



The CareFirst BlueCross BlueShield
family of health care plans.

Savings Report Summary 1/1/2018 – 12/31/2018 **FELRA**



Prepared by Steve Krasnoff
March 12, 2019

Contents

	<u>Page Number</u>
❖ Executive Summary	3
❖ Savings Summary	
♦ Provider	6
♦ Facility	7
❖ Top 10 Provider Specialties	
♦ Local NetLease	8
♦ FlexLink	9
♦ As a % of Total	10
❖ Top 10 Facilities	
♦ Local NetLease	11
♦ FlexLink	12
♦ As a % of Total	13
❖ CareFirst Admin Fees	
♦ Local NetLease	14
♦ FlexLink	15
♦ Aggregate Pricing	16
❖ Savings Analysis	
♦ Savings Net of CareFirst Admin Fees	17
♦ Savings Per Dollar of Admin Fee	18
♦ Savings Per Eligible Employee	19
♦ 5-Year Savings Recap	20



Executive Summary- **FELRA**

1/1/2018 – 12/31/2018

I. Provider and Facility Summary (See pages 6 - 7)

➤ Claims Volume:

	2017 Claims Volume	2018 Claims Volume	% Change (2017 to 2018)
Provider	142,033	137,617	-3.11%
Facility	35,392	35,485	+<1%
Total	177,425	173,102	-2.44%

- In 2017, there was an average of 11,744 eligible subscribers. In 2018, there was an average of 11,319 eligible subscribers (a **3.62% decrease**).

➤ Claims per Eligible Subscriber:

	2017 Claims per Eligible Subscriber	2018 Claims per Eligible Subscriber	% Change (2017 to 2018)
Provider	12.09	12.16	+<1%
Facility	3.01	3.13	+3.99%
Total	15.1	15.29	+1.26%

➤ Billed Amount:

	2017 Billed Amount	2018 Billed Amount	% Change (2017 to 2018)
Provider	\$85,779,526	\$82,854,247	-3.41%
Facility	\$95,494,166	\$94,074,950	-1.49%
Total Billed	\$181,273,692	\$176,929,197	-2.4%

Executive Summary- **FELRA**

1/1/2018 – 12/31/2018

I. Provider and Facility Summary (*Continued*)

➤ Total Savings:

	2017 Savings	2018 Savings	% Change (2017 – 2018)
Provider	\$51,814,927	\$49,502,453	-4.46%
Facility	\$34,833,552	\$39,034,783	+12.06%
Total	\$86,648,479	\$88,537,236	+2.18%

➤ Savings as a % of Billed Charges:

	2017 Savings as a % of Billed Charges	2018 Savings as a % of Billed Charges
Provider	60.4%	59.75%
Facility	36.48%	41.49%
Total	47.8%	50.04%

II. Top 10 Provider Specialties and Top 10 Facilities (*See pages 8 – 12*)

- Top 10 Provider Billing Specialties for Local NetLease and FlexLink represent \$44,319,850 in Billed Charges (53.49% of all Provider Billed Charges).
 - In 2017 and 2018, Independent Lab was the highest Local NetLease provider specialty (in terms of billed charges). In 2017, Orthopedic Surgery was the highest FlexLink provider specialty (in terms of billed charges). In 2018, Radiology was the highest FlexLink provider specialty (billed charges).
- Top 10 Facilities with the highest Billed Charges for Local NetLease and FlexLink represent a billed amount of \$39,789,936 (42.3% of all Facility Charges)
 - In 2017 and 2018, Washington Hospital Center was the highest Local NetLease facility in terms billed charges. In 2017, Inova Health System Hospital was the highest FlexLink facility in terms of billed charges. In 2018, Christiana Care Health Services had the highest FlexLink billed charges.

Executive Summary- **FELRA**

1/1/2018 – 12/31/2018

III. CareFirst Administrative Charges *(See pages 14 – 16)*

- In 2018, total CareFirst Admin charges were \$1,096,980. In 2017, they were \$1,107,700. (a **<1% decrease**).
 - In 2018, Local NetLease Admin charges represented 42.03% of total CareFirst Admin costs, while FlexLink fees represented 57.97%. In 2017, Local NetLease fees represented 42.58% of total CareFirst Admin costs, while FlexLink fees represented 57.42%.
- In 2018, aggregate cost on a per eligible employee per month (pepm) basis was \$8.08. In 2017, aggregate cost on a pepm basis was \$7.86.
- In 2018, CareFirst Administrative Charges represented 1.24% of Gross Annual Savings. In 2017, CareFirst Administrative Charges represented 1.28% of Gross Annual Savings.

