

# *SHERLOCK EXPENSE EVALUATION REPORT*

## **2009 BLUE CROSS BLUE SHIELD EDITION** **Volume II.B: Medical Management**

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## TAB 2. MEDICAL MANAGEMENT OVERVIEW

<i>Metric</i>	<i>Page</i>
<b>Total Medical Management Cost Summary</b>	
<i>Summary Analysis - Factors of Cost</i>	
Total Staffing Cost per Total FTE	3
+ Total Non-Staffing Costs per Total FTE	3
= Total Medical Mgmt. Costs per Total FTE	3
x FTEs per 10,000 Members	3
= Cost Per Member Per Month	3
<b>Precertification Cost Summary</b>	
<i>Summary Analysis - Factors of Cost</i>	
Precerts/Recerts Per Member	3
x Members Per Precert FTEs	3
= Precerts/Recerts Per Precert FTEs Per Year	3
x Cost per Precerts/Recerts	3
= Costs Per Total Precert FTEs	3
x Total Percert FTE 10,000 Members	3
= Costs Per Member Per Month	3
<b>Case Management Cost Summary</b>	
<i>Summary Analysis - Factors of Cost</i>	
CM Cases Per Member	4
x Members Per Total Case Management FTEs	4
= Cases Per Total Case Management FTEs Per Year	4
x Cost per Case	4
= Costs Per Total Case Management FTEs	4
x Total Case Management FTEs Per 10,000 Members	4
= Costs Per Member Per Month	4
<b>Disease Management Cost Summary</b>	
<i>Summary Analysis - Factors of Cost</i>	4
DM Cases Per Member	4
x Members Per Total Disease Management FTEs	4
= DM Cases Per Total Disease Management FTEs Per Year	4
x Cost per DM Case	4
= Costs Per Total Disease Management FTEs	4
x Disease Management FTEs Per 10,000 Members	4
= Costs Per Member Per Month	4
<b>Nurse-Based Counseling Cost Summary</b>	
<i>Summary Analysis - Factors of Cost</i>	
NBC Calls (in plus successful outbound) Per Member	5
x Members Per NBC FTEs	5
= NBC Calls (in plus successful outbound) Per NBC FTEs	5
x Cost per NBC Call (in plus successful outbound)	5
= Costs Per NBC FTEs	5
x NBC FTEs Per 10,000 Members	5
= Costs Per Member Per Month	5

*Medical Management Overview, continued*

<i>Metric</i>	<i>Page</i>
<b>Medical Management Staffing Summary</b>	
<i>Precertification</i>	
Total FTEs per 10,000 Members	5
Precert. Clinical FTEs per 10,000 Members	5
Non-Clinical Intake FTEs per 10,000 Members	5
<i>Case Management</i>	
Total CM FTEs per 10,000 Members	5
Case Managers FTEs per 10,000 Members	5
Other CM FTEs per 10,000 Members	5
<i>Disease Management</i>	
Total DM FTEs per 10,000 Members	6
<i>Nurse-Based Counseling</i>	
Total NBC FTEs per 10,000 Members	6
<i>Health and Wellness</i>	
Total Health and Wellness FTEs per 10,000 Members	6
<i>Other Medical Management</i>	
Total Other Medical Mgmt. FTEs per 10,000 Members	6
Clinical FTEs per 10,000 Members	6
Medical Mgmt. FTEs per 10,000 Members	6
<b>Medical Management Outsourcing</b>	
<i>Percent Outsourcing</i>	
Pre-Certification	7
Case Management	8
Disease Management	9
Mental Health	10
Pharmacy Management	11
Other Medical Management	12
<b>Care Management - Activities</b>	
Case Management Cases per 10k Member	13
Disease Management Cases per 10k Member	13
Precerts/Recerts Per Member	
CM Cases Per Member	13
DM Cases Per Member	13
NBC Calls (in plus successful outbound) Per Member	13
Percent of Membership in HMO	14

