



The CareFirst BlueCross BlueShield
family of health care plans.

Savings Report Summary 1/1/2016 – 12/31/2016

UFCW Unions and Participating Employers Health & Welfare Fund



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February 28, 2017

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Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 1/1/2016 – 12/31/2016

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

➤ Claims Volume:

	2015 Claims Volume	2016 Claims Volume	% Change (2015 to 2016)
Provider	37,189	36,806	-1.03%
Facility	4,028	3,743	-7.08%
Total	41,217	40,549	-1.62%

- In 2016, there was an average of 2,283 eligible subscribers. In 2015, there was an average of 2,408 eligible subscribers (a **5.19% decrease**).

➤ Claims per Eligible Subscriber:

	2015 Claims per Eligible Subscriber	2016 Claims per Eligible Subscriber	% Change (2015 to 2016)
Provider	15.44	16.12	+4.4%
Facility	1.67	1.64	-1.8%
Total	17.11	17.76	+3.8%

➤ Billed Amount:

	2015 Billed Amount	2016 Billed Amount	% Change (2015 to 2016)
Provider	\$16,547,241	\$16,368,562	-1.08%
Facility	\$17,019,585	\$17,598,710	+3.4%
Total Billed	\$33,566,826	\$33,967,272	+1.19%

Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 1/1/2016 – 12/31/2016

I. Provider and Facility Summary *(Continued)*

➤ Total Savings:

	2015 Savings	2016 Savings	% Change (2015 – 2016)
Provider	\$10,026,430	\$9,737,951	-2.88%
Facility	\$5,137,289	\$5,674,229	+10.45%
Total	\$15,163,719	\$15,412,180	+1.64%

➤ Savings as a % of Billed Charges:

	2015 Savings as a % of Billed Charges	2016 Savings as a % of Billed Charges
Provider	60.59%	59.49%
Facility	30.18%	32.24%
Total	45.17%	45.37%

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

- Top 10 Provider Billing Specialties for Local NetLease and FlexLink represent \$9,133,198 in Billed Charges (55.8% of all Provider Billed Charges).
- In 2015 and 2016, Laboratory Services was the highest Local NetLease provider specialty (in terms of billed charges). In 2016, Radiology was the highest FlexLink provider specialty (in terms of billed charges). In 2015, Orthopedic Surgery 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 \$8,861,095 (50.35% of all Facility Charges)
- In 2016, Georgetown University Hosp was the highest Local NetLease facility in terms of billed charges. In 2015, the highest Local Network Lease facility in terms of billed charges was Univ of MD Medical Center. In 2016, Inova Health Systems Hospitals had the highest FlexLink billed charges. In 2015, Georgetown University Hospital had the highest FlexLink billed charges.

Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 1/1/2016 – 12/31/2016

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

- In 2016, total CareFirst Admin charges were \$198,468. In 2015, they were \$208,596 (a **4.86% decrease**).
 - In 2016, Local NetLease Admin charges represented 48.3% of total CareFirst Admin costs, while FlexLink fees represented 51.7%. In 2015, NetLease fees represented 46.82% of total CareFirst Admin costs, while FlexLink fees represented 53.18%.
- In 2016, aggregate cost on a per eligible employee per month (pepm) basis was \$7.24. In 2015, aggregate cost on a pepm basis was \$7.22.
- In 2016, CareFirst Administrative Charges represented 1.29% of Gross Annual Savings. In 2015, CareFirst Administrative Charges represented 1.38% of Gross Annual Savings.

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

- Savings net of CareFirst Administrative Charges in 2016 was \$15,213,712. In 2015, it was \$14,955,123 (a 1.73% increase).
- In 2016, Total Net Savings per Dollar of CareFirst Administrative Fee was \$76.66. In 2015, Total Net Savings per Dollar of Administrative Fee was \$71.69 (a 6.93% increase).
- In 2016, Net Savings per Eligible Subscriber was \$6,663.91. In 2015, Net Savings per Eligible Subscriber was \$6,210.60 (a 7.3% increase).

