UFCW Local 1500 Welfare Fund

ASSOCIATED ADMINISTRATORS, LLC
REPORT

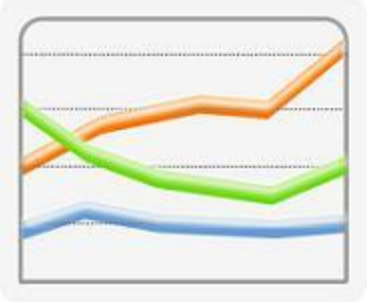
DECEMBER 9, 2014

Bill Jensen / President
Emily Novak / Account Executive

Agenda

- AMR/Highlights 3Qtr 2014
- JAA Status Update
  - Snapshot
- Claims Report
- Out-Of-Network Discount Report
- Appeals
- Other Fund Business
- Conclusion

AMR/Highlights: 3Q14 Summary



Full Time Plan

- Deficit continues during 3Q14
  - Total Medical expense in 3Q14 was $9 million
    $9.9 / $9.6 / $9.6 / $9.2 million in previous four quarters
  - Total Rx cost in 3Q14 was $2.5 million
    $2.1/ $2.4 / $2.4 / $2.2 million in previous four quarters
  - Overall expense for 3Q14 was $12.6 million
    (2Q14 - $12.5 million / 1Q14 - $13.1 million)
  - 3Q14 deficit was $964,784
- PPPM Cost 3Q14 - $1,092

AMR/Highlights: 3Q14 Summary

Part Time Plan

- Surplus continues
- 3Q14 Surplus - $1.4 million
- Overall expense for 3Q14 was $1.3 million
  (1Q14 - $1.4 million / 2Q14 - $1.2 million)
- PPPM Cost 3Q14 - $35

AMR/Highlights: 3Q14 Summary

Special Part Time Plan

- Deficit of $185,819 for 3Q14

- Total expense for 3Q14 was $1.6 million
- (1Q14 - $1.5 million / 2Q14 - $1.5 million)

- PPPM Cost 3Q14 - $382

AMR/Highlights: 3Q14 Summary

Combined Plans

- Surplus in Part Time Drove an Overall Surplus for All Combined Plans
  - 3Q14 surplus - $718,218
  - PPPM Cost 3Q14 - $290
- Recap of 3Q14:
  - FT – 3Q14 $964,784 deficit
  - PT – 3Q14 $1,449,376 surplus
  - SPT – 3Q14 $185,819 deficit
  - All Plans – 3Q14 $718,218 surplus*

*All Plans' surplus includes investment and other income

AMR/Highlights: 3Q14 Summary

Reserve Projection

- As of September 30, 2014 – 3.5 months

Future projections

- 3 months out (12/31/14): 3.4 months
  - 6 months out (3/31/15): 3.3 months
  - 12 months out (9/30/15): 3.1 months

- *Reserve is based on unassigned reserve only.*
- *Projections are based on claims experience. Due to plan design changes effective March 1, 2014, future projections will also change as savings from new plan designs are realized.*