## TAB 3. PRECERTIFICATION

<i>Metric</i>	<i>Page</i>
<b>Summary Analysis - Factors of Cost</b>	
Precerts/Recerts Per Member	19
x Members Per Total Precert FTEs	19
= Precerts/Recerts Per Precert FTEs Per Year	19
x Cost per Precerts/Recerts	19
= Costs Per Total Precert FTEs	19
x Total Percert FTEs Per 10,000 Members	19
= Costs Per Member Per Month	19
<b>Labor vs. Non-Labor</b>	
Total StaffingCost per Total FTE	19
+ 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
<b>In-Plan Precertification Pathway</b>	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Precert. &amp; Recert. → In-Plan Precert. &amp; Recert. → In-Plan Precert. → In-Plan Precert. Approved</u>	20
Total Precert. & Recert.	20
In-Plan Precert. & Recert.	20
In-Plan Precert.	20
In-Plan Precert. Approved	20
Percent of Total Precert. & Recert.that are In-Plan	21
Percent of In-Plan Precert. & Recert. that are In-Plan Precert.	21
Percent of In-Plan Precert. that are Approved	21
<b>Out-of-Plan Precertification Pathway</b>	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Precert. &amp; Recert. → Out-of-Plan Precert. &amp; Recert. → Out-of-Plan Precert. → Out-of-Plan Precert. Approved</u>	22
Total Precert. & Recert.	22
Out-of-Plan Precert. & Recert.	22
Out-of-Plan Precert.	22
Out-of-Plan Precert. Approved	22
Percent of Total Precert. & Recert.that are Out-of-Plan	23
Percent of Out-of-Plan Precert. & Recert. that are Out-of-Plan Precert.	23
Percent of Out-of-Plan Precert. that are Approved	23

*Precertification, continued*

<i>Metric</i>	<i>Page</i>
<b>In-Plan Recertification Pathway</b>	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Precert. &amp; Recert. → In-Plan Precert. &amp; Recert. → In-Plan Recert. → In-Plan Recert. Approved</u>	24
Total Precert. & Recert.	24
In-Plan Precert. & Recert.	24
In-Plan Recert.	24
In-Plan Recert. Approved	24
Percent of In-Plan Precert. & Recert. that are In-Plan Recert.	25
Percent In-Plan Recert. that are Approved	25
<b>Out-of-Plan Recertification Pathway</b>	
<i>Expressed PMPY, unless Otherwise Noted</i>	
<u>Total Precert. &amp; Recert. → Out-of-Plan Precert. &amp; Recert. → Out-of-Plan Precert. → Out-of-Plan Recert. Approved</u>	26
Total Precert. & Recert.	26
Out-of-Plan Precert. & Recert.	26
Out-of-Plan Recert.	26
Out-of-Plan Recert. Approved	26
Percent of Out-of-Plan Precert. & Recert. that are Out-of-Plan Recert.	27
Percent Out-of-Plan Recert. that are Approved	27
<b>In-Plan Precert./Recert.</b>	
Percent of Precert. that are In-Plan	28
Percent of In-Plan Precert. that are Denied	28
Percent of In-Plan Recert. that are Denied	28
<b>Out-of-Plan Precert./Recert.</b>	
Percent of Precert. that are Out-of-Plan	28
Percent of Out-of-Plan Precert. that are Denied	28
<b>Total Precert./Recert.</b>	
Percent of Total Precert. & Recert.that are Precert.	29
Percent of Total Precert. that are Denied	29
Percent of Total Precert. that are Approved	29
Percent of Total Precert. & Recert.that are Recert.	29
Percent of Total Recert. that are Denied	29
Percent of Total Recert. that are Approved	29
Percent of Total Precert. & Recert.that are Denied	29
Percent of Total Precert. & Recert.that are Denied	29

*Precertification, continued*

<i>Metric</i>	<i>Page</i>
<b>Factor - Precerts/Recerts Per Clinical FTE Per Year</b>	
Total Precerts and Recerts per Clinical FTE	30
<b>Factor - Costs Per Clinical FTE</b>	
Non-Clinical Staff / Clinical Staff	30
Non-Clinical Staff / Precert FTEs	30
Clinical FTE / Precert FTEs	30
<b>Staffing Ratios</b>	
Total FTEs per 10,000 Members	30
Precert. Clinical FTEs per 10,000 Members	30
Non-Clinical Intake FTEs per 10,000 Members	30

