



The CareFirst BlueCross BlueShield
family of health care plans.

Savings Report Summary 1/1/2014 – 12/31/2014 **FELRA**



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Executive Summary- **FELRA**

1/1/2014 – 12/31/2014

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

- In 2014, there were 215,443 total claims. In 2013, there were 220,138 total claims (a 2.13% decrease from 2013 to 2014).
 - 194,830 provider claims in '14. 198,020 provider claims in '13 (a 1.61% decrease)
 - 20,613 facility claims in '14. 22,118 facility claims in '13 (a 6.8% decrease)
- In 2014, there was an average of 13,338 eligible subscribers. In 2013, there was an average of 13,890 eligible subscribers (a 3.97% decrease).
- In 2014, there were 16.15 claims per eligible subscriber. In 2013, there were 15.85 claims per eligible subscriber (a 1.89% increase).
 - 14.61 provider claims per eligible employee in '14. 14.26 provider claims per eligible employee in '13 (a 2.45% increase).
 - 1.55 facility claims per eligible employee in '14. 1.59 facility claims per eligible employee in '13 (a 2.5% decrease).
- In 2014, total billed amount was \$181,191,617. In 2013, total billed amount was \$174,102,849 (a 4.07% increase).
 - Provider billed amount in '14 was \$85,396,921. Provider billed amount in '13 was \$82,774,457 (a 3.17% increase).
 - Facility billed amount in '14 was \$95,794,776. Facility billed amount in '13 was \$91,328,392 (a 4.89% increase).

Executive Summary- **FELRA**

1/1/2014 – 12/31/2014

I. Provider and Facility Summary *(Continued)*

- In 2014, Total Savings was \$85,416,234. In 2013, it was \$85,561,929 (a <1% decrease).
 - Provider Savings in '14 was \$50,689,824. In 2013, it was \$50,141,611 (a 1.09% increase).
 - Facility Savings in '14 was \$34,726,410. In 2013, it was \$35,420,318 (a 1.96% decrease).
- In 2014, Savings as a % of Billed Charges was 47.14%. In 2013, it was 49.14%.
 - Provider Savings as a % of Billed Charges in '14 was 59.36%. In '13, it was 60.58%.
 - Facility Savings as a % of Billed Charges in '14 was 36.25%. In '13, it was 38.78%.

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

- Top 10 Provider Billing Specialties for Local NetLease and FlexLink represent \$50,473,229 in Billed Charges (59.1% of all Provider Billed Charges).
 - In 2014, Licensed Clinic Social Worker was the highest Local NetLease provider specialty (in terms of billed charges). In 2013, the highest Local NetLease provider specialty was Internal Medicine. In both 2013 and 2014, Radiology was the highest FlexLink provider specialty (in terms of billed charges).
- Top 10 Facilities with the highest Billed Charges for Local NetLease and FlexLink represent a billed amount of \$37,817,905 (39.48% of all Facility Charges)
 - In 2014, Washington Hospital Center was the highest Local NetLease facility in terms of billed charges. In 2013, the highest Local Network Lease facility in terms of billed charges was Mt Vernon Inova. In 2014, Inova Health System Hospitals was the highest FlexLink facility in terms of billed charges. In 2013, the highest FlexLink facility in terms of billed charges was Mary Washington Hospital.

Executive Summary- **FELRA**

1/1/2014 – 12/31/2014

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

- In 2014, total CareFirst Admin charges were \$1,193,604. In 2013, they were \$1,218,773 (a 2.07% decrease).
 - In 2014, FlexLink Admin charges represented 57.48% of total CareFirst Admin costs, while Local NetLease fees represented 42.52%. In 2013, FlexLink fees represented 58.18% of total CareFirst Admin costs, while Local NetLease fees represented 41.82%.
- In 2014, aggregate cost on a per eligible employee per month (pepm) basis was \$7.46. In 2013, aggregate cost on a pepm basis was \$7.31.
- In 2014, CareFirst Administrative Charges represented 1.4% of Gross Annual Savings. In 2013, CareFirst Administrative Charges represented 1.42% of Gross Annual Savings.