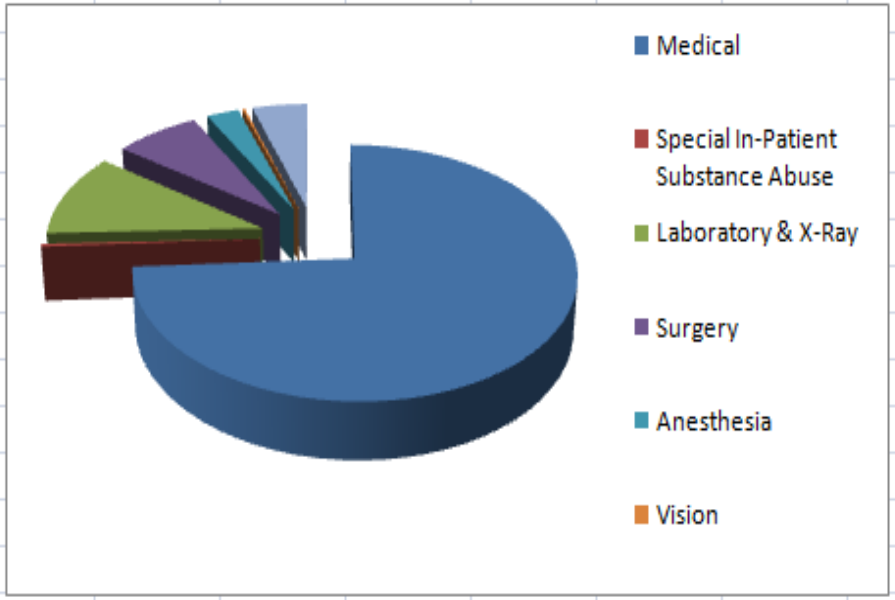
JAA Status Update

- Snapshot

Month	Claims Processed	Billed Amount	Paid Amount
April	10,316.00	10,402,131.98	2,879,503.57
May	8,922.00	9,099,728.53	2,452,726.63
June	8,773.00	8,924,344.09	2,505,425.69
July	8,677.00	8,366,836.95	2,517,460.63
August	8,740.00	7,957,506.19	2,251,618.72
September	9,972.00	10,001,886.23	4,086,846.44
Totals	**55,400**	**54,752,433.97**	**16,693,581.68**

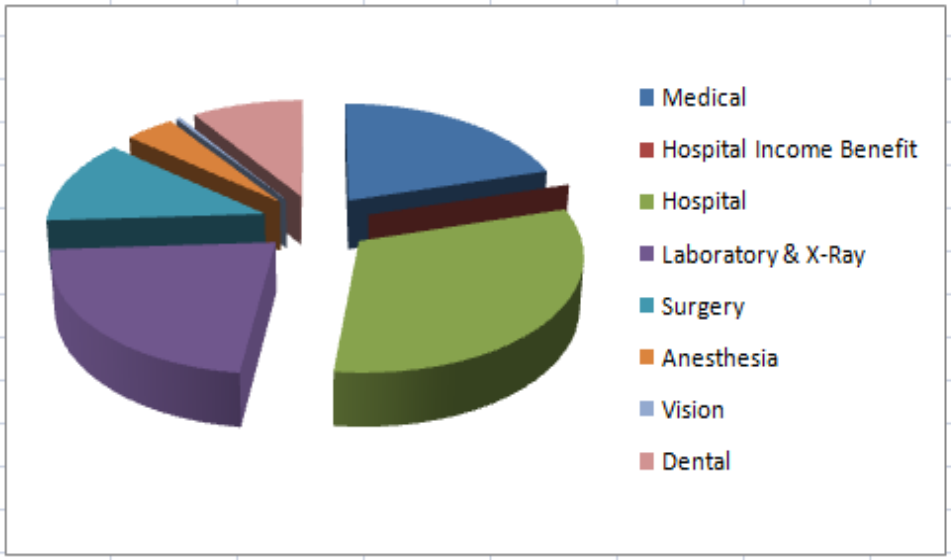
Claims Report - 3Q14

FULL-TIME PLAN		
Medical	7,512,303.79	73.97%
Special In-Patient Substance Abuse	38,022.82	0.37%
Laboratory & X-Ray	1,104,876.78	10.88%
Surgery	729,568.11	7.18%
Anesthesia	276,067.25	2.72%
Vision	22,801.50	0.22%
Dental	472,114.89	4.65%
Total	**10,155,755.14**	100.00%