IV. Savings Analysis *(See pages 17 – 19)*

- Savings net of CareFirst Administrative Charges in 2018 was \$87,440,256. In 2017, it was \$85,540,779.
- In 2018, Total Net Savings per Dollar of CareFirst Administrative Fee was \$79.71. In 2017, Total Net Savings per Dollar of Administrative Fee was \$77.22.
- In 2018, Net Savings per Eligible Subscriber was \$7,725.09. In 2017, Net Savings per Eligible Subscriber was \$7,283.79.

Provider Savings Summary- **FELRA**

1/1/2018 – 12/31/2018

2018

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	137,617	\$67,028,589	\$39,972,896	59.64%
FlexLink- Provider	35,485	\$15,825,658	\$9,529,557	60.22%
Summary-Provider	173,102	\$82,854,247	\$49,502,453	59.75%

2017

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	142,033	\$70,386,935	\$42,526,333	60.42%
FlexLink- Provider	35,392	\$15,392,591	\$9,288,594	60.34%
Summary-Provider	177,425	\$85,779,526	\$51,814,927	60.4%

*Rounded to the Nearest Dollar

Facility Savings Summary- **FELRA**

1/1/2018 – 12/31/2018

2018

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	12,303	\$71,227,243	\$29,350,919	41.21%
FlexLink- Facility	3,798	\$22,847,707	\$9,683,864	42.38%
Summary-Facility	16,101	\$94,074,950	\$39,034,783	41.49%

2017

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	13,066	\$70,661,335	\$22,539,296	31.90%
FlexLink- Facility	3,831	\$24,832,831	\$12,294,256	49.51%
Summary-Facility	16,897	\$95,494,166	\$34,833,552	36.48%

*Rounded to the Nearest Dollar

Top 10 Local Network Lease Provider Specialties (by Billed Amount Volume)

2018

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INDEPENDENT LABORATORY	21,636	\$8,769,867	\$7,209,944	82.21%
INTERNAL MEDICINE	16,399	\$4,866,128	\$2,256,091	46.36%
RADIOLOGY	8,053	\$3,663,754	\$2,145,155	58.55%
ANESTHESIOLOGY	2,165	\$3,503,948	\$2,297,882	65.58%
EMERGENCY MEDICINE	4,503	\$3,416,312	\$2,521,319	73.80%
ORTHOPEDIC SURGERY	3,928	\$2,706,364	\$1,533,086	56.65%
FAMILY PRACTICE	8,683	\$2,202,865	\$945,496	42.92%
ONCOLOGY	1,526	\$2,065,070	\$1,192,606	57.75%
CARDIOVASCULAR DISEASE	5,207	\$1,978,325	\$955,832	48.32%
PHYSICAL THERAPIST	6,070	\$1,802,573	\$1,145,212	63.53%

2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INDEPENDENT LABORATORY	20,578	\$8,678,813	\$7,073,186	81.50%
INTERNAL MEDICINE	17,217	\$4,828,385	\$2,277,906	47.18%
RADIOLOGY	9,180	\$4,022,323	\$2,412,148	59.97%
ANESTHESIOLOGY	2,450	\$3,537,586	\$2,233,864	63.15%
ORTHOPEDIC SURGERY	4,440	\$3,370,898	\$2,066,063	61.29%
ONCOLOGY	1,407	\$3,296,596	\$2,097,709	63.63%
EMERGENCY MEDICINE	4,587	\$3,268,451	\$2,356,277	72.09%
FAMILY PRACTICE	9,174	\$2,329,699	\$1,022,105	43.87%
OB-GYNECOLOGY	4,349	\$2,082,280	\$1,087,288	52.22%
CARDIOVASCULAR DISEASE	5,376	\$2,051,703	\$996,849	48.59%

*Rounded to the Nearest Dollar

Top 10 FlexLink Provider Specialties (by Billed Amount Volume)