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

- Savings net of CareFirst Administrative Charges in 2014 was \$84,222,630. In 2013, it was \$84,343,156 (a <1% decrease).
- In 2014, Total Net Savings per Dollar of CareFirst Administrative Fee was \$70.56. In 2013, Total Net Savings per Dollar of Administrative Fee was \$69.20 (a 1.97% increase).
- In 2014, Net Savings per Eligible Subscriber was \$6,314.49. In 2013, Net Savings per Eligible Subscriber was \$6,072.22 (a 3.99% increase).

Provider Savings Summary- **FELRA**

1/1/2014 – 12/31/2014

2014

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	157,598	\$69,756,401	\$41,682,196	59.75%
FlexLink- Provider	37,232	\$15,640,520	\$9,007,628	57.59%
Summary-Provider	194,830	\$85,396,921	\$50,689,823	59.36%

2013

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	158,254	\$66,099,552	\$40,472,480	61.23%
FlexLink- Provider	39,766	\$16,674,905	\$9,669,131	57.99%
Summary-Provider	198,020	\$82,774,457	\$50,141,611	60.58%

*Rounded to the Nearest Dollar

Facility Savings Summary- **FELRA**

1/1/2014 – 12/31/2014

2014

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	16,460	\$76,376,948	\$25,660,594	33.60%
FlexLink- Facility	4,153	\$19,417,828	\$9,065,816	46.68%
Summary-Facility	20,613	\$95,794,776	\$34,726,410	36.25%

2013

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	17,565	\$70,254,901	\$25,967,697	36.96%
FlexLink- Facility	4,553	\$21,073,491	\$9,452,621	44.86%
Summary-Facility	22,118	\$91,328,392	\$35,420,318	38.78%

*Rounded to the Nearest Dollar

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

2014

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
LICENSED CLINIC SW	22,995	\$9,283,040	\$7,609,480	81.97%
RADIOLOGY	14,417	\$5,620,080	\$3,428,281	61.00%
INTERNAL MEDICINE	19,729	\$4,960,757	\$2,122,691	42.79%
ANESTHESIOLOGY	3,546	\$4,050,102	\$2,471,013	61.01%
ORTHOPEDIC SURGERY	5,361	\$4,018,772	\$2,531,994	63.00%
ALLERGIST & IMMUNE	3,365	\$3,298,573	\$1,851,570	56.13%
OB - GYN	4,980	\$2,570,739	\$1,366,105	53.14%
EMERGENCY MEDICINE	4,707	\$2,533,887	\$1,659,899	65.51%
SURGERY	2,627	\$2,399,163	\$1,366,744	56.97%
CARDIOVASCULAR	5,121	\$2,386,775	\$1,258,347	52.72%

2013

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INTERNAL MEDICINE	26,972	\$8,941,379	\$4,882,426	54.60%
LABORATORY SERVICES	17,574	\$6,616,481	\$5,459,715	82.52%
RADIOLOGY	9,042	\$4,003,029	\$2,602,668	65.02%
ANESTHESIOLOGY	2,539	\$2,609,432	\$1,602,836	61.42%
OBSTETRICS & GYNECOLOGY	4,451	\$2,039,912	\$1,124,065	55.10%
FAMILY PRACTICE	9,329	\$1,935,038	\$975,756	50.43%
PEDIATRICS	5,800	\$1,796,582	\$887,655	49.41%
ORTHOPEDIC SURGERY	2,839	\$1,697,548	\$1,036,836	61.08%
GENERAL PRACTICE	3,907	\$1,642,551	\$1,041,479	63.41%
PHYSICAL THERAPIST	5,555	\$1,481,128	\$939,878	63.46%

*Rounded to the Nearest Dollar

Top 10 FlexLink Provider Specialties (by Billed Amount Volume)

2014

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
RADIOLOGY	3,416	\$1,469,325	\$938,373	63.86%
ORTHOPEDIC SURGERY	1,530	\$1,397,776	\$1,012,524	72.44%
LABORATORY INDEPENDENT	3,522	\$1,142,210	\$937,158	82.05%
ANESTHESIOLOGY	815	\$981,888	\$553,450	56.37%
FAMILY PRACTICE	4,596	\$835,460	\$272,417	32.61%
INTERNAL MEDICINE	3,756	\$823,218	\$312,174	37.92%
HEMATOLOGY	480	\$768,013	\$295,204	38.44%
EMERGENCY MEDICINE	1,297	\$693,413	\$469,217	67.67%
ONCOLOGY	350	\$681,259	\$411,039	60.34%
PHYSICAL THERAPIST	2,136	\$558,779	\$346,696	62.05%

