

SHERLOCK EXPENSE EVALUATION REPORT

2009 MEDICARE-ORIENTED PLANS EDITION **Volume II.A: Operational Metrics**

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TABLE OF CONTENTS

	<u>Tab</u>
Introduction and Background	1
▪ <i>Organization, conventions, applicability, and process of SEER studies.</i>	
Operational Metrics Overview	2
▪ <i>Summary Analysis – Factors of Costs in each functional area.</i>	
Sales and Marketing	3
▪ <i>Includes analyses related to those functions of Rating and Underwriting, Product Development / Market Research, Sales and Marketing (except Advertising and Promotion), Commissions (external) and Advertising and Promotion.</i>	
Enrollment / Membership / Billing	4
▪ <i>Enrollment is the processing of installation, recording and maintenance of the relationship between the plan and its members. Membership is the recording of and changes in demographic information. Billing is the process and the execution of the submission of invoices.</i>	
Customer Services	5
▪ <i>Customer Services responds, processes, resolves or provides information for transactions or inquiries of customers based on eligibility, contract language, benefit interpretation, medical management activities, regulatory interpretation, claims process accuracy and historical member communications used to provide and authorize service or payment.</i>	
Provider Network Management and Services	6
▪ <i>Provider Network Management and Services includes activities such as Provider Relations Services (the initial point of contact (telephonic and written) for provider inquiries), Provider Contracting, Provider Audit / Billing Validation and Other Provider Network Management and Services (including the maintenance of the provider network, orientation, on-going education, and in-services with new and existing providers).</i>	
Claims and Encounter Capture and Adjudication	7
▪ <i>This function compares claim application and/or provider statement with policy file and other records to evaluate completeness and validity of claim, and settle claims with claimants in accordance with policy provisions and it also performs COB functions.</i>	
Information Systems	8
▪ <i>Information systems extends and supports the activities of other functional areas. Its own activities are divided into costs to keep it running, costs of software and support, costs to grow the business, costs to maintain security.</i>	
Finance and Corporate Services	9
▪ <i>This section includes metrics relating to finance, accounting, legal, actuarial, facilities, and corporate executive / governance costs.</i>	
Human Resources / Compensation / Staffing / Staffing of Medicare by Other Univesers	10
▪ <i>This provides in-depth analyses of various metrics of human resource, including staffing ratios, functional area compensation, the composition of compensation and statistics related to employment.</i>	

TAB 2. SUMMARY OF OPERATIONAL METRICS ANALYSES

	<i>Page</i>
Sales and Marketing	2
Enrollment / Membership / Billing	4
Customer Services	5
Provider Network Management & Services	6
Claims & Encounter Capture & Adjudication	8
Information Systems	9
Corporate Services	10
Human Resources	11

This section summarizes analyses of key functional areas. If a quantifiable output is identifiable, per member per month (PMPM) costs are segmented into factors of primary demand, productivity, unit cost, cost per FTE and staffing ratios. In all cases of these functional areas, PMPM costs are segmented into staffing ratios and costs per FTE, which are divided into labor and non-labor components.

TAB 3. SALES AND MARKETING

<i>Metric</i>	<i>Page</i>
Competitive Environment	
Change in Mix of Membership	15
Absolute Value of Percentage Point Change in Product Mix	16
Total Membership Growth	17
Internal Distribution System: Compensation	
Sales and Marketing Costs per Internally Marketed Member	18
Sales and Marketing Costs per Internal Quote	18
Internal Distribution System: Internally Segmented Costs	
Cost of Sales, excluding Commissions, per FTE	18
FTEs per 10,000 Internally Marketed Members	18
Marketing Costs, excluding Commissions, PMPM	18
Marketing Cost Summaries	
<i>Total Distribution System</i>	
Final Quotes, Int. and Ext., per Total Sales FTE	18
x Success Rate	18
= Groups Sold Per Internal FTE	18
x Average Group Size	18
= Members Sold per Internal Sales FTE	18
x Sales and Marketing Costs per FTE	18
= Sales and Marketing PMPM	18
<i>Rating and Underwriting</i>	
Final Quotes per R&U FTE	19
x Success Rate	19
= Groups per R&U FTE	19
x Cost per Group	19
= Cost per R&U FTE	19
x R&U FTE per 10k Members	19
= Cost per Member per Month	19
<i>Labor vs. Non-Labor</i>	
Total Staffing Cost per Total FTE	19
x Total Non-Staffing Costs per Total FTE	19
= Total Costs per Total FTE	19
x Total FTEs per 10,000 Members	19
= Cost per Member per Month	19

