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

Board of Trustees Meeting
July 2, 2013

Herb Bazemore, Account Executive

Sheraton Premiere at Tysons Corner, VA

Anthem. Health. Join In.

AGENDA

- Summary of Claim Costs and Savings
- Utilization Overview
- Administrative Fees and 2013 Renewal
- Participant and Membership Growth
- Service Summary
- Business Partnership
- Questions / Follow-Up

Anthem. Health. Join In.

Summary of Claim Cost and Savings

March 1, 2006 through March 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 (1st qtr.)	$	6,655,905	$	3,043,470	46%	$	2,714,426	41%	$	141,518	$21.51
2013 Monthly Average	$	2,218,635	$	1,014,490	46%	$	904,809	41%	$	47,173	$21.51
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

Summary of Savings Past 12 Months:
Professional savings has been 49.7% of billed charges
Inpatient Facility savings has been 35.9% billed charges
Outpatient Facility savings 55% billed charges
Total savings – 46%
In-Network utilization – 99.8%

Anthem. Health. Join In.

Utilization Overview

Based on paid claims for January 1, 2012 – December 31, 2012 and comparisons to same time frame in 2011

High Claimant Overview
- There were 35 members (1.1% of total members) that each had services/claims totaling over $50,000 or more for CY2012.
- The claims of 1 member exceeded $300,000, 2 over $200,000 and 7 over $100,000. The largest was $307,435 and next at $287,821.
- These members had a total off 2,502 claims submitted, which represented 7.3% of total claims.
- However, these 35 members accounted for 31.7% ($3,459,203) of the total dollars paid out in CY 2012.
- Summary – 1.1% of the membership accounted for 31.7% of the dollars spent.

Member age groups and claim expense:
- The members with the most claims expense, were those 55-59 years old (17%)
- Second largest, in terms of claims expense, was the 50-54 year old age group (16%)
- The age group with the least claims expense was the 30-34 years old (2.5%)
- The largest age group with most membership is the 55-59 group (14%), smallest is in the 65+ years (4.6%)
- 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 2011:
- Inpatient facility admissions decreased 8.2%
- Inpatient facility days decreased by 8.8%
- Outpatient facility visits increased by 0.06%
- Professional medical office visits decreased by 2%

Place of service where members received the most services by claim expense or usage:
- Based on claim expenses: Office – 26%, Outpatient Hospital – 35% and Inpatient Hospital – 39%
- Most used inpatient facilities were Carilion Medical Center and Centra Health
- Most used outpatient facilities were Carilion Memorial Hospital and Augusta Health Care

Anthem. Health. Join In.

Administrative Fees

- The Administrative Service Fee – has been $19.79 pcpm since 3/1/12.
- Administrative fees averaged $46,937 each month for CY 2012 .
- For every dollar spent in Admin. Fees, received $21.51 in savings.
- Proposing revised 3-Year Admin Rate Fee effective (retro) 3/01/2013:
  - 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)

Anthem. Health. Join In.

Participant and Membership Growth
Calendar Years 2006 - 2012

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
2012	2,363	+0.9%	3,893	-0.2%	1.7	$ 10,929,221	$ 4,625	$ 2,807
2011	2,342	+3.0%	3,902	+3.7%	1.7	$ 11,313,886	$ 4,831	$ 2,900
2010	2,274	+9.3%	3,762	+6.4%	1.7	$ 9,545,616	$ 4,198	$ 2,537
2009	2,080	+3.5%	3,536	+3.5%	1.7	$ 10,452,241	$ 5,025	$ 2,956
2008	2,010	-1.5%	3,418	-2.7%	1.7	$ 6,906,869	$ 3,436	$ 2,021
2007	2,039	-2.5%	3,509	-5.3%	1.7	$ 7,273,686	$ 3,567	$ 2,073
2006 (10 mos.)	2,088	NA	3,692	NA	1.8	$ 5,205,935	$ 2,493	$ 1,410

Anthem.
Health. Join In.

Service Summary

- No problems with claims inventory or turnaround times

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

- New Anthem reporting initiative – Client Information Insight (CII)

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

Anthem. Health. Join In.

Business Partnership

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

.

Anthem. Health. Join In.

Questions & Follow-Up

Herb Bazemore
Account Executive
Anthem BCBS
220 Virginia Ave.
Indianapolis, IN 46204
Office: (317) 287-8416
Mobile: (317) 407-0414
Email: herb.bazemore@Anthem.com

Anthem. Health. Join In.