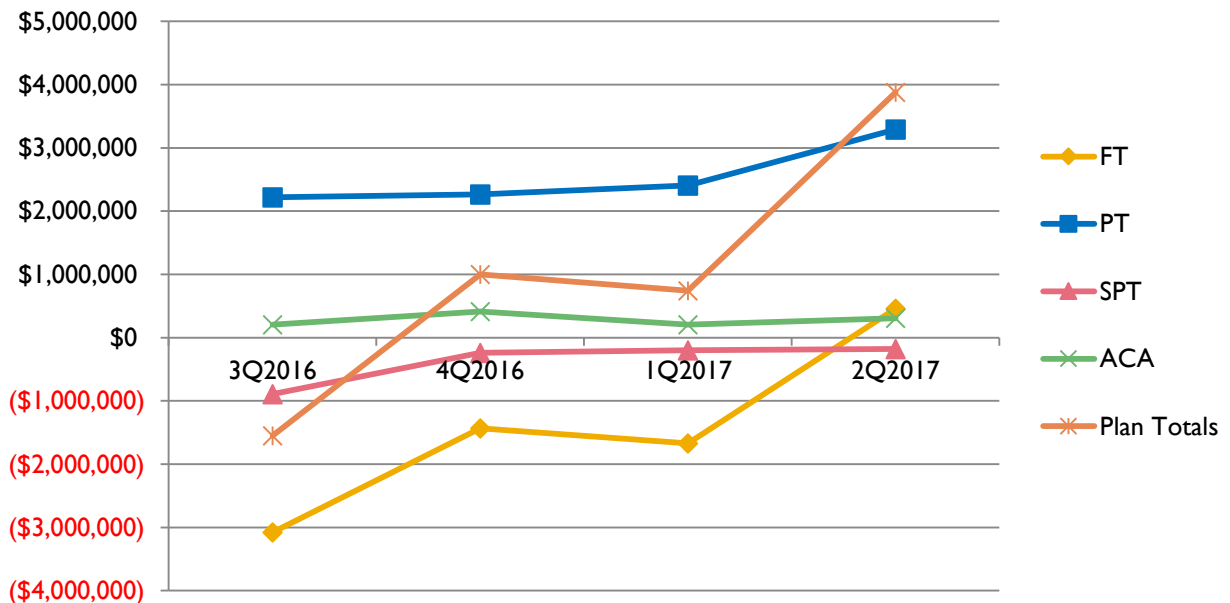
Death Benefit	\$36,000.00	66.74%
Hospital	\$16,132.37	29.91%
Medical	\$1,337.96	2.48%
Surgery	\$411.17	0.76%
Anesthesia	\$58.28	0.11%
		100.00%



AMR Summary : 2Q2017

All Plans: Surplus/Deficit

	3Q2016	4Q2016	1Q2017	2Q2017	Previous 4 Quarters
FT	(\$3,076,128)	(\$1,433,785)	(\$1,669,922)	\$456,000	(\$5,723,835)
PT	\$2,216,037	\$2,262,950	\$2,407,933	\$3,291,115	\$10,178,035
SPT	(\$894,235)	(\$241,652)	(\$199,792)	(\$178,298)	(\$1,513,977)
ACA	\$206,738	\$411,666	\$203,114	\$306,572	\$1,128,090
Plan Totals	(\$1,547,588)	\$999,179	\$741,333	\$3,875,389	\$4,068,313



AMR Summary : 2Q2017

Fund Reserve

- Average monthly expense January 2016 – June 2017 is **\$5,800,794.64**
- Fund reserve amount is **\$40,315,990**, as reported by Fund Auditor 6/30/17

6/30/17 – Fund reserve is 7.0 months

Monthly reserve at past quarterly meetings:

3/31/17	6.1 months
12/31/16	5.8 months
9/30/16	5.5 months
6/30/16	6.1 months
3/31/16	6.6 months