TAB 4. ENROLLMENT / MEMBERSHIP / BILLING

<i>Metric</i>	<i>Page</i>
Enrollment Cost Summary	
Transactions per Member	23
x Members per FTE	23
= Transactions per FTE per Year	23
x Enrollment Cost per Transaction	23
= Costs per FTE	23
x FTE's per 10,000 Members	23
= Costs per Member per Month	23
<i>Labor vs. Non-Labor</i>	
Total StaffingCost per Total FTE	23
+ Total Non-Staffing Costs per Total FTE	23
= Total Costs per Total FTE	23
x Total FTEs per 10,000 Members	23
= Cost per Member per Month	23
<i>Staffing Costs</i>	
Enrollment Staffing Costs per FTE	24
Staffing Costs as a Percent of Total Enrollment Costs	24
Transactions per Year	
Group Transactions per Group Per Year	24
Member Transactions per Member Per Year	25
Total Transactions per Group Per Year	26
Total Transactions per Member Per Year	26
Member Processing Days	
Average Member Processing Days	26

TAB 5. CUSTOMER SERVICES

<i>Metric</i>	<i>Page</i>
Customer Services Cost Summary	
Manual Inquiries per Member	31
x Members per FTE	31
= Manual Inquiries per FTE per Year	31
x Customer Service Cost per Manual Inquiry	31
= Costs per FTE	31
x FTE's per 10,000 Members	31
= Costs per Member per Month	31
 <i>Labor vs. Non-Labor</i>	
Total Staffing Cost per Total FTE	31
+ Total Non-Staffing Costs per Total FTE	31
= Total Costs per Total FTE	31
x Total FTEs per 10,000 Members	31
= Cost per Member per Month	
 Customer Service Pathway	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Inquiries → Telephonic Inquiries → Manual Telephonic Inquiries → Inquiries Rec. by VRU*</u>	32
 <u>Total Inquiries → Telephonic Inquiries → Automated Telephonic Inquiries*</u>	33
 <u>Total Inquiries → Electronic Inquiries → Automated Electronic Inquiries*</u>	34
 Customer Services Inquiry and Utilization	
Manual Inquiries per Member per Year	35
 Customer Services Cost	
Cost per Total Inquiry	35
Automated Inquiries as a Percent of Total Inquiries	35
Manual Inquiries as a Percent of Total Inquiries	35
 Customer Services Costs per FTE	
Staffing Costs per FTE	35
Staffing Costs as a Percent of Total Costs	35
 Staffing Requirements	
<i>Inquiries per Member per Year</i>	
Total	36
Manual Calls	36
Automated Calls	36
Paper / Written	36
Manual Electronic Inquiries	36
Automated Electronic Inquiries	36

Customer Services, continued

<i>Metric</i>	<i>Page</i>
Staffing Requirements, continued	
<i>Percent of Total Inquiries</i>	
Manual Calls	37
Automated Calls	37
Paper / Written	37
Manual Electronic Inquiries	37
Automated Electronic Inquiries	37
Phone Inquiries Received by VRU and Transferred to Representative	37
Phone Inquiries Received and Answered by Representative	37
Quality	
<i>Telephone Speed</i>	
Average Speed of Answer (ASA)	38
ASA Service Level, at 30 Seconds	38
Abandonment Rate	38
Percent Transfer	38
Handle Time in Seconds	38
<i>Average Resolution Time</i>	
Days to Resolve Inquiries	39
Cycle Time to Close Appeals / Grievances / Complaints	39
<i>Percentage of Appeals</i>	
Percent of Appeals Overturned	39
Percent of Appeals Upheld	39
Appeals per 10,000 Members	39

