UFCW Local 1500
Welfare Fund

ASSOCIATED ADMINISTRATORS, LLC REPORT

DECEMBER 10, 2013

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Agenda

- AMR/Highlights 3Qtr 2013
- JAA Status Update
  - Snapshot
  - High Value Claim
- ACA Compliance
  - SBCs for 2014
  - Necessary Claims Payment Changes
- Appeals
  - Appeals Subcommittee
  - Tabled Claims
- Other Fund Business
  - New Claims Report
  - GVS report request
- Meeting Dates
  - 2014 Meeting Schedule
- Conclusion

AMR/Highlights: 3Q13 Summary

Full Time Plan

- Deficit continues during 3Q13
  - Total Medical expense in 3Q13 was $9.9 million
    - $10.3 / $12.3 / $10.4 / $11.3 million in previous four quarters
  - Total Rx cost in 3Q13 was $2.1 million
    - $2.1 / $1.7 / $2.1 / $2.3 million in previous four quarters
  - Overall expense for 3Q13 was $12.9 million (2Q13 - $14.6 million / 3Q12 - $13.3 million)
  - 3Q13 deficit was $1.9 million; YTD deficit was $7.7 million
- PPPM Cost 3Q13 - $1,083 ; YTD - $1,151
- The predominant contribution rate effective June 1, 2012 is $960

AMR/Highlights: 3Q13 Summary

Part Time Plan

- Surplus continues
  - 3Q13 Surplus - $1.2 million; YTD Surplus - $3.5 million
- Overall expense for 3Q13 was $1.4 million (2Q13 - $1.4 million / 3Q12 - $1.3 million)
- PPPM Cost 3Q13 - $36; YTD - $37
- The predominant contribution rate effective June 1, 2012 is $66.43

AMR/Highlights: 3Q13 Summary

Special Part Time Plan

- Deficit of $0.3 million for 3Q13
- Total expense for 3Q13 was $1.7 million (2Q13 - $1.7 million / 3Q12 - $1.6 million)
- PPPM Cost 3Q13 - $313; YTD - $282
- The predominant contribution rate effective June 1, 2012 is $272.57

AMR/Highlights: 3Q13 Summary

Combined Plans

- Deficit in Full Time Drove an Overall Deficit for All Combined Plans
  - 3Q13 deficit - $0.4 million; YTD - $3.7 million
- PPPM Cost 3Q13 - $285; YTD - $299
- Recap of 3Q13:
  - FT – 3Q13 $1.9 million deficit; YTD $7.7 million deficit
  - PT – 3Q13 $1.2 million surplus; YTD $3.5 million surplus
  - SPT – 3Q13 $0.3 million deficit; YTD $0.4 million deficit
  - All Plans – 3Q13 $0.4 million deficit; YTD $3.7 million deficit (includes investment and other income)

AMR/Highlights: 3Q13 Summary

Reserve Projection

- As of September 30, 2013 – 1.3 months
  - Future projections
  - 3 months out (12/31/13): 1.0 months
  - 6 months out (3/31/14): 0.7 months
  - 12 months out (9/30/14): 0.0 months

- *NOTE: Reserve is based on unassigned reserve only.*

JAA Status Update

- Snapshot

Month	Claims Processed	Billed Amount	Paid Amount
June	2,456	238,367	84,016
July	7,203	1,618,099	582,810
August	7,193	6,779,387	1,404,414
September	7,821	10,457,587	3,402,673
October	11,545	12,762,314	4,092,465
Totals	**36,218**	**31,855,754**	**9,566,378**

JAA Status Update cont'd

- High Value Claim –Full Time Plan

  Was:

  - Billed Amount - $1,191,146
  - Discounted Amount - $610,584
    - Status – Pended for additional medical information

  Now:

  - New Billed Amount - $669,403.85
  - Discount Amount Paid - $349,731.02

2014 SBCs

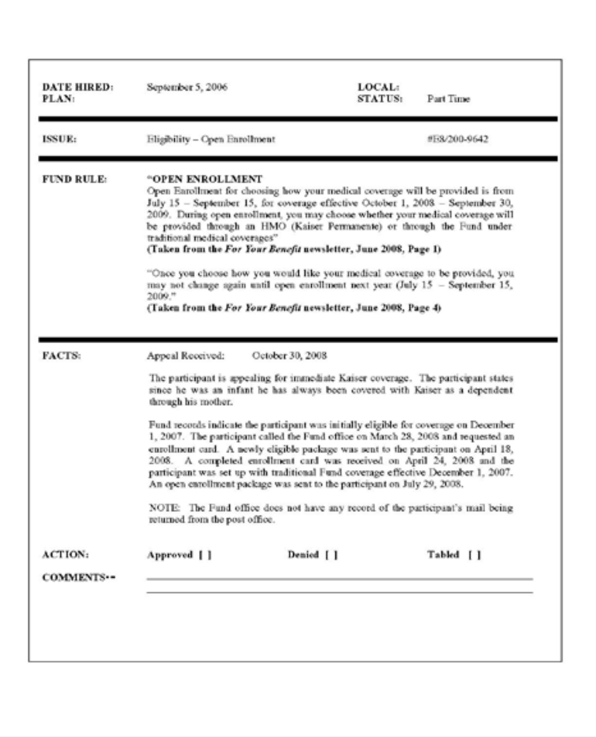
The ACA's Summary of Benefits and Coverage Must be Completed for 2014 Plan Year

