United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund

Board of Trustees Meeting

March 21, 2014

Herb Bazemore, Account Manager

Annapolis Marriott Waterfront – Annapolis, MD

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AGENDA

- Summary of Claim Costs and Savings
- Utilization Overview
- Administrative Fees and JAA Arrangement
- Participant and Membership Growth
- Service Summary
- Business Partnership
- Questions / Follow-Up

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Summary of Claim Cost and Savings

March 1, 2006 through December 31, 2013

Periods	Billed Charges	Provider Savings	Provider Savings %	Paid Amount	% Charges Paid	Admin. Fees	Every $1 In Fees Discount $s Rec.
2013 Year Totals	$ 26,989,726	$ 12,122,950	45%	$ 11,642,178	43%	$ 566,298	$21.41
2013 Monthly Average	$ 2,249,144	$ 1,010,246	45%	$ 970,182	43%	$ 47,192	$21.41
2012 Year Totals	$ 26,314,409	$ 12,142,114	46%	$ 10,929,221	42%	$ 563,247	$21.56
2012 Monthly Average	$ 2,192,867	$ 1,011,843	46%	$ 910,768	42%	$ 46,937	$21.56
2011 Year Totals	$ 28,275,921	$ 13,643,533	48%	$ 11,313,886	40%	$ 546,819	$24.95
2011 Monthly Average	$ 2,356,327	$ 1,136,961	48%	$ 942,824	40%	$ 45,568	$24.95
2010 Year Totals	$ 24,794,488	$ 12,594,257	51%	$ 9,545,616	39%	$ 526,520	$23.92
2010 Monthly Average	$ 2,066,207	$ 1,049,521	51%	$ 795,468	39%	$ 43,877	$23.92
2009 Year Totals	$ 25,252,060	$ 12,233,071	49%	$ 10,452,241	41%	$ 521,765	$23.45
2009 Monthly Average	$ 2,104,338	$ 1,019,423	49%	$ 871,020	41%	$ 43,480	$23.45
2008 Year Totals	$ 17,919,389	$ 8,948,168	50%	$ 6,906,869	39%	$ 588,685	$15.21
2008 Monthly Average	$ 1,493,282	$ 745,681	50%	$ 575,572	39%	$ 49,057	$15.21
2007 Year Totals	$ 17,750,106	$ 8,367,929	47%	$ 7,273,686	41%	$ 593,378	$14.11
2007 Monthly Average	$ 1,479,176	$ 697,327	47%	$ 606,141	41%	$ 49,448	$14.11
2006 Totals (10 months)	$ 11,780,302	$ 5,197,570	44%	$ 5,205,935	44%	$ 495,473	$10.49
2006 Monthly Average	$ 1,178,030	$ 519,757	44%	$ 520,594	44%	$ 49,547	$10.49

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Summary of Savings During 2013:
Professional savings has been 51% of billed charges
Inpatient Facility savings has been 35.2% billed charges
Outpatient Facility savings 54.1% billed charges
Total savings – 45%
In-Network utilization – 99.4%

Utilization Overview

Based on paid claims for January 1, 2013 – December 31, 2013 and comparisons to same time frame in 2012

High Claimant Overview

- There were 51 members (1.6% of total members) that each had services/claims totaling over $50,000 or more during 2013.
- The claims of 2 members exceeded $200,000, 17 over $100,000, 14 over $75,000 and 20 over $50,000. The largest were $301,089 and next at $236,473.
- These members had a total off 3,426 claims submitted, which represented 10.1% of total claims.
- However, these 51 members accounted for 46% ($5,293,725) of the total dollars paid out in 2013.
- Summary – 1.6% of the membership accounted for 46% of the dollars spent.

Member age groups and claim expense:

- The members with the most claims expense, were those 55-59 years old (18.4%)
- Second largest, in terms of claims expense, was the 60-64 year old age group (17.1%)
- The age group with the least claims expense was the 35-39 years old (2.1%)
- The largest age group with most membership is the 00-19 group (14.5%), smallest is in the 35-39 years (4.8%)
- The makeup of the total membership was 51% female and 49% male
- Average age of participate is 46 and for members it is 41.

Top 4 places of service where members received medical care was:

- Office visits
- Independent laboratory
- Outpatient hospital
- Inpatient hospital

Change in inpatient admissions, out-patient admissions and office visits compared to same period in 2012:

- Inpatient facility admissions decreased 7.8% (claims expense per admission increased 25%)
- Inpatient facility days decreased by 7.1%
- Outpatient facility visits decreased by 5.1%
- Professional medical office visits decreased by 2.0%

Place of service where members received the most services by claim expense and usage:

- Based on claim expenses: Office – 27%, Outpatient Hospital – 31% and Inpatient Hospital – 42%
- Most used inpatient facilities were Carilion Medical Center and Centra Health
- Most used outpatient facilities were Carilion Medical Center and Lewisgale Medical Center

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Administrative Fees

- The Administrative Service Fee – has been $20.09 pcpm since 3/1/13.
- Administrative fees averaged $47,192 each month for 2013 .
- For every dollar spent in Admin. Fees, received $21.41 in savings.
- Current Anthem JAA agreement – 3 Year Admin Rate Fee:
  - 3/1/13 to 2/28/14 - $20.09 pcpm (1.5% increase)
  - 3/1/14 to 2/28/15 - $20.09 pcpm (0% increase)
  - 3/1/15 to 2/29/16 - $20.09 pcpm (0% increase)

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Participant and Membership Growth

Calendar Years 2006 - 2013

Calendar Year	Total Participates	Change From Prev. Period	Total Members	Change From Prev.	Participate to Member Ratio	Paid Claims Expense	Avg. Claim Cost Per Participant	Avg. Claim Cost Per Member
2013	2,337	-1.1%	3,836	-1.5%	1.6	$ 11,642,178	$4,981.68	$3,034.98
2012	2,363	+0.9%	3,893	-0.2%	1.7	$ 10,929,221	$4,625.15	$2,807.40
2011	2,342	+3.0%	3,902	+3.7%	1.7	$ 11,313,886	$4,830.87	$2,899.51
2010	2,274	+9.3%	3,762	+6.4%	1.7	$ 9,545,616	$4,197.72	$2,537.38
2009	2,080	+3.5%	3,536	+3.5%	1.7	$ 10,452,241	$5,025.12	$2,955.95
2008	2,010	-1.5%	3,418	-2.7%	1.7	$ 6,906,869	$3,436.25	$2,020.73
2007	2,039	-2.5%	3,509	-5.3%	1.7	$ 7,273,686	$3,567.28	$2,072.87
2006 (10 mos.)	2,088	NA	3,692	NA	1.8	$ 5,205,935	$2,493.26	$1,410.06

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Service Summary

- No problems with claims inventory or turnaround times

- All claims inventories well within BCBS standards
  - ✓ Timeliness
  - ✓ Accuracy
  - ✓ Inventory

- Client access to reporting – Client Information Insight (CII)

- There continues to be excellent open communication and business relationship between Bill, Joe, the Associated Administrators' staff and Anthem BCBS staffs. We really appreciate the excellent job they do.

Business Partnership

- We sincerely appreciate the confidence that you have placed in us since March 1, 2006 and we value you as both a customer and a partner.
- Anthem and myself appreciate the opportunity your have given us to continue to work with you serving your membership, our membership.
- We will always try to help each other be more efficient and that continuous improvement is a goal we share.

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Questions & Follow-Up

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