



The CareFirst BlueCross BlueShield
family of health care plans.

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

UFCW Unions and Participating Employers Health & Welfare Fund



Prepared by Steve Krasnoff
March 12, 2019

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Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 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	35,920	33,074	-7.92%
Facility	3,618	2,790	-22.89%
Total	39,538	35,864	-9.29%

- In 2018, there was an average of 1,934 eligible subscribers. In 2017, there was an average of 2,168 eligible subscribers (a **10.79% decrease**).

➤ Claims per Eligible Subscriber:

	2017 Claims per Eligible Subscriber	2018 Claims per Eligible Subscriber	% Change (2017 to 2018)
Provider	16.57	17.1	+3.2%
Facility	1.67	1.44	-13.77%
Total	18.24	18.54	+1.64%

➤ Billed Amount:

	2017 Billed Amount	2018 Billed Amount	% Change (2017 to 2018)
Provider	\$17,133,420	\$16,345,483	-4.6%
Facility	\$16,392,697	\$15,364,639	-6.27%
Total Billed	\$33,526,117	\$31,710,122	-5.42%

Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 1/1/2018 – 12/31/2018

I. Provider and Facility Summary *(Continued)*

➤ Total Savings:

	2017 Savings	2018 Savings	% Change (2017 – 2018)
Provider	\$10,216,678	\$9,489,581	-7.12%
Facility	\$4,665,053	\$5,788,982	+24.09%
Total	\$14,881,731	\$15,278,563	+2.67%

➤ Savings as a % of Billed Charges:

	2017 Savings as a % of Billed Charges	2018 Savings as a % of Billed Charges
Provider	59.63%	58.06%
Facility	28.46%	37.68%
Total	44.39%	48.18%

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

- Top 10 Provider Billing Specialties for Local NetLease and FlexLink represent \$8,805,618 in Billed Charges (53.87% of all Provider Billed Charges).
 - In 2017 and 2018, Independent Laboratory Services was the highest Local NetLease provider specialty (in terms of billed charges).
 - In 2018, Independent Laboratory Services was the highest FlexLink provider specialty (in terms of billed charges).
 - In 2017, 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 \$8,017,421 (52.18% of all Facility Charges)
 - In 2017 and 2018, Washington Hospital Center was the highest Local NetLease facility in terms of billed charges.
 - In 2018, Mary Washington Hospital had the highest FlexLink billed charges.
 - In 2017, Inova Health Systems had the highest FlexLink billed charges.

Executive Summary- **UFCW Unions & Participating Employers Health & Welfare** 1/1/2018 – 12/31/2018

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

- In 2018, total CareFirst Admin charges were \$163,188. In 2017, they were \$188,292 (a **13.33% decrease**).
 - In 2018, Local NetLease Admin charges represented 51.94% of total CareFirst Admin costs, while FlexLink fees represented 48.06%. In 2017, NetLease fees represented 48.37% of total CareFirst Admin costs, while FlexLink fees represented 51.63%.
- In 2018, aggregate cost on a per eligible employee per month (pepm) basis was \$7.03. In 2017, aggregate cost on a pepm basis was \$7.24.
- In 2018, CareFirst Administrative Charges represented 1.07% of Gross Annual Savings. In 2017, CareFirst Administrative Charges represented 1.27% of Gross Annual Savings.

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

- Savings net of CareFirst Administrative Charges in 2018 was \$15,115,375. In 2017, it was \$14,693,439 (a 2.87% increase).
- In 2018, Total Net Savings per Dollar of CareFirst Administrative Fee was \$92.63. In 2017, Total Net Savings per Dollar of Administrative Fee was \$78.04 (an 18.7% increase).
- In 2018, Net Savings per Eligible Subscriber was \$7,815.60. In 2017, Net Savings per Eligible Subscriber was \$6,777.41 (a 15.32% increase).