2018

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
RADIOLOGY	3,132	\$1,369,060	\$864,653	63.16%
INDEPENDENT LABORATORY	3,749	\$1,342,949	\$1,089,229	81.11%
ORTHOPEDIC SURGERY	1,402	\$1,195,126	\$875,672	73.27%
ANESTHESIOLOGY	825	\$1,017,946	\$668,157	65.64%
FAMILY PRACTICE	4,386	\$980,496	\$413,867	42.21%
EMERGENCY MEDICINE	1,303	\$978,737	\$737,513	75.35%
INTERNAL MEDICINE	3,412	\$845,815	\$370,659	43.82%
ONCOLOGY	405	\$579,908	\$250,674	43.23%
PHYSICAL THERAPIST	1,946	\$522,465	\$341,144	65.30%
OBSTETRICS AND GYNECOLOGY	1,070	\$512,141	\$262,224	51.20%

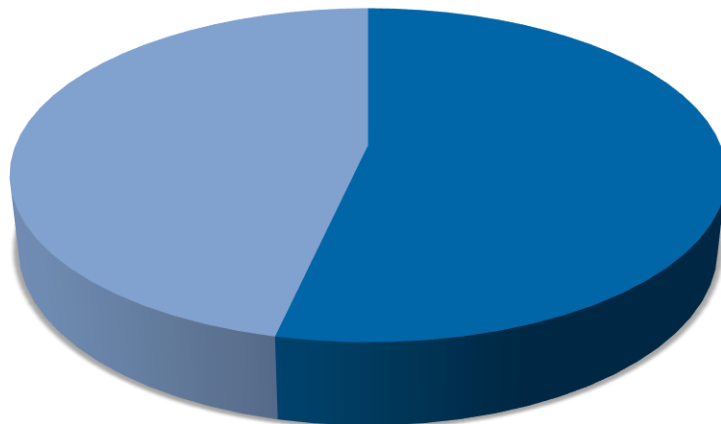
2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
ORTHOPEDIC SURGERY	1,386	\$1,384,926	\$1,001,766	72.33%
RADIOLOGY	3,370	\$1,283,830	\$830,174	64.66%
INDEPENDENT LABORATORY	3,781	\$1,215,910	\$1,002,441	82.44%
ANESTHESIOLOGY	934	\$1,061,396	\$679,377	64.01%
FAMILY PRACTICE	4,453	\$955,723	\$391,319	40.94%
EMERGENCY MEDICINE	1,340	\$928,494	\$682,232	73.48%
INTERNAL MEDICINE	3,391	\$837,286	\$373,029	44.55%
PHYSICAL THERAPIST	2,078	\$565,244	\$372,793	65.95%
ONCOLOGY	213	\$527,471	\$276,850	52.49%
PATHOLOGY	1,070	\$426,854	\$335,769	78.66%

*Rounded to the Nearest Dollar

Top 10 Provider Specialties (as a % of Total Billed)

2018

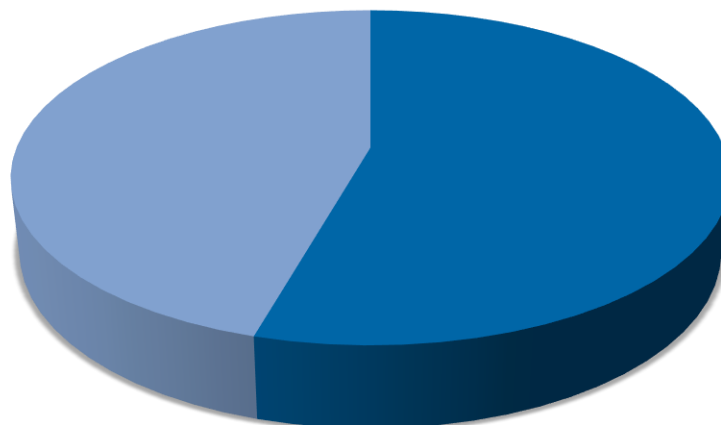


■ Top 10 Provider Specialties

■ All Other Provider Specialties

*Top 10 Provider Specialties represent
53.49% of all Provider Billed Charges
*All Other Provider Specialties represent
46.51% of all Provider Billed Charges

2017



■ Top 10 Provider Specialties

■ All Other Provider Specialties

*Top 10 Provider Specialties represent
54.39% of all Provider Billed Charges
*All Other Provider Specialties represent
45.61% of all Provider Billed Charges

Top 10 Local Network Lease Facilities (by Billed Amount Volume)