## TAB 4. CASE MANAGEMENT

<i>Metric</i>	<i>Page</i>
<b>Summary Analysis - Factors of Cost</b>	
CM Cases Per Member	33
x Members Per Total Case Management FTEs	33
= Cases Per Total Case Management FTEs Per Year	33
x Cost per Case*	33
= Costs Per Total Case Management FTEs	33
x Total Case Management FTEs Per 10,000 Members	33
= Costs Per Member Per Month	33
<b>Labor vs. Non-Labor</b>	
CM Cases Per Member	33
+ Total Non-Staffing Costs per Total FTE	33
= Total Costs per Total FTE	33
x Total FTEs per 10,000 Members	33
= Cost per Member per Month	33
Referred CM Cases as a Percent of Inpatient Admissions*	34
Screened CM Cases as a Percent of Referred Cases	34
Opened CM Cases as a Percent of Screened Cases	35
<b>Factor - Costs Per CM Case Manager</b>	
Pct. of Med. Mgt. FTEs that are Case Managers	36
<b>Factor - Cases Per Member</b>	
CM Cases per 1,000 Admission	36
Admissionsper CM Cases	36
<i>Factor - Cases Per Member</i>	
<b>CM Cases per 10k Members by Major Practice Category **</b>	
Diabetes Mellitus	37
Asthma	37
Chronic Obstructive Pulmonary Disease	37
Coronary Artery Disease (CAD)	37
Conjestic and Other Heart Failure	37
Depression	37
Neoplasms	37
Rare Disease Mgmt	37
Transplants	37
Other	37
Total Cases	37

\*Cases are number of actual case management cases opened.

\*\*Cases are number of case management cases by major practice category.

*Case Management, continued*

<i>Metric</i>	<i>Page</i>
<i>Factor - CM Cases Per Case Manager Per Year</i>	
<b>Percent of CM Cases by Major Practice Category **</b>	
Diabetes Mellitus	38
Asthma	38
Chronic Obstructive Pulmonary Disease	38
Coronary Artery Disease (CAD)	38
Conjestic and Other Heart Failure	38
Depression	38
Neoplasms	38
Rare Disease Mgmt	38
Transplants	38
Obesity	38
Other	38
Total Cases	38
<b>Total Case Management Costs PMPM by Major Practice Category</b>	39
<b>Case Management Activities</b>	
Number of Referred CM Cases per Manager	40
Number of Screened CM Cases per Manager	40
Number of Opened CM Cases per Manager	40

\*Cases are number of actual case management cases opened.

\*\*Cases are number of case management cases by major practice category.

## TAB 5. DISEASE MANAGEMENT

<i>Metric</i>	<i>Page</i>
<b>Disease Management Cost Summary</b>	
DM Cases Per Member*	43
x Members Per Total Disease Management FTEs	43
= DM Cases Per Total Disease Management FTEs Per Year	43
x Cost per DM Case *	43
= Costs Per Disease Manager	43
x Disease Management FTEs Per 10,000 Members	43
= Costs Per Member Per Month	43
<b>Labor vs. Non-Labor</b>	
Total Staffing Cost per Total FTE	43
+ Total Non-Staffing Costs per Total FTE	43
= Total Costs per Total FTE	43
x Total FTEs per 10,000 Members	43
= Cost per Member per Month	43
Referred DM Cases Pct. Inpatient Admissions	44
<i>Factors - Costs Per Disease Manager</i>	
Staffing Costs per DM FTE	44
Staffing Costs Pct. Total Costs	44
Percent of Members Actively Managed through Disease Management Programs	44
<b>DM Cases per 10k Members by Major Practice Category **</b>	
Diabetes Mellitus	45
Asthma	45
Chronic Obstructive Pulmonary Disease	45
Coronary Artery Disease (CAD)	45
Conjestic and Other Heart Failure	45
Other - Including Depression, Neoplasms, Rare Disease Mgmt., Transplants, Obesity, and Other	45
Total Cases	45
<b>Percent of DM Cases by Major Practice Category **</b>	
Diabetes Mellitus	46
Asthma	46
Chronic Obstructive Pulmonary Disease	46
Coronary Artery Disease (CAD)	46
Conjestic and Other Heart Failure	46
Other - Including Depression, Neoplasms, Rare Disease Mgmt., Transplants, Obesity, and Other	46
Total Cases	46

\*Cases are number of actual disease management cases opened.