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

2018

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	28,042	\$14,256,177	\$8,221,522	57.67%
FlexLink- Provider	5,032	\$2,089,306	\$1,268,059	60.69%
Summary-Provider	33,074	\$16,345,483	\$9,489,581	58.06%

2017

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Provider	29,731	\$14,692,934	\$8,785,399	59.79%
FlexLink- Provider	6,189	\$2,440,486	\$1,431,279	58.65%
Summary-Provider	35,920	\$17,133,420	\$10,216,678	59.63%

*Rounded to the Nearest Dollar

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

2018

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	2,310	\$12,811,782	\$4,506,461	35.17%
FlexLink- Facility	480	\$2,552,857	\$1,282,521	50.24%
Summary-Facility	2,790	\$15,364,639	\$5,788,982	37.68%

2017

	# of Claims	Billed Amount*	Savings off of Billed Amount*	Savings %
Local NetLease-Facility	3,052	\$12,461,072	\$2,547,378	20.44%
FlexLink- Facility	566	\$3,931,625	\$2,117,675	53.86%
Summary-Facility	3,618	\$16,392,697	\$4,665,053	28.46%

*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	4,047	\$1,695,658	\$1,389,685	81.96%
INTERNAL MEDICINE	3,890	\$1,073,468	\$483,341	45.03%
RADIOLOGY	1,719	\$744,480	\$418,944	56.27%
ANESTHESIOLOGY	420	\$679,543	\$461,093	67.85%
HOME INFUSION THERAPY SUPPLIER	65	\$674,104	\$69,515	10.31%
EMERGENCY MEDICINE	853	\$643,997	\$467,440	72.58%
ORTHOPEDIC SURGERY	938	\$594,542	\$352,174	59.23%
ONCOLOGY	217	\$471,962	\$250,851	53.15%
CARDIOVASCULAR DISEASE	1,122	\$450,006	\$230,085	51.13%
FAMILY PRACTICE	1,710	\$422,661	\$173,695	41.10%

2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INDEPENDENT LABORATORY	4,222	\$1,734,717	\$1,390,099	80.13%
INTERNAL MEDICINE	4,019	\$1,226,318	\$555,712	45.32%
ANESTHESIOLOGY	584	\$798,952	\$512,537	64.15%
RADIOLOGY	1,775	\$739,624	\$453,130	61.26%
EMERGENCY MEDICINE	986	\$677,899	\$481,755	71.07%
ORTHOPEDIC SURGERY	913	\$626,763	\$346,447	55.28%
FAMILY PRACTICE	1,970	\$490,005	\$185,255	37.81%
CARDIOVASCULAR DISEASE	1,204	\$461,645	\$206,258	44.68%
DME SUPPLIER (PROF)	583	\$458,486	\$209,792	45.76%
HEMATOLOGY	144	\$443,620	\$281,666	63.49%

*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 %
INDEPENDENT LABORATORY	624	\$210,929	\$172,127	81.60%
RADIOLOGY	438	\$187,966	\$119,704	63.68%
INTERNAL MEDICINE	719	\$168,739	\$73,270	43.42%
ANESTHESIOLOGY	108	\$160,865	\$108,605	67.51%
FAMILY PRACTICE	601	\$153,727	\$71,120	46.26%
EMERGENCY MEDICINE	208	\$145,670	\$106,431	73.06%
ORTHOPEDIC SURGERY	120	\$110,390	\$70,452	63.82%
OBSTETRICS AND GYNECOLOGY	159	\$86,890	\$51,648	59.44%
OTOLARYNGOLOGY	83	\$67,209	\$48,431	72.06%
GASTROENTEROLOGY	94	\$62,811	\$32,153	51.19%