JAA Status Update

Snapshot

Month	Claims Processed	Billed Amount	Paid Amount	Difference
September '16	8,667	\$9,724,850.29	\$3,271,795.33	66.36%
October '16	8,831	\$8,799,981.48	\$3,063,898.71	65.18%
November '16	9,236	\$13,180,677.88	\$4,060,386.59	69.19%
December '16	7,582	\$11,001,605.35	\$3,233,256.63	70.61%
January '17	9,329	\$11,563,874.47	\$3,280,264.98	71.63%
February '17	8,498	\$10,225,760.58	\$3,395,888.02	66.79%
March '17	9,417	\$11,745,209.64	\$3,830,420.07	67.39%
April '17	7,629	\$8,228,666.63	\$2,730,832.01	66.81%
May '17	8,706	\$10,407,457.51	\$3,487,994.80	66.49%
June '17	9,272	\$10,022,797.65	\$3,095,844.26	69.11%
July '17	7,517	\$11,719,690.72	\$3,188,647.56	72.79%
August '17	8,841	\$18,706,067.83	\$5,883,489.39	68.55%
Totals	103,525	\$135,326,640.03	\$42,522,718.35	68.58%

JAA Claims – 2Q2017

- Top 5 Diagnoses By Plan

<u>FULL-TIME</u>	
<u>Amount Paid</u>	<u>Diagnosis</u>
\$407,426.31	Malignant neoplasm of prostate
\$385,150.96	Unilateral inguinal hernia, with obstruction, without gangrene, recurrent
\$183,972.89	End stage renal disease
\$132,732.05	Chest pain, unspecified
\$132,209.49	Malignant neoplasm of upper-outer quadrant of right female breast

<u>PART-TIME ACA</u>	
<u>Amount Paid</u>	<u>Diagnosis</u>
\$64,979.73	Encounter for antineoplastic chemotherapy
\$60,219.80	Morbid (severe) obesity due to excess calories
\$43,926.50	Malignant neoplasm of middle lobe, bronchus or lung
\$15,254.30	Chest pain, unspecified
\$14,302.84	Crohn's disease, unspecified, with rectal bleeding

JAA Claims – 2Q2017

- Top 5 Diagnoses By Plan

SPECIAL PART-TIME

<u>Amount Paid</u>	<u>Diagnosis</u>
\$121,598.89	Type 2 diabetes mellitus with diabetic peripheral angiopathy with gangrene
\$108,465.61	Sepsis, unspecified organism
\$73,937.19	Gastrostomy infection
\$70,183.87	End stage renal disease
\$50,548.44	Diverticulitis of large intestine without perforation or abscess with bleeding

JAA Claims – 2Q2017

- Top 5 Providers By Plan

<u>FULL-TIME</u>	
<u>Provider</u>	<u>Amount Paid</u>
WINTHROP UNIVERSITY HOSPITAL	\$408,473.81
STONY BROOK UNIVERSITY HOSPITAL	\$339,714.08
VASSAR BROTHERS MEDICAL CENTER	\$326,390.32
WESTCHESTER COUNTY HEALTH CARE	\$253,135.24
MEMORIAL HOSPITAL FOR CANCER	\$245,331.52

<u>PART-TIME ACA</u>	
<u>Provider</u>	<u>Amount Paid</u>
HACKENSACK MEDICAL CENTER	\$132,923.12
MONTEFIORE MEDICAL CENTER	\$79,483.82
THE STAMFORD HOSPITAL	\$15,430.75
LIJ MEDICAL CENTER	\$15,030.79
BRONX LEBANON HOSPITAL CENTER	\$4,671.68

JAA Claims – 2Q2017

- Top 5 Providers By Plan

<u>SPECIAL PART-TIME</u>	
<u>Provider</u>	<u>Amount Paid</u>
MONTEFIORE MEDICAL CENTER	\$177,548.13
HUNTINGTON HOSPITAL	\$109,483.96
PLAINVIEW HOSPITAL	\$73,937.19
NEW YORK HOSPITAL MEDICAL CENTER - QUEENS	\$70,185.99
HUDSON VALLEY HEMATOLOGY- ONCOLOGY	\$53,548.27

In-Network vs. Out-of-Network : 2Q2017

- **Inpatient Facility Utilization**

- **In-Network Total: \$2,893,079.46**
 - Full-Time: \$2,311,886.45
 - Part-Time ACA: \$72,418.36
 - Special Part-Time: \$508,774.65
- **Out-of-Network Total: \$0.00**

- **Outpatient Facility Utilization**

- **In-Network Total: \$1,994,115.76**
 - Full-Time: \$1,732,861.14
 - Part-Time ACA: \$67,043.54
 - Special Part-Time: \$194,211.08
- **Out-of-Network Total: \$240.56**
 - Full-Time: \$240.56
 - Part-Time ACA: \$0.00
 - Special Part-Time: \$0.00