\*\*Cases are number of disease management cases by major practice category.

\*\*\*Other includes Conjestic Heart & Other Heart Failure, Depression, Neoplasms, Rare Disease Management, Transplants, Obesity, and Other.

*Disease Management, continued*

<i>Metric</i>	<i>Page</i>
<b>Cost per DM Case by Major Practice Category **</b>	
Diabetes Mellitus	47
Asthma	47
Chronic Obstructive Pulmonary Disease	47
Coronary Artery Disease (CAD)	47
Other ***	47
Total Cases	47
<i>Factors- Costs Per Member Per Month</i>	
<b>Costs PMPM by Major Practice Category</b>	
Diabetes Mellitus	48
Asthma	48
Chronic Obstructive Pulmonary Disease	49
Coronary Artery Disease (CAD)	49
Other ***	50
Total Diseases	50
<i>Are the following Disease Management activities outsourced?</i>	
Diabetes Mellitus	51
Asthma	52
Chronic Obstructive Pulmonary Disease	53
Coronary Artery Disease (CAD)	54
Congestive and Other Heart Failure	55
Depression	56
Neoplasms	57
Rare Disease Mgmt.	58
Transplants	59
Obesity	60
Other	61

\*Cases are number of actual disease management cases opened.

\*\*Cases are number of disease management cases by major practice category.

\*\*\*Other includes Congestive Heart & Other Heart Failure, Depression, Neoplasms, Rare Disease Management, Transplants, Obesity, and Other.

## TAB 6. NURSE-BASED COUNSELING

<i>Metric</i>	<i>Page</i>
<b>Summary Analysis - Factors of Cost</b>	
NBC Calls (in plus successful outbound) Per Member	65
x Members Per NBC FTEs	65
= NBC Calls (in plus successful outbound) Per NBC FTEs	65
x Cost per NBC Call (in plus successful outbound)	65
= Costs PerNBC FTEs	65
x NBC FTEs Per 10,000 Members	65
= Costs Per Member Per Month	65
<b>Labor vs. Non-Labor</b>	
Total StaffingCost per Total FTE	65
+ Total Non-Staffing Costs per Total FTE	65
= Total Costs per Total FTE	65
x Total FTEs per 10,000 Members	65
= Cost per Member per Month	65
Staffing Costs Per FTE	66
Staffing Costs as a Percent of Total Costs	66
Calls (in plus succ. outb.) Per Member	66
% of Outbound CallsDeemed Successful	66
Costs Per Call Including Outbound	66
Costs per Counselor FTE	66
Inbound Calls Per Hour	66
Outbound CallsPer Hour	66
Total Calls Per Hour	66
Inbound Calls Per Day	66
Outbound CallsPer Day	66
Total Calls Per Day	66