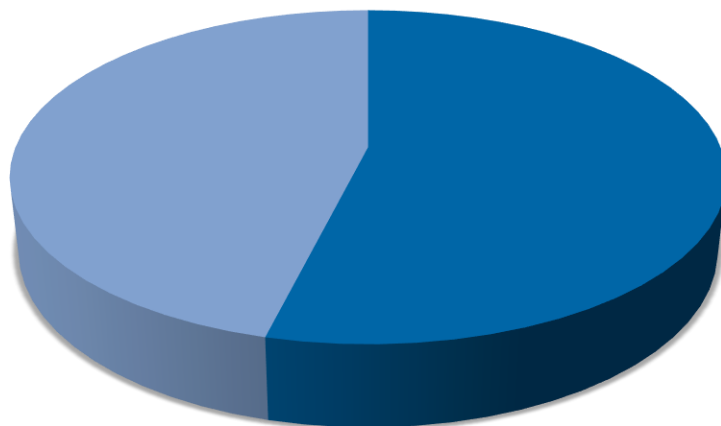
2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
RADIOLOGY	596	\$212,774	\$142,132	66.80%
INDEPENDENT LABORATORY	741	\$208,607	\$174,387	83.60%
FAMILY PRACTICE	739	\$166,623	\$69,632	41.79%
INTERNAL MEDICINE	755	\$160,847	\$67,679	42.08%
EMERGENCY MEDICINE	210	\$156,080	\$115,952	74.29%
ANESTHESIOLOGY	159	\$150,183	\$88,184	58.72%
ORTHOPEDIC SURGERY	204	\$137,993	\$87,525	63.43%
NEONATOLOGY	49	\$111,991	\$71,687	64.01%
HEMATOLOGY	86	\$110,235	\$56,473	51.23%
PEDIATRICS	202	\$97,423	\$52,171	53.55%

*Rounded to the Nearest Dollar

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

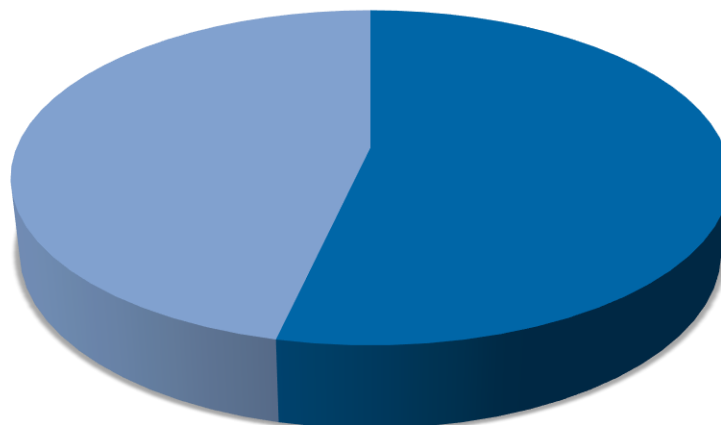
2018



- Top 10 Provider Specialties
- All Other Provider Specialties

*Top 10 Provider Specialties represent
53.87% of all Provider Billed Charges
*All Other Provider Specialties represent
46.13% of all Provider Billed Charges

2017



- Top 10 Provider Specialties
- All Other Provider Specialties

*Top 10 Provider Specialties represent
53.53% of all Provider Billed Charges
*All Other Provider Specialties represent
46.47% 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	96	\$2,226,712	\$955,732	42.92%
CORAL HILLS DIALYSIS	13	\$838,989	\$755,201	90.01%
INOVA FAIRFAX HOSPITAL	58	\$746,985	\$211,197	28.27%
FMC OF PORTER WHITE MARSH	6	\$400,887	\$365,634	91.21%
SINAI HOSPITAL BALTIMORE	76	\$384,335	\$3,843	1.00%
MERCY MEDICAL CENTER	114	\$381,632	\$3,816	1.00%
CNMC	39	\$367,855	\$108,866	29.59%
NOVANT HEALTH UVA HEALTH	4	\$363,161	\$167,339	46.08%
SENTARA NORTH VA MED CTR	42	\$299,919	\$114,980	38.34%
INOVA MT VERNON HOSPITAL	41	\$291,425	\$89,492	30.71%