2018

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
WASHINGTON HOSPITAL CENTER	688	\$9,975,237	\$4,685,016	46.97%
INOVA FAIRFAX HOSPITAL	394	\$4,366,199	\$1,240,209	28.40%
GEORGE WASHINGTON UNIVERSITY HOSPITAL	115	\$2,251,409	\$1,559,012	69.25%
GEORGETOWN UNIVERSITY HOSP	212	\$2,102,254	\$1,097,706	52.22%
UNIV OF MD MEDICAL SYSTEM	248	\$2,083,385	\$20,834	1.00%
BMA OF CAMP SPRINGS	59	\$1,621,790	\$1,540,856	95.01%
FMC OF ANNE ARUNDEL	58	\$1,578,627	\$1,499,772	95.00%
JOHNS HOPKINS HOSPITAL	607	\$1,541,816	\$15,418	1.00%
FMC PRINCE GEORGE COUNTY	82	\$1,442,656	\$1,340,506	92.92%
SINAI HOSPITAL BALTIMORE	178	\$1,224,055	\$12,241	1.00%

2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
WASHINGTON HOSPITAL CENTER	675	\$9,931,344	\$4,379,247	44.10%
GEORGETOWN UNIVERSITY HOSP	309	\$5,681,383	\$3,159,863	55.62%
INOVA FAIRFAX HOSPITAL	416	\$4,162,240	\$1,143,834	27.48%
UNIV OF MD MEDICAL SYSTEM	311	\$2,455,978	\$24,560	1.00%
JOHNS HOPKINS HOSPITAL	594	\$2,208,768	\$22,088	1.00%
INOVA ALEXANDRIA HOSPITAL	400	\$2,015,468	\$594,734	29.51%
CNMC	392	\$1,635,271	\$485,252	29.67%
ANNE ARUNDEL MEDICAL CENT	521	\$1,539,521	\$15,395	1.00%
VIRGINIA HOSPITAL CENTER	274	\$1,114,740	\$622,964	55.88%
SENTARA NORTH VA MED CTR	168	\$1,089,189	\$408,256	37.48%

*Rounded to the Nearest Dollar

Top 10 FlexLink Facilities (by Billed Amount Volume)

2018

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
CHRISTIANA CARE HEALTH SERVICES	252	\$2,616,812	\$563,302	21.53%
INOVA HEALTH SYSTEM HOSPITALS	264	\$1,969,664	\$569,684	28.92%
MARY WASHINGTON HOSPITAL INC	120	\$1,328,554	\$618,508	46.56%
CHILDRENS HOSPITAL	90	\$1,087,518	\$347,857	31.99%
RECTOR AND VISITORS OF THE UVA	87	\$1,018,742	\$570,433	55.99%
RESTON HOSPITAL CENTER	45	\$832,084	\$606,329	72.87%
BEEBE MEDICAL CENTER	191	\$738,889	\$204,947	27.74%
LOUDOUN HOSPITAL CENTER	194	\$714,160	\$228,423	31.98%
PRINCE WILLIAM HOSPITAL	149	\$658,858	\$344,496	52.29%
FAUQUIER HOSPITAL	177	\$637,226	\$347,506	54.53%

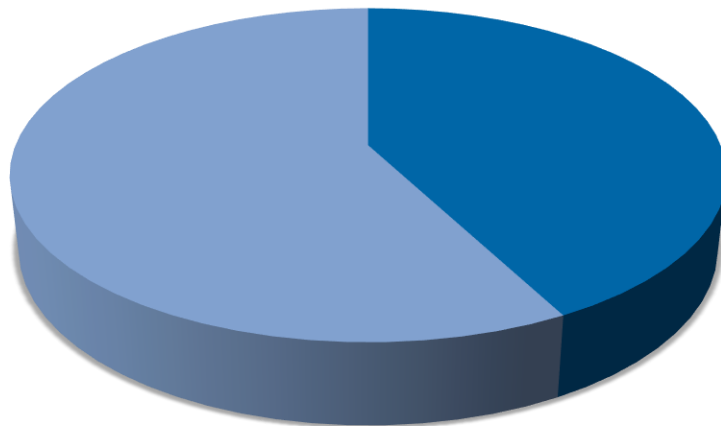
2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INOVA HEALTH SYSTEM HOSPITALS	316	\$2,924,654	\$1,257,628	43.00%
CARILION MEDICAL CENTER	1	\$1,937,347	\$599,806	30.96%
RESTON HOSPITAL CENTER	64	\$1,025,430	\$636,359	62.06%
CHRISTIANA CARE HEALTH SERVICES	175	\$929,159	\$243,366	26.19%
FAUQUIER HOSPITAL	159	\$900,062	\$524,692	58.30%
LOUDOUN HOSPITAL CENTER	208	\$890,939	\$260,487	29.24%
PRINCE WILLIAM HOSPITAL	144	\$812,496	\$510,810	62.87%
MARY WASHINGTON HOSPITAL INC	87	\$791,678	\$327,376	41.35%
KENT GENERAL HOSPITAL	132	\$774,707	\$179,295	23.14%
BEEBE MEDICAL CENTER	177	\$709,289	\$169,595	23.91%