Provider Savings Summary- **UFCW Unions & Participating Employers Health & Welfare Fund**

2016

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	30,534	\$14,000,395	\$8,344,577	59.60%
FlexLink- Provider	6,272	\$2,368,167	\$1,393,374	58.84%
Summary-Provider	36,806	\$16,368,562	\$9,737,951	59.49%

2015

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	30,291	\$13,708,733	\$8,350,758	60.92%
FlexLink- Provider	6,898	\$2,838,508	\$1,675,672	59.03%
Summary-Provider	37,189	\$16,547,241	\$10,026,430	60.59%

*Rounded to the Nearest Dollar

Facility Savings Summary- **UFCW Unions & Participating Employers Health & Welfare Fund**

2016

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	3,020	\$14,577,176	\$4,317,015	29.61%
FlexLink- Facility	723	\$3,021,534	\$1,357,214	44.92%
Summary-Facility	3,743	\$17,598,710	\$5,674,229	32.24%

2015

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	3,181	\$12,284,541	\$2,649,832	21.57%
FlexLink- Facility	847	\$4,735,044	\$2,487,457	52.53%
Summary-Facility	4,028	\$17,019,585	\$5,137,289	30.18%

*Rounded to the Nearest Dollar

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

2016

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
LABORATORY SERVICES	3,924	\$1,650,419	\$1,320,128	79.99%
INTERNAL MEDICINE	4,313	\$1,286,572	\$546,546	42.48%
ORTHOPEDIC SURGERY	986	\$910,286	\$566,216	62.20%
RADIOLOGY	1,940	\$795,198	\$478,696	60.20%
ANESTHESIOLOGY	574	\$705,510	\$463,959	65.76%
FAMILY PRACTICE	2,113	\$469,797	\$193,420	41.17%
CARDIOVASCULAR DISEASE	1,255	\$466,274	\$257,951	55.32%
OB-GYNECOLOGY	929	\$465,944	\$241,205	51.77%
EMERGENCY MEDICINE	726	\$454,517	\$319,967	70.40%
NURSE ANESTHETIST	279	\$377,680	\$236,486	62.62%

2015

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
LABORATORY SERVICES	4,117	\$1,671,951	\$1,343,623	80.36%
INTERNAL MEDICINE	4,403	\$1,085,419	\$475,394	43.80%
RADIOLOGY	2,235	\$901,338	\$561,520	62.30%
ORTHOPEDIC SURGERY	1,022	\$717,934	\$435,680	60.69%
ANESTHESIOLOGY	502	\$595,453	\$372,509	62.56%
CARDIOVASCULAR DISEASE	1,275	\$499,100	\$272,671	54.63%
FAMILY PRACTICE	2,035	\$494,091	\$223,058	45.15%
GENERAL SURGERY	451	\$444,334	\$257,728	58.00%
OB-GYNECOLOGY	879	\$384,202	\$202,190	52.63%
NURSE ANESTHETIST	291	\$376,555	\$250,147	66.43%

*Rounded to the Nearest Dollar

Top 10 FlexLink Provider Specialties (by Billed Amount Volume)

2016

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
RADIOLOGY	578	\$270,198	\$173,715	64.29%
LABORATORY SERVICES	763	\$251,588	\$202,886	80.64%
ANESTHESIOLOGY	178	\$189,266	\$125,454	66.28%
FAMILY PRACTICE	778	\$173,388	\$71,644	41.32%
INTERNAL MEDICINE	790	\$156,343	\$62,615	40.05%
EMERGENCY MEDICINE	250	\$148,319	\$105,710	71.27%
ORTHOPEDIC SURGERY	235	\$123,766	\$80,653	65.17%
PATHOLOGY	170	\$84,036	\$65,238	77.63%
PHYSICAL THERAPIST	332	\$82,198	\$50,099	60.95%
PODIATRY & SURGICAL CHIROPD	212	\$71,900	\$36,728	51.08%