TAB 6. PROVIDER NETWORK MANAGEMENT & SERVICES

<i>Metric</i>	<i>Page</i>
Provider Network Management and Services Cost Summary	
<i>Members</i>	
Manual Inquiries per Member	45
x Members per FTE	45
= Manual Inquiries per Provider Management FTEs per Year	45
x Provider Management Cost per Manual Inquiry	45
= Provider Management Costs per FTE	45
x FTE's per 10,000 Members	45
= Provider Management Costs per Member per Month	45
<i>Providers</i>	
Manual Inquiries per Provider	45
x Providers per Provider Management FTE	45
= Manual Inquiries per Provider Management FTE per Year	45
x Provider Management Cost per Manual Inquiry	45
= Provider Management Costs per FTE	45
x Provider Service FTEs per 10,000 Providers	45
= Provider Management Costs per Provider per Year	45
Provider Network Management and Services Cost Summary	
<i>Labor vs. Non-Labor</i>	
Total Staffing Cost per Total FTE	46
+ Total Non-Staffing Costs per Total FTE	46
= Total Costs per Total FTE	46
x Total FTEs per 10,000 Members	46
= Cost per Member per Month	46
Provider Management Pathway	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Inquiries → Telephonic Inquiries → Manual Telephonic Inquiries → Inquiries Rec. by VRU*</u>	47
<u>Total Inquiries → Telephonic Inquiries → Automated Telephonic Inquiries*</u>	48
<u>Total Inquiries → Electronic Inquiries → Automated Electronic Inquiries*</u>	49
Manual Inquiries per Member	
Total Inquiries per Member per Year	50
Manual Inquiries per FTE per Year	
<i>Annual Inquiries per FTE</i>	
Total	50
Manual Calls	50
Paper / Written	50
Manual Electronic Inquiries	50
Provider Relations Cost per Manual Inquiry	
Provider Relations Cost per Manual Inquiry	50
Cost per Total Inquiry	50
Automated Inquiries as a Percent of Total Inquiries	50

Provider Network Management & Services, continued

<i>Metric</i>	<i>Page</i>
Costs per FTE	
Staffing Costs per FTE	50
Staffing Costs Pct. Total Costs	50
Inquiries, by Type	
<i>Inquiries per Member per Year</i>	
Total Inquiries	51
Manual Calls	51
Automated Calls	51
Paper / Written	51
Manual Electronic Inquiries	51
<i>Inquiries per Provider per Year</i>	
Total Inquiries	51
Manual Calls	51
Automated Calls	51
Paper / Written	51
Manual Electronic Inquiries	51
<i>Percent of Inquiries</i>	
Manual Calls	52
Automated Calls	52
Paper / Written	52
Manual Electronic Inquiries	52
Received by VRU and Transferred to Representative	52
Received and Answered by Representative	52
Providers per 1,000 Members	52