2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
WASHINGTON HOSPITAL CENTER	152	\$1,070,529	\$333,108	31.12%
UNIV OF MD MEDICAL SYSTEM	76	\$744,914	\$7,449	1.00%
FMC OF PORTER WHITE MARSH	10	\$742,507	\$615,571	82.90%
BALTO WASHINGTON MED CTR	132	\$627,966	\$6,280	1.00%
MERCY MEDICAL CENTER	106	\$486,188	\$4,862	1.00%
INOVA FAIRFAX HOSPITAL	55	\$478,747	\$130,708	27.30%
JOHNS HOPKINS HOSPITAL	123	\$447,186	\$4,472	1.00%
SENTARA NORTH VA MED CTR	63	\$389,963	\$148,400	38.05%
HARBOR HOSPITAL	105	\$359,487	\$3,595	1.00%
SINAI HOSPITAL BALTIMORE	123	\$346,602	\$3,466	1.00%

*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 %
MARY WASHINGTON HOSPITAL INC	41	\$403,389	\$239,126	59.28%
GEORGETOWN UNIVERSITY HOSPITAL	9	\$281,151	\$117,314	41.73%
INOVA HEALTH SYSTEM HOSPITALS	43	\$206,464	\$23,426	11.35%
LOUDOUN HOSPITAL CENTER	23	\$145,914	\$59,234	40.60%
INOVA LOUDOUN AMBULATORY SURGER	4	\$140,014	\$125,324	89.51%
POTOMAC HOSPITAL OF PRINCE WILL	17	\$119,721	\$69,981	58.45%
STAFFORD HOSPITAL CENTER	22	\$112,893	\$66,530	58.93%
PRINCE WILLIAM HOSPITAL	13	\$110,012	\$59,854	54.41%
SPOTSYLVANIA MEDICAL CENTER INC	8	\$99,953	\$70,304	70.34%
RESTON HOSPITAL CENTER	15	\$96,010	\$67,306	70.10%

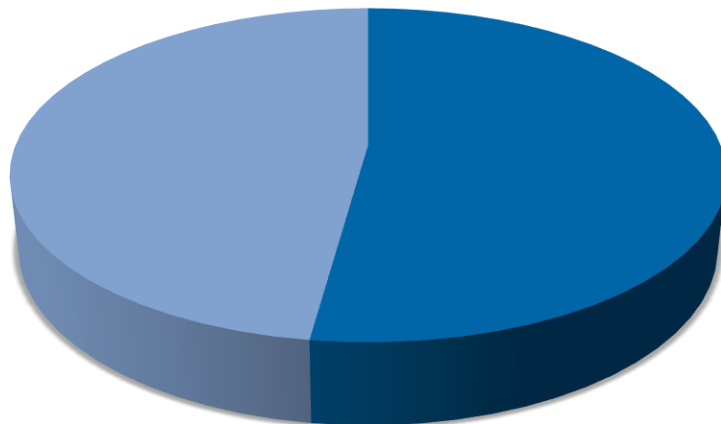
2017

	# of Claims	Billed Amount*	Amount Saved off of Billed Amount*	Savings %
INOVA HEALTH SYSTEM HOSPITALS	60	\$879,231	\$450,536	51.24%
MARY WASHINGTON HOSPITAL INC	30	\$727,643	\$406,809	55.91%
PRINCE WILLIAM HOSP- MANASSAS, VA	48	\$305,587	\$192,315	62.93%
STAFFORD HOSPITAL CENTER	29	\$179,635	\$106,383	59.22%
RESTON HOSPITAL CENTER	18	\$174,687	\$123,513	70.71%
GEORGETOWN UNIVERSITY HOSPITAL	11	\$162,657	\$99,867	61.40%
WINCHESTER MEDICAL CENTER INC	19	\$138,510	\$53,265	38.46%
THE RECTOR AND VISITORS OF THE SPOTSYLVANIA MEDICAL CENTER INC	1	\$136,328	\$94,568	69.37%
PRINCE WILLIAM HOSP- MERRIFIELD, VA	12	\$121,883	\$82,027	67.30%
	31	\$111,940	\$62,259	55.62%

*Rounded to the Nearest Dollar

Top 10 Facilities (as a % of Total Billed)