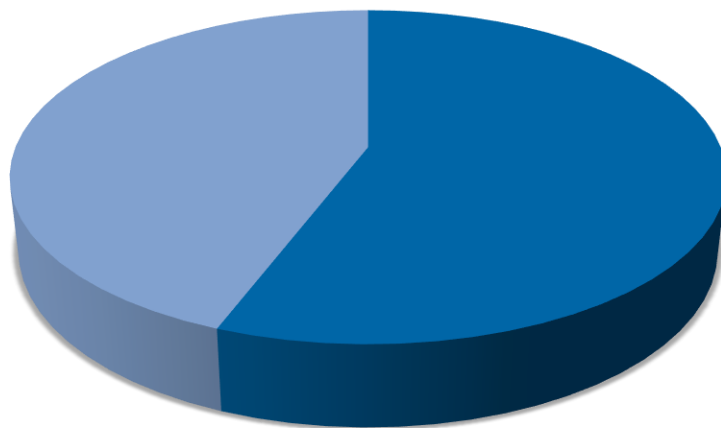
2015

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
ORTHOPEDIC SURGERY	355	\$387,223	\$305,538	78.90%
LABORATORY SERVICES	813	\$272,636	\$215,921	79.20%
RADIOLOGY	663	\$262,620	\$165,972	63.20%
INTERNAL MEDICINE	893	\$192,095	\$70,344	36.62%
FAMILY PRACTICE	904	\$185,893	\$74,023	39.82%
ANESTHESIOLOGY	140	\$165,792	\$88,234	53.22%
EMERGENCY MEDICINE	237	\$146,992	\$106,323	72.33%
SURGERY GENERAL	101	\$118,287	\$78,403	66.28%
PATHOLOGY	254	\$108,832	\$80,519	73.98%
ONCOLOGY	39	\$96,262	\$59,129	61.43%

*Rounded to the Nearest Dollar

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

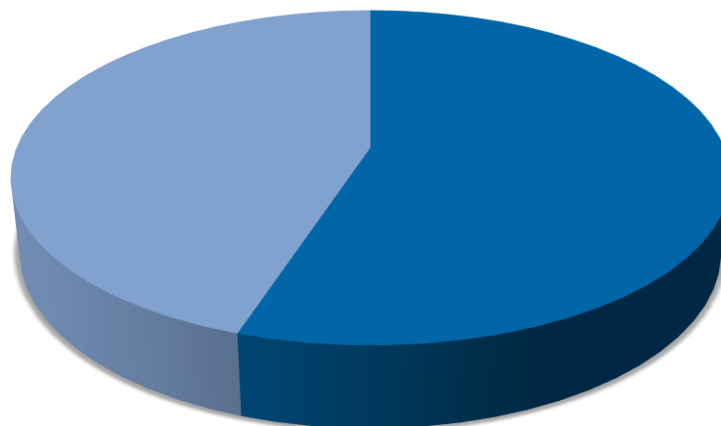
2016



- Top 10 Provider Specialties
- All Other Provider Specialties

*Top 10 Provider Specialties represent
 55.8% of all Provider Billed Charges
 *All Other Provider Specialties represent
 44.2% of all Provider Billed Charges

2015



- Top 10 Provider Specialties
- All Other Provider Specialties

*Top 10 Provider Specialties represent
 55.04% of all Provider Billed Charges
 *All Other Provider Specialties represent
 44.96% of all Provider Billed Charges

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

2016

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
GEORGETOWN UNIVERSITY HOS	28	\$2,310,047	\$1,244,251	53.86%
FMC OF PORTER WHITE MARSH	39	\$769,735	\$670,663	87.13%
MERCY MEDICAL CENTER	132	\$553,790	\$5,538	1.00%
INOVA FAIRFAX HOSPITAL	71	\$552,980	\$158,081	28.59%
SENTARA NORTH VA MED CTR	60	\$531,656	\$203,840	38.34%
FRESENIUS MEDICAL CARE SURREATS DIALYSIS	26	\$531,460	\$457,156	86.02%
SINAI HOSPITAL BALTIMORE	113	\$451,245	\$4,512	1.00%
CNMC	55	\$443,490	\$130,828	29.50%
WASHINGTON HOSPITAL CENTE	79	\$378,388	\$147,322	38.93%
FRANKLIN SQUARE HOSPITAL	94	\$299,966	\$3,000	1.00%