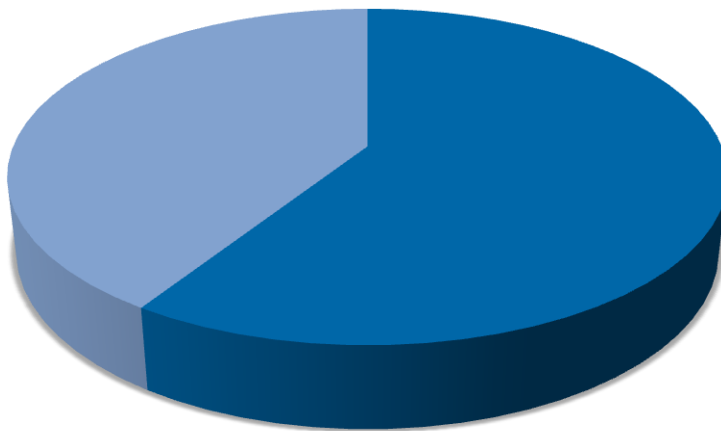
2013

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
RADIOLOGY	3,793	\$1,610,082	\$1,048,463	65.12%
ORTHOPEDIC SURGERY	1,712	\$1,455,939	\$988,883	67.92%
LABORATORY SERVICES	3,833	\$1,221,624	\$1,003,121	82.11%
ANESTHESIOLOGY	1,036	\$1,160,881	\$628,459	54.14%
INTERNAL MEDICINE	3,719	\$870,417	\$303,491	34.87%
FAMILY PRACTICE	4,770	\$868,213	\$313,078	36.06%
ONCOLOGY	384	\$860,158	\$520,739	60.54%
EMERGENCY MEDICINE	1,466	\$744,033	\$493,891	66.38%
PHYSICAL THERAPIST	2,178	\$571,847	\$366,366	64.07%
GENERAL SURGERY	645	\$562,145	\$326,616	58.10%

*Rounded to the Nearest Dollar

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

2014

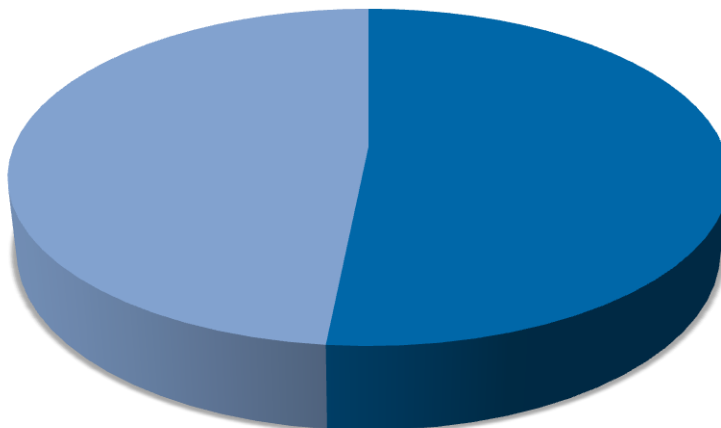


■ Top 10 Provider Specialties

■ All Other Provider Specialties

*Top 10 Provider Specialties represent
59.1% of all Provider Billed Charges
*All Other Provider Specialties represent
40.9% of all Provider Billed Charges

2013



■ Top 10 Provider Specialties

■ All Other Provider Specialties

*Top 10 Provider Specialties represent
51.57% of all Provider Billed Charges
*All Other Provider Specialties represent
48.43% of all Provider Billed Charges

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

2014

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
WASHINGTON HOSPITAL CENTER	813	\$7,633,118	\$3,408,202	44.65%
INOVA FAIRFAX HOSPITAL	439	\$3,592,636	\$1,241,878	34.57%
UNIV OF MD MEDICAL SYSTEM	455	\$3,346,988	\$33,470	1.00%
GEORGETOWN UNIV HOSPITAL	336	\$2,391,305	\$1,141,993	47.76%
INOVA ALEXANDRIA HOSPITAL	472	\$2,182,554	\$746,279	34.19%
WASHINGTON HOSPITAL CENT	69	\$2,023,758	\$979,302	48.39%
GEO WASHINGTON UNIVERSITY HOSP	138	\$1,935,347	\$1,220,202	63.05%
FMC OF PORTER PIKESVILLE	98	\$1,656,556	\$1,399,156	84.46%
VIRGINIA HOSPITAL CENTER	436	\$1,651,416	\$1,113,894	67.45%
JOHNS HOPKINS HOSPITAL	606	\$1,523,599	\$15,236	1.00%