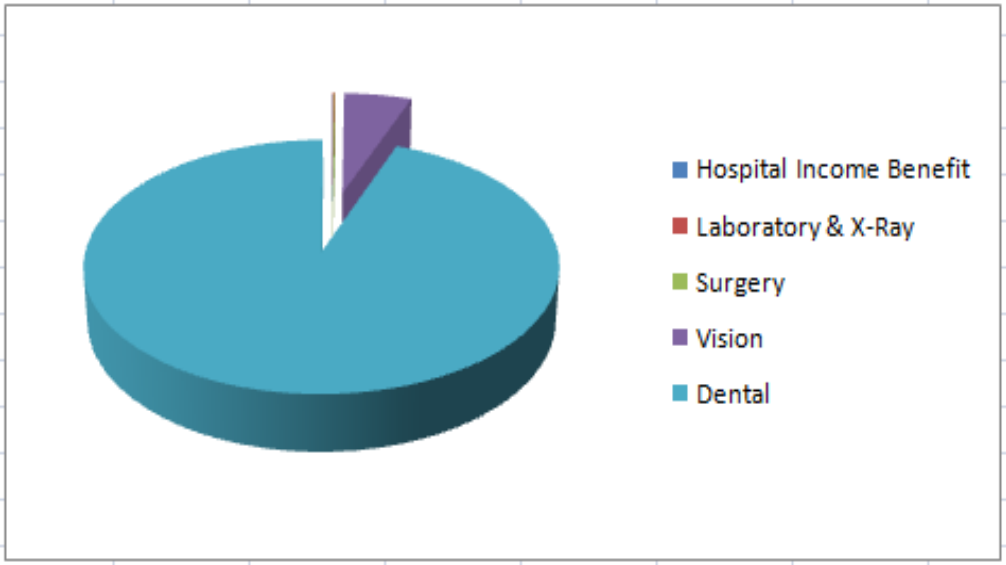
Claims Report – 3Q14, cont'd

SPECIAL PART-TIME PLAN		
Medical	234,563.91	20.45%
Hospital Income Benefit	-	0.00%
Hospital	361,353.66	31.50%
Laboratory & X-Ray	253,326.62	22.09%
Surgery	138,901.72	12.11%
Anesthesia	47,458.62	4.14%
Vision	4,540.00	0.40%
Dental	106,832.40	9.31%
Total	**1,146,976.93**	100.00%



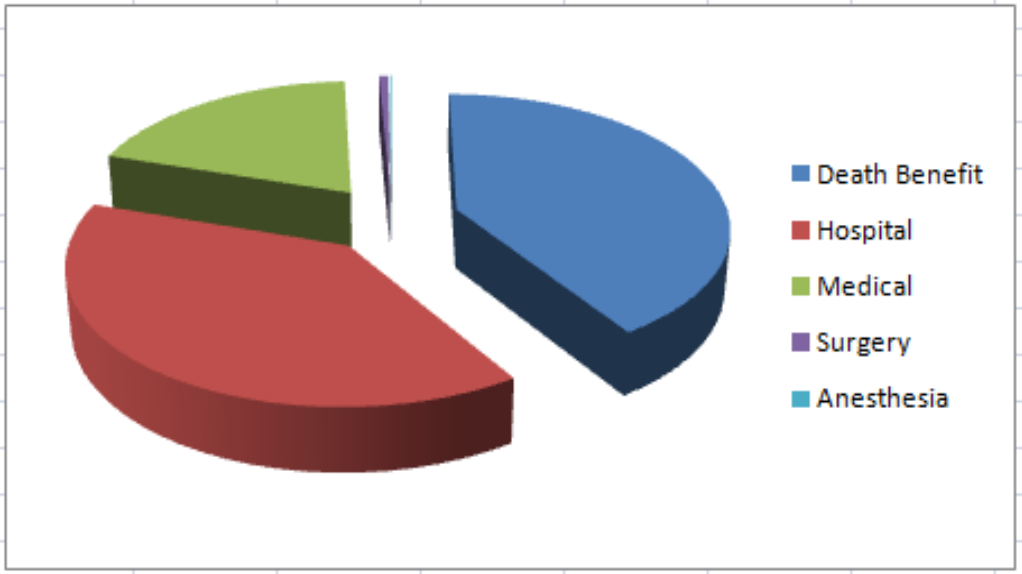
Claims – Report 3Q14, cont'd

PART-TIME PLAN		
Hospital Income Benefit	150.00	0.04%
Laboratory & X-Ray	411.95	0.11%
Surgery	(300.00)	-0.08%
Vision	21,005.98	5.45%
Dental	364,322.60	94.48%
Total	**385,590.53**	100.00%



Claims Report 3Q14, cont'd

RETIREES		
Death Benefit	27,000.00	40.92%
Hospital	25,755.05	39.03%
Medical	12,742.80	19.31%
Surgery	410.48	0.62%
Anesthesia	76.88	0.12%
Total	**65,985.21**	100.00%



Total for 3rd quarter: **$11,754,307.81**

Out-Of-Network Discounts
HRGi Savings Report

- September Invoice – Total billed $626,943.98
  - Savings $261,771.58 (Average 42% per claim)
    - Fund Savings - $237,460.22
    - Member Savings - $24,311.36
- October Invoice – Total billed $220,315.25
  - Savings $99,340.80 (Average 45% per claim)
    - Fund Savings - $83,059.11
    - Member Savings - $16,281.69

Appeals

- Appeals Subcommittee
  - Bruce Both
  - Richard Grobman
  - Anthony Speelman
  - Mike Grosso

Other Fund Business

- Transitional Reinsurance counts were filed. Payments are scheduled for January 5, 2015 and November 5, 2015.
- MagnaCare Utilization Management Program implemented effective 12-1-14 for SPT plan.
  - Summary of Material Modifications (SMM) and new medical ID cards mailed to participants.
- New ACA Plan available for employees working over 30 hours.
  - JAA framework in place for 1-1-15 effective date.
  - Need clarification of "opt-in/opt-out" rules.
- FT spouses who have access to other coverage but do not enroll will lose all coverage effective January 1, 2015.
- Completed Segal data request for medical RFP.

Conclusion

- Thank You
- Questions?