2015

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
UNIV OF MD MEDICAL SYSTEM	80	\$915,616	\$9,156	1.00%
INOVA FAIRFAX HOSPITAL	94	\$727,923	\$230,482	31.66%
WASHINGTON HOSPITAL CENTE	126	\$684,552	\$283,615	41.43%
GEORGETOWN UNIVERSITY HOS	35	\$482,319	\$236,155	48.96%
PRINCE GEORGES HOSPITAL CTR	56	\$396,728	\$3,967	1.00%
FRESENIUS MEDICAL CARE SURREATS DIAL	38	\$388,830	\$298,486	76.77%
MERCY MEDICAL CENTER	123	\$316,566	\$3,166	1.00%
SENTARA NORTH VA MED CTR	69	\$309,179	\$104,596	33.83%
SINAI HOSPITAL BALTIMORE	74	\$296,099	\$2,961	1.00%
INOVA MT VERNON HOSPITAL	87	\$287,965	\$104,609	36.33%

*Rounded to the Nearest Dollar

Top 10 FlexLink Facilities (by Billed Amount Volume)

2016

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INOVA HEALTH SYSTEM HOSPITALS	120	\$696,648	\$196,253	28.17%
STAFFORD HOSPITAL CENTER- FREDERICKSBURG, VA	38	\$316,679	\$210,757	66.55%
PRINCE WILLIAM HOSPITAL	74	\$235,554	\$152,528	64.75%
STAFFORD HOSPITAL LLC- STAFFORD, VA	18	\$147,574	\$107,124	72.59%
RESTON HOSPITAL CENTER	14	\$120,451	\$82,800	68.74%
VCU HEALTH SYSTEM AUTHORITY	4	\$119,964	\$18,257	15.22%
POTOMAC HOSPITAL	20	\$115,514	\$47,477	41.10%
CHILDRENS HOSPITAL	11	\$107,587	(\$12,777)	-11.88%
PRINCE WILLIAM HOSPITAL	24	\$90,039	\$49,983	55.51%
WINCHESTER MEDICAL CENTER INC	23	\$88,328	\$24,375	27.60%

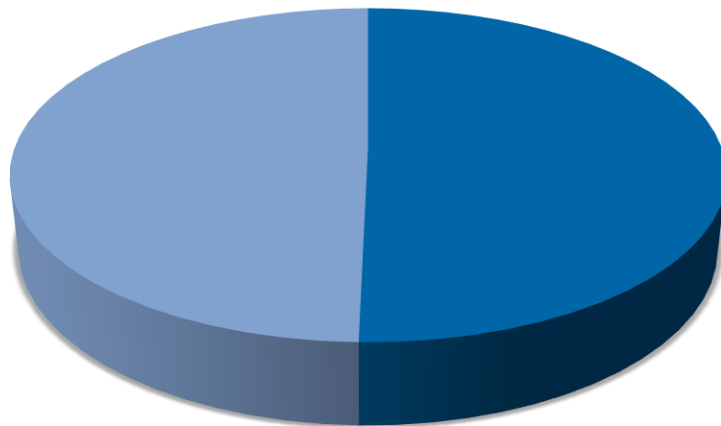
2015

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
GEORGETOWN UNIVERSITY HOSPITAL	42	\$774,744	\$329,966	42.59%
INOVA HEALTH SYSTEM HOSPITALS	140	\$649,498	\$229,705	35.37%
STAFFORD HOSPITAL CENTER	46	\$396,171	\$265,163	66.93%
PRINCE WILLIAM HOSPITAL	89	\$358,401	\$181,303	50.59%
RENAL TREATMENT CENTERS MIDATLA	39	\$262,416	\$240,870	91.79%
BARLOW RESPIRATORY HOSPIT	1	\$251,383	\$220,083	87.55%
RESTON HOSPITAL CENTER	16	\$169,701	\$82,605	48.68%
POTOMAC HOSPITAL	28	\$144,724	\$46,275	31.97%
MARY WASHINGTON HOSPITAL INC.	20	\$129,271	\$74,981	58.00%
LOUDOUN HOSPITAL CENTER	24	\$120,225	\$33,213	27.63%

*Rounded to the Nearest Dollar

Top 10 Facilities (as a % of Total Billed)