2013

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INOVA MT VERNON HOSP	1,087	\$5,173,747	\$1,796,770	34.73%
GEORGETOWN UNIV HOSPITAL	492	\$5,131,255	\$2,488,900	48.50%
WASHINGTON HOSPITAL CENTER	610	\$4,762,948	\$1,976,574	41.50%
BMA SOUTH ANNAPOLIS	224	\$3,221,309	\$2,896,331	89.91%
FREDERICK DIALYSIS	192	\$2,935,318	\$2,477,138	84.39%
UNIV OF MD MEDICAL SYSTEM	369	\$2,537,927	\$25,379	1.00%
GEO WASHINGTON UNIVERSITY HOSP	170	\$1,845,722	\$1,072,524	58.11%
SINAI HOSPITAL BALTIMORE	289	\$1,694,995	\$16,950	1.00%
SHADY GROVE ADVENTIST HOSP	657	\$1,637,270	\$16,373	1.00%
RENAL CARE OF LANHAM	81	\$1,534,895	\$1,264,016	82.35%

*Rounded to the Nearest Dollar

Top 10 FlexLink Facilities (by Billed Amount Volume)

2014

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INOVA HEALTH SYSTEM HOSPITALS	255	\$2,003,805	\$669,519	33.41%
MARY WASHINGTON HOSPITAL	230	\$1,575,447	\$860,940	54.65%
PRINCE WILLIAM HOSPITAL	367	\$1,255,909	\$642,774	51.18%
RESTON HOSPITAL CENTER	131	\$971,468	\$637,321	65.60%
CHRISTIANA CARE HLTH SVCS	154	\$895,438	\$132,274	14.77%
RENAL TREATMENT CENTERS MID ATL	49	\$828,702	\$721,322	87.04%
LOUDOUN HOSPITAL CENTER	173	\$755,934	\$187,383	24.79%
POTOMAC HOSPITAL	116	\$658,132	\$202,361	30.75%
BEEBE MEDICAL CENTER	133	\$469,718	\$91,801	19.54%
WINCHESTER MEDICAL CENTER INC	123	\$466,075	\$152,677	32.76%

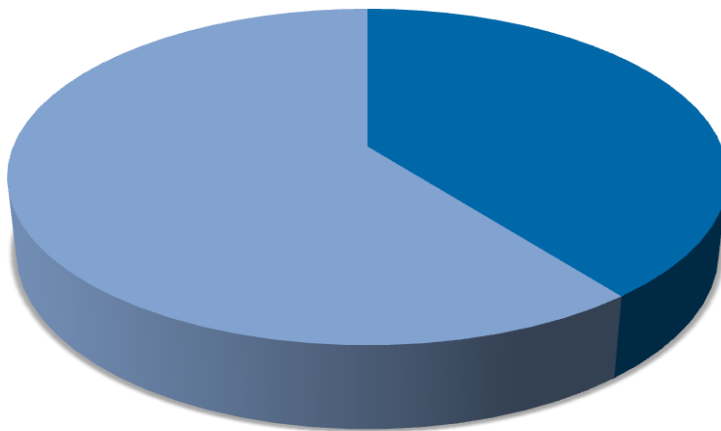
2013

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
MARY WASHINGTON HOSPITAL	358	\$2,629,391	\$1,583,703	60.23%
INOVA HEALTH SYSTEM HOSPITALS	234	\$1,784,527	\$667,294	37.39%
PRINCE WILLIAM HOSPITAL	507	\$1,717,894	\$670,468	39.03%
RESTON HOSPITAL CENTER	148	\$1,380,243	\$909,283	65.88%
LOUDOUN HOSPITAL CENTER	246	\$1,209,319	\$480,120	39.70%
POTOMAC HOSPITAL	117	\$707,415	\$226,947	32.08%
HOSP OF THE UNIVERSITY OF PENN	21	\$696,315	\$488,831	70.20%
CHRISTIANA CARE. HLTH SVC	50	\$678,373	\$159,987	23.58%
FAUQUIER HOSPITAL	191	\$633,972	\$155,552	24.54%
THE RECTOR & VISITORS OF THE UNIV OF VA	87	\$600,755	\$369,996	61.59%