TAB 7. CLAIMS & ENCOUNTER CAPTURE & ADJUDICATION

Metric	Page	
Claims Processing Cost Summary		
Claims Processed Per Member	57	
x Members Per FTE	57	
= Claims Processed Per FTE Per Year	57	
x Cost per Claim Processed	57	
= Costs Per FTE	57	
x FTE's Per 10,000 Members	57	
= Costs Per Member Per Month	57	
Claim & Encounter Capture & Adjudication Cost Summary		
<i>Labor vs. Non-Labor</i>		
Total Staffing Cost per Total FTE	57	
+ Total Non-Staffing Costs per Total FTE	57	
= Total Costs per Total FTE	57	
x Total FTEs per 10,000 Members	57	
= Cost per Member per Month	57	
Claims Pathways		
<i>Expressed PMPY, unless Otherwise Noted</i>		
<u>Receipts → Adjudicated → Autoadjudicated*</u>	58	
<i>Analysis of Pathway</i>		
Receipts per Member per Year	59	
Adjudicated Claims per Member per Year	59	
Adjudicated Claims as a Percent of Receipts	59	May exceed 100% depending on annual cycle of processing.
Autoadjudicated Claims per Member per Year	59	
Autoadjudicated Claims as a Percent of Adjudicated Claims	59	
Claims requiring Manual Intervention as a Percent of Adjudicated Claims	59	
<u>Receipts → Paper → Imaged*</u>	60	
<i>Analysis of Pathway</i>		
Paper Receipts per Member per Year	61	
Paper Receipts as <i>Percent</i> of Total Receipts	61	
Imaged Receipts per Member per Year	61	
Imaged Receipts as a Percent of Paper Receipts	61	
<u>Receipts → Electronic Receipts → Electronic Adjudicated → Electronic Autoadjudicated*</u>	62	
<i>Analysis of Pathway</i>		
Electronic Receipts per Member per Year	63	
Electronic Receipts as a Percent of Total Receipts	63	
Electronic Adjudicated Electronic Receipts Per Member per Year	63	
Adjudicated Electronic-submitted Claims as a Percent of Electronic Receipts	63	
Electronic Autoadjudicated Electronic Receipts Per Member per Year	63	
Autoadjudicated Electronic Claims as a Percent of Adjudicated Claims	63	
Electronic Claims requiring Manual Intervention as a Percent of Adjudicated Electronic Claims	63	

Claims & Encounter Capture & Adjudication, continued

<i>Metric</i>	<i>Page</i>	
Claims Pathways, continued		
<u>Receipts → Paper Receipts → Paper Adjudicated → Paper Autoadjudicated*</u>	64	
<i>Analysis of Pathway</i>		
Adjudicated Paper Claims Per Member per Year	65	
Adjudicated Paper Claims as Percent of Paper Receipts	65	May exceed 100% depending on annual
Autoadjudicated Paper Receipts Per Member per Year	65	cycle of processing.
Autoadjudicated Paper Claims as a Percent of Adjudicated Paper Claims		
Paper Claims requiring Manual Intervention as a Percent of Adjudicated Paper Claims	65	
<u>Receipts → Adjudicated → Paid*</u>	66	
<i>Analysis of Pathway</i>		
Paid Claims Per Member per Year	67	
Percent of Adjudicated Claims that are Paid	67	
Percent of Adjudicated Claims that are Not Paid	67	
<u>Receipts → Adjudicated → Not Reworked*</u>	68	
<i>Analysis of Pathway</i>		
Claims Not Reworked Per Member Per Year	69	
Percent of Adjudicated Claims that are Not Reworked	69	
Percent of Adjudicated Claims that are Reworked	69	
Staffing Costs per FTE	70	
Staffing Costs as a Percent of Total Costs	70	
Speed of Processing		
<i>Key Ratios</i>		
Average Payment Period	70	
Average Inventory	70	
Claims Timeliness	70	
<i>Timing of Claims Payment</i>		
Average Days Incurred to Receipt	71	
+ Average Days Receipt to Approved	71	
+ Average Days Approved to Payment	71	
= Average Days Incurred to Payment	71	
Note: Claims Turn Around Time (TAT)	71	
Quality		
Dollar Accuracy (Percent)	71	
Frequency Accuracy (Percent)	71	
COB and Subrogation		
<i>Productivity</i>		
COB and Subrogation Recoveries as Percent of Health Benefits, Plus Recoveries	72	
Net Recoveries as a Percent of Health Benefits, Plus Recoveries	72	
<i>Types of Recoveries, Percent Total</i>		
COB and Subrogation Recoveries	72	
All Other Recoveries	72	