- A new revised form must be used for the required SBC along with some answers to frequently asked questions (FAQs).
- This set of answers to FAQs and the revised form apply to SBCs provided for coverage beginning on or after January 1, 2014 and before January 1, 2015.

Necessary Claims Payment Changes

- HIPAA 5010 and ICD-10 – Claim payers must be compliant by October 1, 2014.
  - HIPAA 5010 requirements update the standards for electronic transactions (including claims). More than 800 changes are needed to transition from the current 4010 to 5010.
  - The International Classification of Diseases, 10th Edition ("ICD-10") is the update of sign and symptom codes developed by the World Health Organization and used by physicians and health care professionals to report diagnoses and procedures.

Appeals



DATE HIRED:	September 5, 2006	**LOCAL:**	
PLAN:		**STATUS:**	Part Time

ISSUE: Eligibility – Open Enrollment #E8/200-9642

FUND RULE:

"OPEN ENROLLMENT
Open Enrollment for choosing how your medical coverage will be provided is from July 15 – September 15, for coverage effective October 1, 2008 – September 30, 2009. During open enrollment, you may choose whether your medical coverage will be provided through an HMO (Kaiser Permanente) or through the Fund under traditional medical coverages"
(Taken from the *For Your Benefit* newsletter, June 2008, Page 1)

"Once you choose how you would like your medical coverage to be provided, you may not change again until open enrollment next year (July 15 – September 15, 2009."
(Taken from the *For Your Benefit* newsletter, June 2008, Page 4)

FACTS: Appeal Received: October 30, 2008

The participant is appealing for immediate Kaiser coverage. The participant states since he was an infant he has always been covered with Kaiser as a dependent through his mother.

Fund records indicate the participant was initially eligible for coverage on December 1, 2007. The participant called the Fund office on March 28, 2008 and requested an enrollment card. A newly eligible package was sent to the participant on April 18, 2008. A completed enrollment card was received on April 24, 2008 and the participant was set up with traditional Fund coverage effective December 1, 2007. An open enrollment package was sent to the participant on July 29, 2008.

NOTE: The Fund office does not have any record of the participant's mail being returned from the post office.

ACTION: **Approved [ ]** **Denied [ ]** **Tabled [ ]**

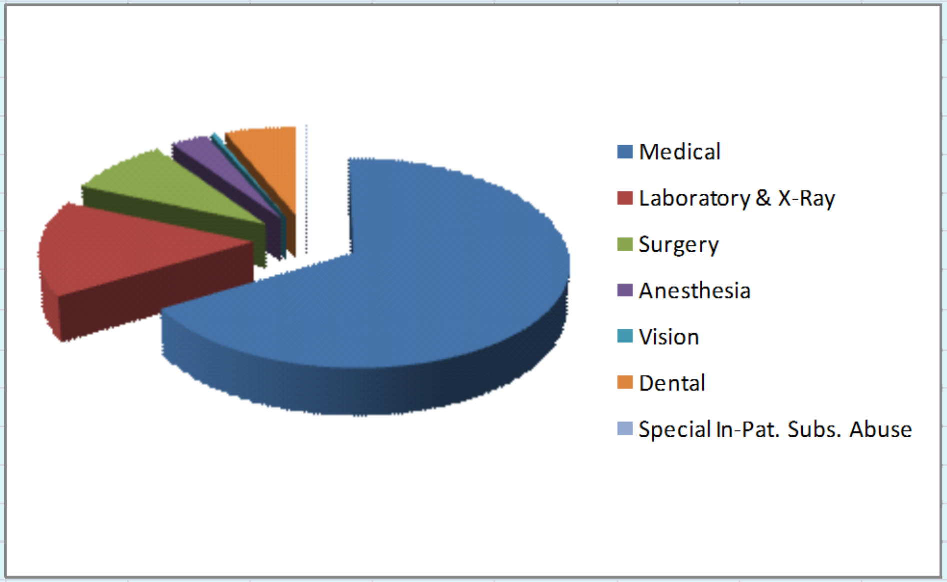
COMMENTS:

Appeals

- Appeals Subcommittee
  - Bruce Both, Anthony Speelman, Richard Grobman, Mike Grosso
  - 5 appeals were denied, 3 tabled
- Tabled Appeal
  - M13/163-2460 - Emergency Treatment
  - M13/158-0511 - Late Filing
  - M13/172-8117 - Emergency Treatment

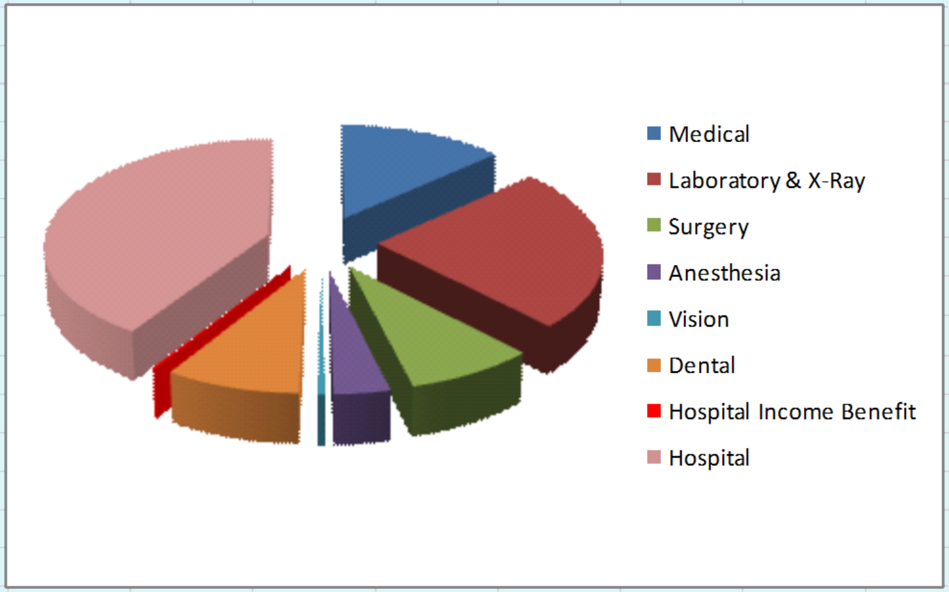
Claims - New Report

Full Time Plan		
Medical	$4,697,343.58	66.46%
Special In-Patient Substance Abuse	$7,912.77	0.11%
Laboratory & X-Ray	$1,065,595.35	15.08%
Surgery	$621,130.65	8.79%
Anesthesia	$222,153.29	3.14%
Vision	$28,421.00	0.40%
Dental	$425,426.20	6.02%
Total	$7,067,982.84	100.00%



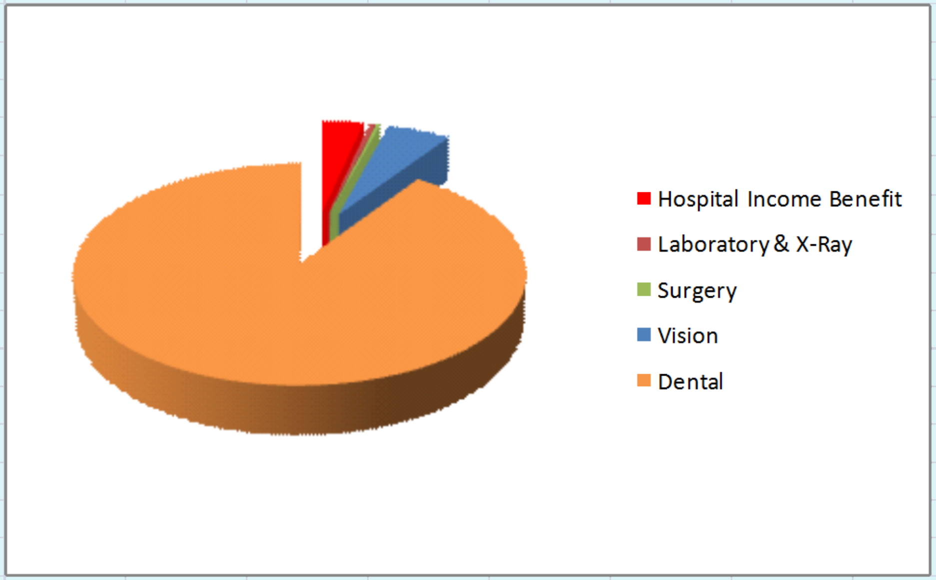
Claims – New Report, cont'd

SPECIAL PART-TIME PLAN		
Medical	$179,609.12	13.34%
Hospital Income Benefit	$2,250.00	0.17%
Hospital	$550,755.49	40.90%
Laboratory & X-Ray	$329,041.00	24.43%
Surgery	$112,610.69	8.36%
Anesthesia	$48,827.89	3.63%
Vision	$6,750.00	0.50%
Dental	$116,771.15	8.67%
Total	$1,346,615.34	100.00%