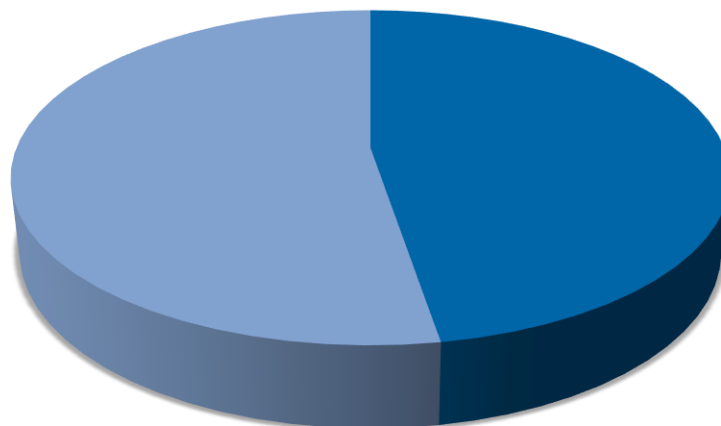
2016



- Top 10 Facilities
- All Other Facilities

*Top 10 Facilities represent
50.35% of all Facility Billed Charges
*All Other Facilities represent
49.65% of all Facility Billed Charges

2015



- Top 10 Facilities
- All Other Facilities

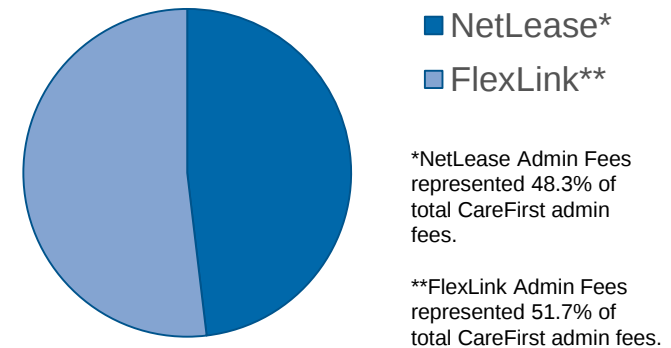
*Top 10 Facilities represent
47.38% of all Facility Billed Charges
*All Other Facilities represent
52.62% of all Facility Billed Charges

Local Network Lease Administrative Fees- **UFCW Unions & Participating Employers Health & Welfare**

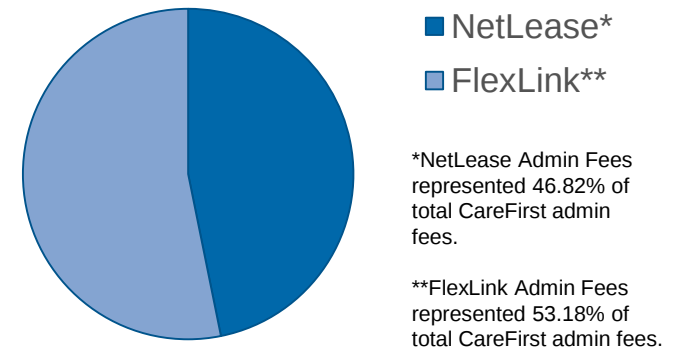
❖ 2016 Local NetLease Admin Charges:

- ◆ \$4.24 per subscriber per month from Jan. 1, 2016 – Dec. 31, 2016
- ◆ Average number of Local NetLease subscribers in 2016 was 1,884. *(In 2015, it was 1,966).* 2016 was a **4.17% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for Local NetLease in 2016 was \$7,988. *(In 2015, it was \$8,139).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to UFCW Unions and Participating Employers Health and Welfare Fund in 2016 was **\$95,856**. *(In 2015, it was \$97,668).* 2015 was a **1.86% decrease** from the previous year.