*Rounded to the Nearest Dollar

Top 10 Facilities (as a % of Total Billed)

2014

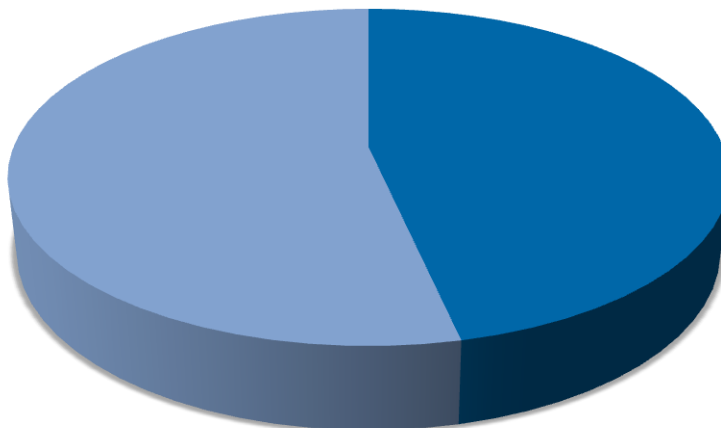


■ Top 10 Facilities

■ All Other Facilities

*Top 10 Facilities represent
39.48% of all Facility Billed Charges
*All Other Facilities represent
60.52% of all Provider Billed Charges

2013



■ Top 10 Facilities

■ All Other Facilities

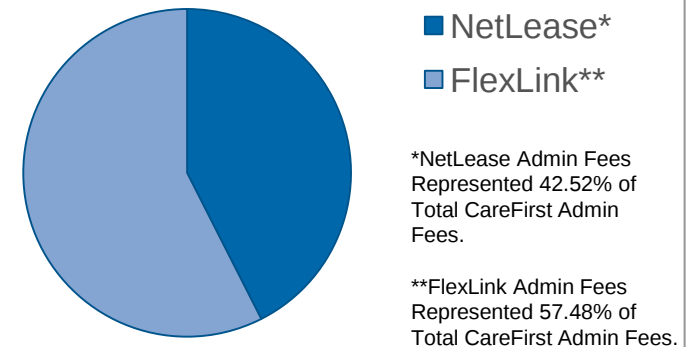
*Top 10 Facilities represent
46.55% of all Facility Billed Charges
*All Other Facilities represent
53.45% of all Facility Billed Charges

Local Network Lease Administrative Fees- **FELRA**

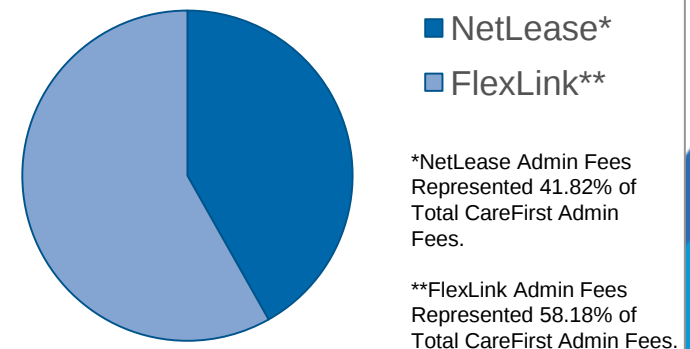
❖ 2014 Local NetLease Admin Charges:

- ◆ \$4.00 per subscriber per month from Jan. 1, 2014 – Oct. 31, 2014
- ◆ \$4.12 per subscriber per month from Nov. 1, 2014 – Dec. 31, 2014
- ◆ Average number of Local NetLease subscribers in 2014 was 10,522. *(In 2013, it was 10,892).* 2014 was a 3.4% decrease from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for Local NetLease in 2014 was \$42,298. *(In 2013, it was \$42,479).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to FELRA in 2014 was **\$507,576**. *(In 2013, it was \$509,746).* 2014 was a <1% decrease from the previous year.