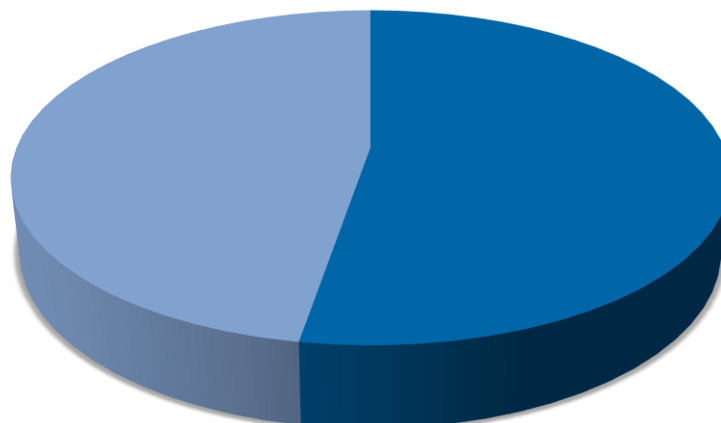
2018



- Top 10 Facilities
- All Other Facilities

*Top 10 Facilities represent
 52.18% of all Facility Billed Charges
 *All Other Facilities represent
 47.82% of all Facility Billed Charges

2017



- Top 10 Facilities
- All Other Facilities

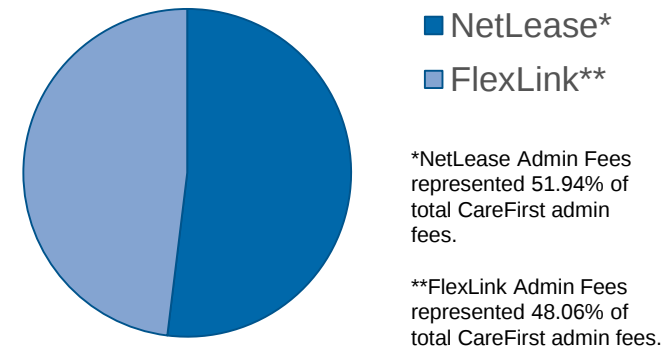
*Top 10 Facilities represent
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 *All Other Facilities represent
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Local Network Lease Administrative Fees- **UFCW Unions & Participating Employers Health & Welfare**

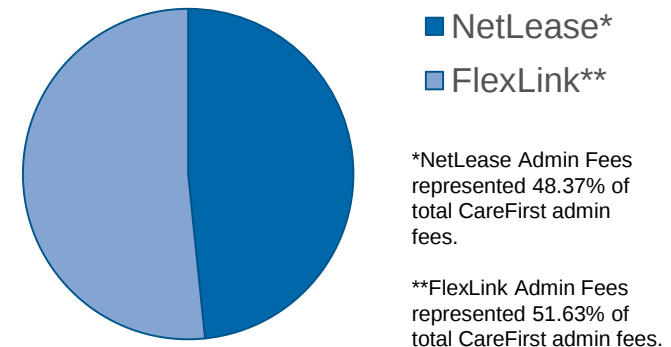
❖ 2018 Local NetLease Admin Charges:

- ◆ \$4.32 per subscriber per month from Jan. 1, 2018 – Dec. 31, 2018
- ◆ Average number of Local NetLease subscribers in 2018 was 1,635. *(In 2017, it was 1,790).* 2018 was a **8.66% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for Local NetLease in 2018 was \$7,063. *(In 2017, it was \$7,590).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to UFCW Unions and Participating Employers Health and Welfare Fund in 2018 was **\$84,756**. *(In 2017, it was \$91,080).* 2018 was a **6.94% decrease** from the previous year.