*Rounded to the Nearest Dollar

Top 10 Facilities (as a % of Total Billed)

2018



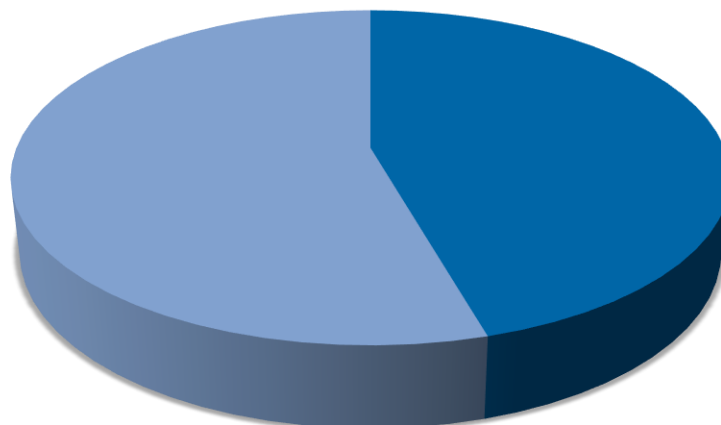
■ Top 10 Facilities

■ All Other Facilities

*Top 10 Facilities represent
42.3% of all Facility Billed Charges

*All Other Facilities represent
57.7% of all Provider Billed Charges

2017



■ Top 10 Facilities

■ All Other Facilities

*Top 10 Facilities represent
45.58% of all Facility Billed Charges

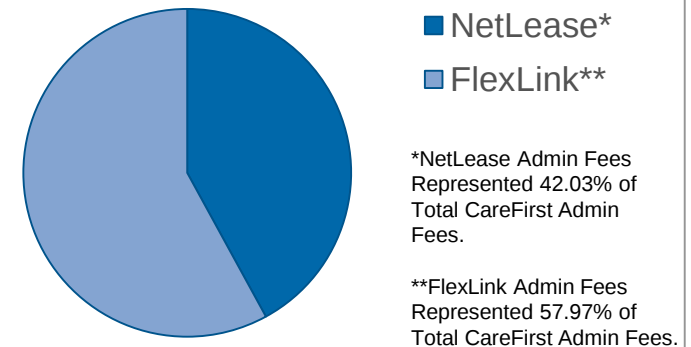
*All Other Facilities represent
54.42% of all Facility Billed Charges

Local Network Lease Administrative Fees- **FELRA**

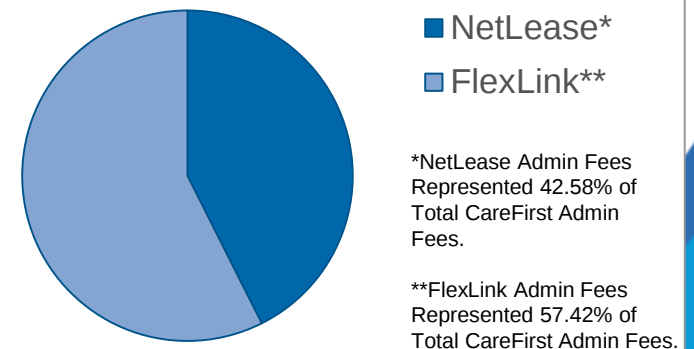
❖ 2018 Local NetLease Admin Charges:

- ◆ \$4.32 per subscriber per month from Jan. 1, 2018 – Dec. 31, 2018
- ◆ Average number of Local NetLease subscribers in 2018 was 8,895. *(In 2017, it was 9,271).* 2018 was a **4.06% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for Local NetLease in 2018 was \$38,426. *(In 2017, it was \$39,309).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to FELRA in 2018 was **\$461,112**. *(In 2017, it was \$471,708).* 2018 was a **2.25% decrease** from the previous year.