\*Calculated

## TAB 7. UTILIZATION REVIEW AND APPEALS

<i>Metric</i>	<i>Page</i>
<b>Appeals</b>	
<b>Internal Reconsidered Appeals Pathway</b>	
<i>Expressed Per 10,000 Members per Year, unless Otherwise Noted</i>	
<u>Total Internal and External Appeals → Internal Appeals → Internal Reconsidered Appeals</u>	
<u>→ Internal Reconsidered Approved Appeals</u>	71
Internal and External Appeals	71
Internal Appeals	71
Internal Appeals Reconsidered	71
Internal Appeals Reconsidered Approved	71
Percent of External and Internal Appeals that are Internal Appeals	72
Percent of Internal Appeals that are Reconsidered	72
Percent of Reconsidered Internal Appeals that are Approved	73
<b>Internal Expedited Appeals Pathway</b>	
<i>Expressed Per 10,000 Members per Year, unless Otherwise Noted</i>	
<u>Total Internal and External Appeals → Internal Appeals → Internal Expedited Appeals</u>	
<u>→ Internal Expedited Approved Appeals</u>	74
Internal and External Appeals	74
Internal Appeals	74
Internal Appeals Expedited	74
Internal Appeals Expedited Approved	74
Percent of Internal Appeals that are Expedited	75
Percent of Expedited Internal Appeals that are Approved	75
<b>Internal Written Appeals Pathway</b>	
<i>Expressed Per 10,000 Members per Year, unless Otherwise Noted</i>	
<u>Total Internal and External Appeals → Internal Appeals → Internal Written Appeals</u>	
<u>→ Internal Expedited Written Appeals</u>	76
Internal and External Appeals	76
Internal Appeals	76
Internal Appeals Written	76
Internal Appeals Written Approved	76
Percent of Internal Appeals that are Internal Written	77
Percent of Internal Written Appeals that are Approved	77
<b>External Written Appeals Pathway</b>	
<i>Expressed Per 10,000 Members per Year, unless Otherwise Noted</i>	
<u>Total Internal and External Appeals → External Written Appeals</u>	78
<u>→ External Written Approved Appeals</u>	
Internal and External Appeals	78
External Written Appeals	78
External Written Appeals Approved	78
Percent of External and Internal Appeals that are External Written Appeals	79
Percent of External Written Appeals that are Approved	79

*Utilization Review and Appeals, continued*

<i>Metric</i>	<i>Page</i>
<i>Total Appeals</i>	
Percent of External and Internal Appeals that are Approved	80
<i>Total Internal Appeals</i>	
Percent of Internal Appeals that are Approved	80
<i>Reconsidered Internal Appeals</i>	
Percent of Reconsidered Internal Appeals that are Denied	81
<i>Expedited Internal Appeals</i>	
Percent of Expedited Internal Appeals that are Denied	81
<i>Internal Written Appeals</i>	
Percent of Internal Written Appeals that are Denied	82
<i>Total Internal Appeals</i>	
Percent of Internal Appeals that are Denied	82
Total Internal Appeals per 10k Members	83
<i>External Written Appeals</i>	
Percent of External Written Appeals that are Denied	83
Total External Written Appeals per 10k Members	84
<i>Total Appeals</i>	
Total Internal & External Appeals per 10k Members	84
Internal Appeals / FTE	84
<b><u>Utilization Review</u></b>	
Home Health Reviews per 10k Members	85
Home Health Reviews per Home Care Visit	85
Skilled Nursing Care Reviews per 10k Members	86
Skilled Nursing Care Reviews per SNF Admission	86
Hospice Services Reviews per 10k Members	87
High Cost DME Reviews per 10k Members	87
High Cost DME Reviews per Unit	88
High Cost Injectable Reviews per 10k Members	88
Long Term Acute Care Reviews per 10k Members	89
Long Term Acute Care Reviews per LTAC Admission	89
Pre-admission calls per 10k Members	90
Pre-admission calls per Admission (Acute, Including Mental Health)	90
Post Discharge calls per 10k Members	91
Post Discharge calls per Admission (Acute, Including Mental Health)	91
Percent of Cases Reviewed by Medical Director	92
<b><u>Medical Review</u></b>	
Claims Reviewed per Member	92
Claims Reviewed per Admission	92
Claims Denied Per Member	92
Claims Approved Pct. Reviewed	92
Claims Denied Pct. Reviewed	92

## TAB 8. QUALITY ASSURANCE AND WELLNESS

<i>Metric</i>	<i>Page</i>
<b>Labor vs. Non-Labor</b>	
Total StaffingCost per Total FTE	95
+ Total Non-Staffing Costs per Total FTE	95
= Total Costs per Total FTE	95
x Total FTEs per 10,000 Members	95
= Cost per Member per Month	95
<b>Quality of Care</b>	
Complaints about Providers per 10k Members	95
Total Quality Cases per 1,000 Members per Month	95
Written Quality Cases per 1,000 Members per Month	95
Total Cases perFTE per Month	96
Written Cases perFTE per Month	96
Total Health Management /Wellness ProgramsCosts PMPM	96
<b>Cost of Regulatory and Normal Business Practices *</b>	
Regulated Index	96
Business Practice Index	96
Regulated and Normal Business Practices Index	96