2018 CareFirst Administrative Fees



2017 CareFirst Administrative Fees

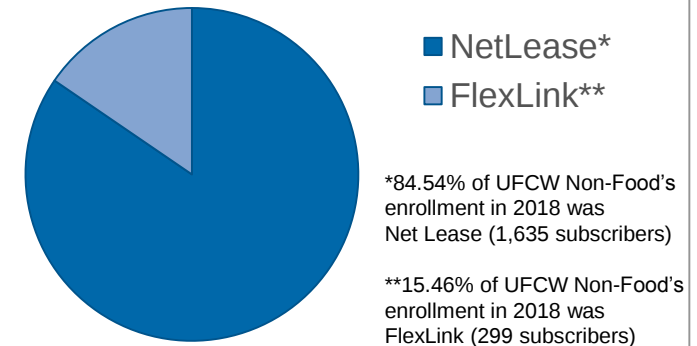


FlexLink Administrative Fees- **UFCW Unions & Participating Employers Health & Welfare Fund**

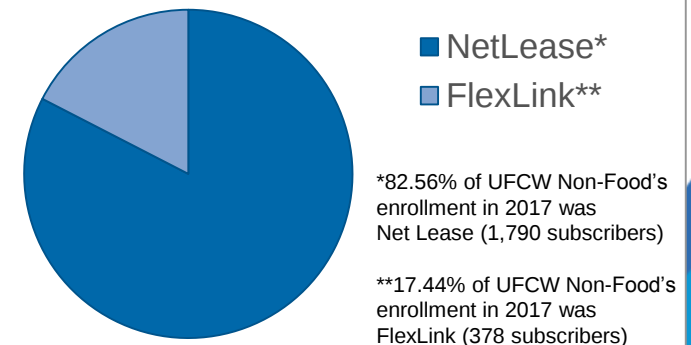
❖ 2018 FlexLink Admin Charges:

- ◆ \$21.86 per subscriber per month from Jan. 1, 2018 – Dec. 31, 2018
- ◆ Average number of FlexLink subscribers in 2018 was 299. *(In 2017, it was 378).* 2018 was a **20.9% decrease** from the previous year.
- ◆ Total average monthly CareFirst Administrative Cost for FlexLink in 2018 was \$6,536. *(In 2017, it was \$8,101).*
- ◆ Total CareFirst Administrative Cost for Local NetLease to UFCW Unions and Participating Employers Health and Welfare Fund in 2018 was **\$78,432**. *(In 2017, it was \$97,212).* 2018 was a **19.32% decrease** from the previous year.

2018 Enrollment



2017 Enrollment



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

- NetLease: \$7,063 per month
- FlexLink: \$6,536 per month

\$13,599 per month / 1,934 total UFCW Non-Food subscribers=

\$7.03

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

In 2017, Aggregate cost to UFCW Non-Food was **\$7.24** per subscriber per month

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

\$15,278,563

(\$84,756)

(\$78,432)

\$15,115,375*

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 1.07% of Gross Annual Savings.

In 2017, CareFirst admin charges represented **1.27%** of Gross Annual Savings.

Net Savings per Dollar of CareFirst Administrative Fee

- Net Savings for UFCW Non-Food in 2018 was \$15,115,375
- CareFirst Administrative cost in 2018 was \$163,188

Total Net Savings Per Dollar of CareFirst Administrative Fee:

\$92.63

(For every \$1.00 that was spent in Administrative Fees,
\$92.63 was saved in Total Billed Charges)

In 2017, Total Net Savings Per Dollar of CareFirst Administrative Fee was \$78.04.
2018 was an 18.7% 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 2018 was **\$15,115,375**
- UFCW Non-Food had **1,934** subscribers (contracts) in 2018

Total Net Savings Per Eligible
UFCW Non-Food Subscriber:

\$7,815.60

In 2017, Total Net Savings per Eligible Subscriber was \$6,777.41
2018 was a 15.32% increase over the previous year.

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

	2014	2015	2016	2017	2018
Local Network Lease-Provider Savings	61.73%	60.92%	59.6%	59.79%	57.67%
FlexLink-Provider Savings	60.15%	59.03%	58.84%	58.65%	60.69%
Local Network Lease-Facility Savings	33.27%	21.57%	29.61%	20.44%	35.17%
FlexLink-Facility Savings	53.34%	52.53%	44.92%	53.86%	50.24%