2016 CareFirst Administrative Fees



2015 CareFirst Administrative Fees

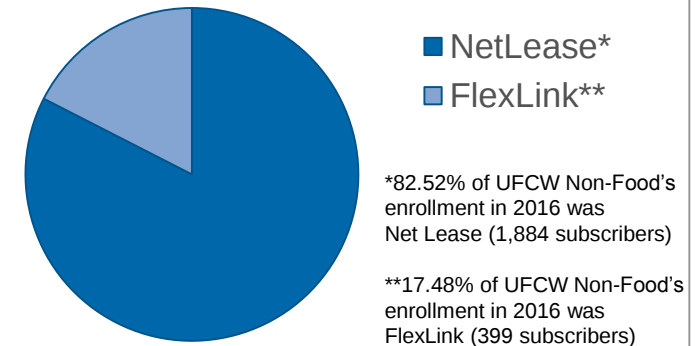


FlexLink Administrative Fees- **UFCW Unions & Participating Employers Health & Welfare Fund**

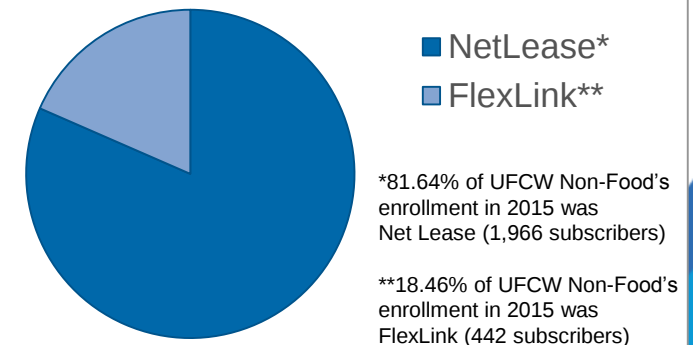
❖ 2016 FlexLink Admin Charges:

- ◆ \$21.43 per subscriber per month from Jan. 1, 2016 – Dec. 31, 2016
- ◆ Average number of FlexLink subscribers in 2016 was 399. *(In 2015, it was 442).* 2016 was a **9.73% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for FlexLink in 2016 was \$8,551. *(In 2015, it was \$9,244).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to UFCW Unions and Participating Employers Health and Welfare Fund in 2016 was **\$102,612**. *(In 2015, it was \$110,928).* 2016 was a **7.5% decrease** from the previous year.

2016 Enrollment



2015 Enrollment



Aggregate Pricing- **UFCW Unions & Participating Employers Health & Welfare Fund**

- NetLease: \$7,988 per month
- FlexLink: \$8,551 per month

\$16,539 per month / 2,283 total UFCW Non-Food subscribers=

\$7.24

per subscriber per month Aggregate Cost
to UFCW Unions and Participating Employers Health & Welfare Fund

In 2015, Aggregate cost to UFCW Non-Food was **\$7.22** per subscriber per month

Savings Net of Administrative Charges- **UFCW Unions & Participating Employers Health and Welfare Fund**

\$15,412,180

(\$95,856)

(\$102,612)

\$15,213,712*

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 1.29% of Gross Annual Savings.

In 2015, CareFirst admin charges represented **1.38%** of Gross Annual Savings.

Net Savings per Dollar of CareFirst Administrative Fee

- Net Savings for UFCW Non-Food in 2016 was \$15,213,712
- CareFirst Administrative cost in 2016 was \$198,468

Total Net Savings Per Dollar of CareFirst Administrative Fee:

\$76.66

(For every \$1.00 that was spent in Administrative Fees,
\$76.66 was saved in Total Billed Charges)

In 2015, Total Net Savings Per Dollar of CareFirst Administrative Fee was \$71.69.
2016 was a 6.93% increase over the previous year.

Net Savings per Eligible Subscribers- **UFCW Unions & Participating Employers Health & Welfare Fund**

- Total Net Savings for UFCW Non-Food for 2016 was **\$15,213,712**
- UFCW Non-Food had **2,283** subscribers (contracts) in 2016

Total Net Savings Per Eligible
UFCW Non-Food Subscriber:

\$6,663.91

In 2015, Total Net Savings per Eligible Subscriber was \$6,210.60
2016 was a 7.3% increase over the previous year.

5 Year Savings Recap- **UFCW Unions and Participating Employers Health & Welfare Fund**

	2012	2013	2014	2015	2016
Local Network Lease-Provider Savings	60.60%	61.69%	61.73%	60.92%	59.6%
FlexLink-Provider Savings	53.96%	55.64%	60.15%	59.03%	58.84%
Local Network Lease-Facility Savings	36.29%	37.63%	33.27%	21.57%	29.61%
FlexLink-Facility Savings	41.64%	43.22%	53.34%	52.53%	44.92%