2018 CareFirst
Administrative Fees



2017 CareFirst
Administrative Fees

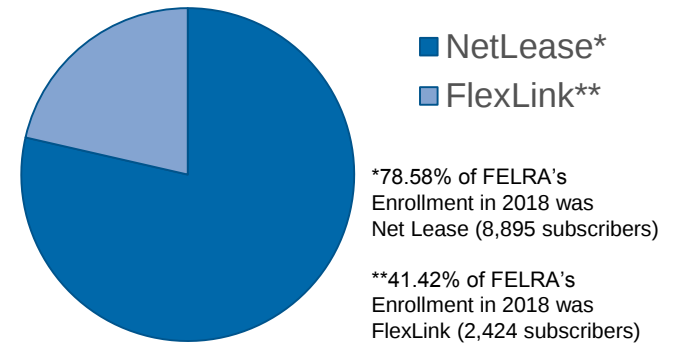


FlexLink Administrative Fees- **FELRA**

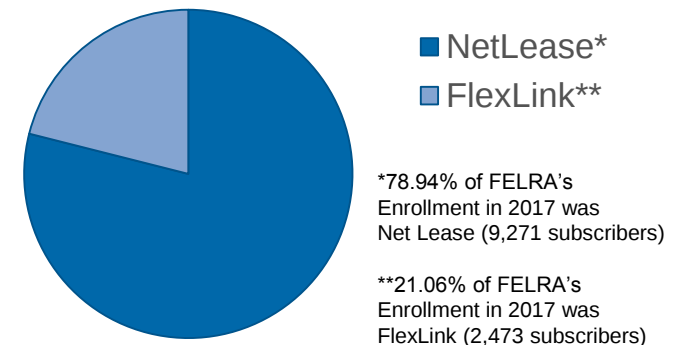
❖ 2018 FlexLink Admin Charges:

- ◆ \$21.86 per subscriber per month from Jan. 1, 2018 – Dec. 31, 2018
- ◆ Average number of FlexLink subscribers in 2018 was 2,424. *(In 2017, it was 2,473).* 2018 was a **1.98% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for FlexLink in 2018 was \$52,989. *(In 2017, it was \$52,996).*
- ◆ Total CareFirst Administrative Cost for FlexLink to FELRA in 2018 was **\$635,868**. *(In 2017, it was \$635,992).* 2018 was a **<0.1% decrease** from the previous year.

2018 Enrollment



2017 Enrollment



Aggregate Pricing for **FELRA**

1/1/2018 – 12/31/2018

- NetLease: \$38,426 per month
- FlexLink: \$52,989 per month

\$91,415 per month / 11,319 total FELRA subscribers=

\$8.08

per subscriber per month Aggregate Cost
to FELRA

In 2017, Aggregate cost to FELRA was **\$7.86** per subscriber per month

Savings Net of CareFirst Administrative Charges- **FELRA**

\$88,537,236

(\$461,112)

(\$635,868)

\$87,440,256*

Gross Annual Provider and Facility Savings

(Less: Local NetLease Charges)

(Less: FlexLink Charges)

Savings Net of CareFirst Administrative Charges

*CareFirst Administrative Charges in this exhibit represent 1.24% of Gross Annual Savings.

In 2017, CareFirst admin charges represented **1.28%** of Gross Annual Savings.

Net Savings per Dollar of CareFirst Administrative Fee

- Net Savings for FELRA in 2018 was \$87,440,256
- CareFirst Administrative cost in 2018 was \$1,096,980

Total Net Savings Per Dollar of CareFirst Administrative Fee:

\$79.71

(For every \$1.00 that was spent in Administrative Fees,
\$79.71 was saved in Total Billed Charges)

In 2017, Total Net Savings Per Dollar of CareFirst Administrative Fee was \$77.22.

Net Savings per Eligible Subscribers- **FELRA**

- Total Net Savings for FELRA for 2018 was **\$87,440,256**
- FELRA had **11,319** subscribers (contracts) in 2018

Total Net Savings Per Eligible
FELRA Subscriber:

\$7,725.09

In 2017, Total Net Savings per Eligible Subscriber was \$7,283.79

5 Year Savings Recap- **FELRA**

	2014	2015	2016	2017	2018
Network Lease- Provider Savings	59.75%	60.78%	59.9%	60.42%	59.64%
FlexLink- Provider Savings	57.59%	58.93%	60.69%	60.34%	60.22%
Network Lease- Facility Savings	33.6%	34.7%	32.51%	31.9%	41.21%
FlexLink- Facility Savings	46.68%	48.73%	49.33%	49.51%	42.38%