2014 CareFirst Administrative Fees



2013 CareFirst Administrative Fees

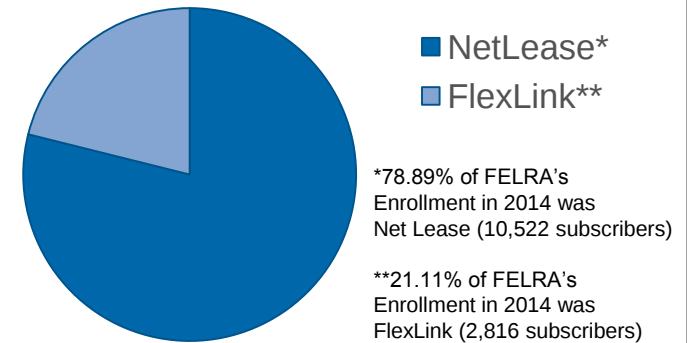


FlexLink Administrative Fees- **FELRA**

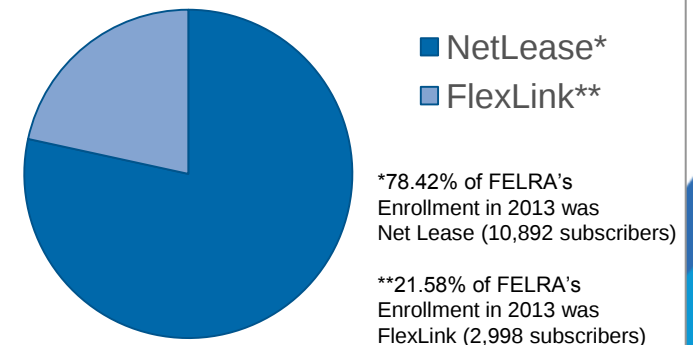
❖ 2014 FlexLink Admin Charges:

- ◆ \$20.20 per subscriber per month from Jan. 1, 2014 – Oct. 31, 2014
- ◆ \$20.81 per subscriber per month from Nov. 1, 2014 – Dec. 31, 2014
- ◆ Average number of FlexLink subscribers in 2014 was 2,816. *(In 2013, it was 2,998).* 2014 was a 6.07% decrease from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for FlexLink in 2014 was \$57,169. *(In 2013, it was \$59,086).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to Operating Engineers Local 77 in 2014 was **\$686,028**. *(In 2013, it was \$709,027).* 2014 was a 3.24% decrease from the previous year.

2014 Enrollment



2013 Enrollment



Aggregate Pricing for **FELRA**

1/1/2014 – 12/31/2014

- NetLease: \$42,298 per month
- FlexLink: \$57,169 per month

\$99,467 per month / 13,338 total FELRA subscribers=

\$7.46

per subscriber per month Aggregate Cost
to FELRA

In 2013, Aggregate cost to FELRA was **\$7.31** per subscriber per month

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

\$85,416,234

(\$507,576)

(\$686,028)

\$84,222,630*

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 1.4% of Gross Annual Savings.

In 2013, CareFirst admin charges represented **1.42%** of Gross Annual Savings.

Net Savings per Dollar of CareFirst Administrative Fee

- Net Savings for FELRA in 2014 was \$84,222,630
- CareFirst Administrative cost in 2014 was \$1,193,604

Total Net Savings Per Dollar of CareFirst Administrative Fee:

\$70.56

(For every \$1.00 that was spent in Administrative Fees,
\$70.56 was saved in Total Billed Charges)

In 2013, Total Net Savings Per Dollar of CareFirst Administrative Fee was \$69.20.
2014 was a 1.97% increase over the previous year.

Net Savings per Eligible Subscribers- **FELRA**

- Total Net Savings for FELRA for 2014 was **\$84,222,630**
- FELRA had **13,338** subscribers (contracts) in 2014

Total Net Savings Per Eligible
FELRA Subscriber:

\$6,314.49

In 2013, Total Net Savings per Eligible Subscriber was \$6,072.22
2014 was a 3.99% increase over the previous year.

5 Year Savings Recap- **FELRA**

	2010	2011	2012	2013	2014
Network Lease- Provider Savings	58.94%	58.69%	59.42%	61.23%	59.75%
FlexLink- Provider Savings	53.96%	56.12%	56.1%	57.99%	57.59%
Network Lease- Facility Savings	26.6%	31.42%	30.65%	36.96%	33.6%
FlexLink- Facility Savings	37.7%	41.14%	43.8%	44.86%	46.68%