- **Inpatient & Outpatient Professional Fees**

- **In-Network Total: \$4,513,195.33**
 - Full-Time: \$4,020,284.07
 - Part-Time ACA: \$144,565.93
 - Special Part-Time: \$348,345.33
- **Out-of-Network Total: \$521,062.93**
 - Full-Time: \$508,918.52
 - Part-Time ACA: \$0.00
 - Special Part-Time: \$12,144.41

HRGi

Out-Of-Network Discounts

- April 2017 Invoice – Total billed \$142,432.48
 - Discount: \$80,670.24 – net of fees
 - Average: 57% per claim
- May 2017 Invoice – Total billed \$487,908.59
 - Discount: \$265,329.85 – net of fees
 - Average: 54% per claim
- June 2017 Invoice – Total billed \$272,401.67
 - Discount: \$131,143.24 – net of fees
 - Average: 48% per claim
- July 2017 Invoice – Total billed \$95,111.25
 - Discount: \$51,632.08 – net of fees
 - Average: 54% per claim

April 2017 through July 2017

Total billed: \$997,853.99

Total discount: \$528,775.41 – net of fees

Average: 52.99%

Other Fund Business

- ❑ Transitional Reinsurance Fee
 - ❑ 2nd payment due 11/08/17
 - ❑ Transaction amount: \$52,806.60
- ❑ HMS Claims Audit completed 8/29/17
- ❑ Anthem BC/BS Credit for NY HCRA Settlement
 - ❑ Listed on 4/25/17 invoice: \$1,277,261.72
- ❑ Subrogation Recovery 2Q2017
 - ❑ Full-Time Plan: Total medical liens were \$8,456.51 (100% recovered) – Maria Maloney assisted in recovery
- ❑ Creditable Coverage Notice will be mailed by 10/15/17

UFCW LOCAL 1500 WELFARE FUND

LOCAL: 1500
STATUS: Full Time

ISSUE: Prescription Benefit – Brand Name Drug #Rx17/183-3833

FUND RULE:

"Prescription Drug Benefit

When a brand name drug has a generic equivalent, you may get the brand name, but you will be responsible for the difference between the cost of the brand name drug versus the cost of its generic equivalent, plus the co-payment."

(UFCW Local 1500 Full Time Employees Benefit Plan SPD, Page 69)

SUMMARY: Appeal Received: July 14, 2017

The **provider**, Dr. Lisa Walters, is appealing on behalf of the participant for coverage of brand name Repatha, without responsibility for the difference between the cost of the brand name drug versus the cost of its generic equivalent. Dr. Walters's states, "I am writing on behalf of my patient to formally document the medical necessary for treatment with Repatha for a diagnosis of Hyperlipidemia. My patient is a fifty-seven year old female with a goal LDL of <70mg/dl. Prior authorization was recently denied for this patient. I am aware that the patient is currently not on Zetia as per your UM criteria. However, if you take into consideration her recent LDL-C of 241 mg/dl, and the information from the Zetia package insert which states a 54-change of LDL-C when combination of Zetia and a high intensity statin (Lipitor) versus a 54-LDL-C on a high intensity statin alone, the patient would still not be at the <70 mg/dl goal. Additionally, she has elevated LTF levels which disqualify Zetia usages due to contraindications per Zetia packaging insert. The patient has a strong family history of mixed Hypercholesterolemia. She also has diabetes, CAD with an MRI and a stent in 2016. Prior treatments has included Zocor, Crestor, and Pravachol over several years, with no affect. The patient has had adverse reactions to statins, specifically Myalgia."

Note: Express Scripts advised the participant, that the request for coverage of Repatha was denied, stating, "coverage is provided in situations where documentation that the patient tried one high-intensity statin therapy AND Zetia in combination for at least eight (8) continuous weeks and there is documentation that the patient's low density lipoprotein cholesterol level after this treatment regimen remains greater than or equal to 70 mg/dl. Or the patient has been determined to be statin intolerant by documentation that they have experienced statin-related rhabdomyolysis, along with evidence of end organ damage which can include signs of acute renal injury and/or myoglobinuria or skeletal-related muscle symptoms. Coverage cannot be authorized at this time."

ACTION: Approved ☐ Denied ☐ Tabled ☐
COMMENTS:

Conclusion

- Thank You
- Questions?