TAB 8. INFORMATION SYSTEMS

<i>Metric</i>	<i>Page</i>
Information Systems Cost Summary	
Total FTEs per IS FTE	75
x IS Costs per Total FTE	75
= IS Costs per IS FTE	75
x IS FTEs per 10,000 Members	75
= Cost per Member per Month	75
Information Systems Costs, PMPM	
<i>Labor vs. Non-Labor</i>	
Total Staffing Cost per Total FTE	75
+ Total Non-Staffing Costs per Total FTE	75
= Total Costs per Total FTE	75
x Total FTEs per 10,000 Members	75
= Cost per Member per Month	75
IS Costs per IS FTE	
IS Staffing Costs per FTE	76
IS Staffing Costs as a Percent of Total IS Costs	76
Information Systems Costs, PMPM	
a. Internal Personnel, Including Travel and Training	77
b. Consultants / Contractors	77
c. Hardware depreciation and maintenance	77
i. Mainframe	77
ii. Server, including Midrange	77
iii. Other	77
d. Software. License maintenance and purchased software amortization	77
i. Mainframe	77
ii. Server, including Midrange	77
iii. Other	77
e. Communications, include data and voice	77
f. Outsourced Costs	77
g. All Other, including office supplies	77
Total Information Systems Accrual Basis Costs	77
Information Systems Costs PMPM, Percent of Premium Equivalents	
a. Internal Personnel, Including Travel and Training	78
b. Consultants / Contractors	78
c. Hardware depreciation and maintenance	78
i. Mainframe	78
ii. Server, including Midrange	78
iii. Other	78
d. Software. License maintenance and purchased software amortization	78
i. Mainframe	78
ii. Server, including Midrange	78
iii. Other	78
e. Communications, include data and voice	78
f. Outsourced Costs	78
g. All Other, including office supplies	78
Total Information Systems Accrual Basis Costs	78

Information Systems, continued

<i>Metric</i>	<i>Page</i>
Information Systems Costs, Percent of Total IS Costs	
a. Internal Personnel, Including Travel and Training	79
b. Consultants / Contractors	79
c. Hardware depreciation and maintenance	79
i. Mainframe	79
ii. Server, including Midrange	79
iii. Other	79
d. Software. License maintenance and purchased software amortization	79
i. Mainframe	79
ii. Server, including Midrange	79
iii. Other	79
e. Communications, include data and voice	79
f. Outsourced Costs	79
g. All Other, including office supplies	79
Total Information Systems Accrual Basis Costs	79
System Availability	
System Availability - Primetime	80
System Availability - 24 / 7 Average	80
Desktop Helpdesk	
a. Average Speed to Answer	80
b. Call Abandonment Rate	80
c. First Level Problem Resolution	80

TAB 9. FINANCE AND CORPORATE SERVICES

<i>Metric</i>	<i>Page</i>
Corporate Services Cost Summary	
Total FTEs per Corporate Service FTEs	83
x Corporate Services Costs per Total FTE	83
= Cost of Corporate Services per FTE	83
x FTEs per 10,000 Members	83
= Cost per Member per Month	83
Facilities - Factors of Costs	
Facilities Costs per Total FTE	84
x Total FTEs per Facilities FTE	84
= Facilities Cost per Facilities FTE	84
x Facilities FTEs per 10,000 Members	84
= Facilities Cost per Member per Month	84
<i>Staffing Costs</i>	
Facilities Staffing Costs per FTE	84
Staffing Costs as a Percent of Total Facilities Costs	84
Receivable Management	
Average Days in Accounts Receivable	84
Days of Premium Receivable	84
Current Ratio	84