Claims – New Report, cont'd

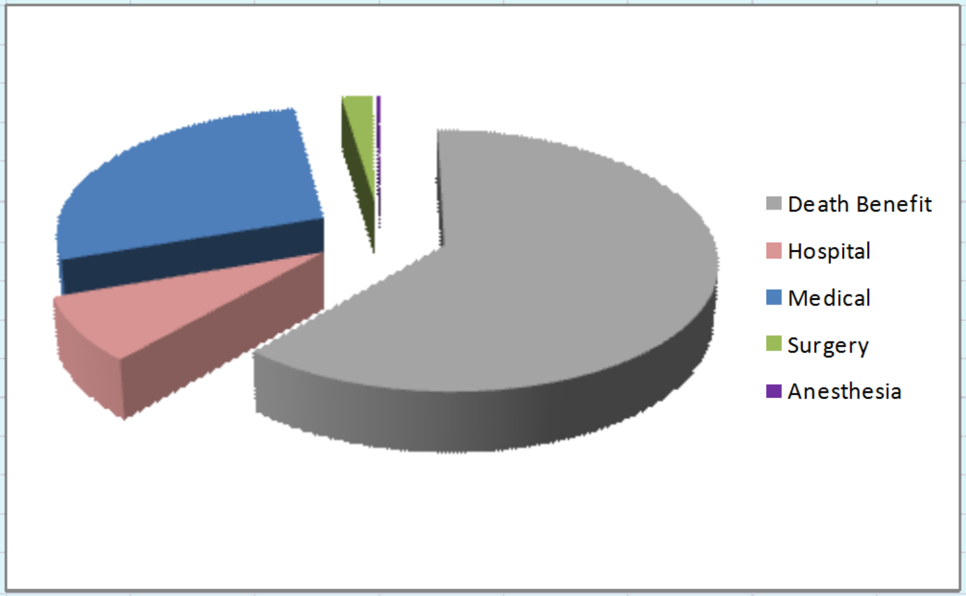
PART-TIME PLAN		
Hospital Income Benefit	$13,200.00	3.42%
Laboratory & X-Ray	$1,847.80	0.48%
Surgery	$1,220.00	0.32%
Vision	$20,179.00	5.23%
Dental	$349,472.15	90.56%
Total	$385,918.95	100.00%



Claims – New Report, cont'd

Retiree Plan		
Death Benefit	21,000.00	61.49%
Hospital	2,792.00	8.17%
Medical	9,560.06	27.99%
Surgery	726.04	2.13%
Anesthesia	76.32	0.22%
Total	**34,154.42**	100.00%

Total for 3rd Quarter	**$8,834,671.55**



Claims – New Report, cont’d

	Top 10 Diagnosis Groups			
AMT PAID	**DISEASE**			
$ 1,227,407.91	Cerebral Vascular Disease			
$ 1,178,401.09	Cancer			
$ 642,974.82	Blood Diseases			
$ 560,864.68	Coronary Artery Disease			
$ 271,549.18	Hip Replacement			
$ 263,727.59	Diabetes			
$ 223,401.06	End Stage Renal Disease			
$ 222,712.15	Respriatory disease			
$ 205,615.72	Aneurysm			
$ 126,161.54	Lupus			
$ 73,870.46	Anemia			
	Full-Time Plan Participants approaching $2 million Maximum			
PARTICIPANT	**RELATIONSHIP**	**AMT PAID**	**AMT REMAINING**	
1	Dep	642,974.82	1,357,025.18	
2	Sp	534,187.50	1,465,812.50	
3	Dep	389,070.15	1,610,929.85	
4	Sp	244,179.57	1,755,820.43	

GVS – Vendor Report Request

- Vision vendor requested a report to show whether services had already been provided so that claim is not denied.

Nov 15 2013 **C L A I M   A C C U M U L A T O R   R E P O R T**

Fund	Member	Name	Dp	Name	Rel	Accum.	AppliedAmount	Remain Amount
1500W	******6554	JOSEPH P ALPHA	0	JOSEPH	M	EXAM	1.00	0.00
						LENSES	2.00	0.00
						FRAMES	0.00	1.00
1500W	******1234	SAMUEL P BETA	4	KRYSTINE	D	EXAM	0.00	1.00
						LENSES	2.00	0.00
						FRAMMX	1.00	0.00

Conclusion

- Thank You
- Questions?