TAB 10. HUMAN RESOURCES / COMPENSATION / STAFFING

<i>Metric</i>	<i>Page</i>
<u>Human Resources</u>	
Human Resources Cost Summary	
HR Costs per Total FTE	87
x Total FTEs per HR FTE	87
= HR Costs per HR FTE	87
x HR FTEs per 10,000 Members	87
= HR Cost per Member per Month	87
<i>Labor vs. Non-Labor</i>	
Total StaffingCost per Total FTE	87
+ Total Non-Staffing Costs per Total FTE	87
= Total Costs per Total FTE	87
x Total FTEs per 10,000 Members	87
= Cost per Member per Month	87
Staffing Costs	
HR Staffing Costs per HR FTE	88
HR Staffing Costs as a Percent of Total HR Costs	88
<u>Compensation</u>	
Composition of Total Employee Compensation	90
Compensation Costs per Full Time Employee	91
<u>Staffing Costs</u>	
1. Internal Staffing Costs per Internal FTE	94
2. Estimated Outsourced Staffing Costs per Outsourced FTE	97
3. Total Staffing Costs per Total FTE	100
4. Estimated Outsourced Staffing Costs as a Percent of Total Staffing Costs	103
5. Total Staffing Costs PMPM	106
6. Total Staffing Costs per Medicare Adjusted Member Per Month	109
7. Internal Staffing Costs as a Percent of Comprehensive Total Costs	112
8. Estimated Outsourced Staffing Costs as a Percent of Comprehensive Total Costs	115
9. Combined Staffing Costs as a Percent of Comprehensive Total Costs	118
<u>Staffing Ratios</u>	
Summary Analysis	122
Span of Control	122
1. Internal FTEs per 10,000 Members	123
2. Estimated Outsourced FTEs per 10,000 Members	126
3. Total FTEs per 10,000 Members	129
4. Internal FTEs per 10,000 Medicare Adjusted Members	132
5. Estimated Outsourced FTEs per 10,000 Medicare Adjusted Members	135
6. Total FTEs per 10,000 Medicare Adjusted Members	138
7. Estimated Outsourced FTEs as a Percent of Total FTEs	141

Compensation

<i>Metric</i>	<i>Page</i>
Composition of Total Employee Compensation	90
Compensation Costs per Full Time Equivalent	91

Staffing Costs

<i>Metric</i>	<i>Page</i>
1. Internal Staffing Costs per Internal FTE	94
2. Estimated Outsourced Staffing Costs per Outsourced FTE	97
3. Total Staffing Costs per Total FTE	100
4. Estimated Outsourced Staffing Costs as a Percent of Total Staffing Costs	103
5. Total Staffing Costs PMPM	106
6. Total Staffing Costs per Medicare Adjusted Member Per Month	109
7. Internal Staffing Costs as a Percent of Comprehensive Total Costs	112
8. Estimated Outsourced Staffing Costs as a Percent of Comprehensive Total Costs	115
9. Combined Staffing Costs as a Percent of Comprehensive Total Costs	118

Staffing Ratios

<i>Metric</i>	<i>Page</i>
Summary Analysis	122
Span of Control	122
1. Internal FTEs per 10,000 Members	123
2. Estimated Outsourced FTEs per 10,000 Members	126
3. Total FTEs per 10,000 Members	129
4. Internal FTEs per 10,000 Medicare Adjusted Members	132
5. Estimated Outsourced FTEs per 10,000 Medicare Adjusted Members	135
6. Total FTEs per 10,000 Medicare Adjusted Members	138
7. Estimated Outsourced FTEs as a Percent of Total FTEs	141

Staffing Costs of Medicare Plans Offered by Other Universes

<i>Metric</i>	<i>Page</i>
1. Staffing Costs of Medicare Plans offered by Independent / Provider-Sponsored Plans	146
2. Staffing Costs of Medicare Plans offered by Blue Cross Blue Shield Plans	149
3. Staffing Costs of Medicare Plans offered by BCBS Plans and Independent / Provider Sponsored Plans	152
4. Staffing Costs of Medicare Plans offered by Medicare, Independent / Provider-Sponsored and BCBS Plans	155

Inferred Staffing Ratios of Medicare Plans Offered by Other Universes

<i>Metric</i>	<i>Page</i>
1. Inferred Staffing Ratios of Medicare Plans offered by Independent / Provider-Sponsored Plans	159
2. Inferred Staffing Ratios of Medicare Plans offered by Blue Cross Blue Shield Plans	162
3. Inferred Staffing Ratios of Medicare Plans offered by BCBS Plans and Independent / Provider Sponsored Plans	165
4. Inferred Staffing Ratios of Medicare Plans offered by Medicare, Independent / Provider-Sponsored Plans and BCBS Plans	168