

# *SHERLOCK EXPENSE EVALUATION REPORT*

## **2009 MEDICARE-ORIENTED PLANS 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 Case Manager	4
= Cases Per Case Manager Per Year	4
x Cost per CM Case	4
= Costs Per Case Manager	4
x Case Managers 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 Disease Manager	4
= DM Cases Per Disease Manager Per Year	4
x Cost per DM Case	4
= Costs Per Disease Manager	4
x Disease Managers 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
<i>Case Management</i>	
Total CM FTEs per 10,000 Members	5
Case Managers FTEs per 10,000 Members	5
<i>Disease Management</i>	
Total DM FTEs per 10,000 Members	6
Disease Managers 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
<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
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 Managed Care Plans	13

## TAB 3. PRECERTIFICATION

<i>Metric</i>	<i>Page</i>
<b>Summary Analysis - Factors of Cost</b>	
Precerts/Recerts Per Member	17
x Members Per Total Precert FTEs	17
= Precerts/Recerts Per Precert FTEs Per Year	17
x Cost per Precerts/Recerts	17
= Costs Per Total Precert FTEs	17
x Total Percert FTEs Per 10,000 Members	17
= Costs Per Member Per Month	17
<b>Labor vs. Non-Labor</b>	
Total StaffingCost per Total FTE	17
+ Total Non-Staffing Costs per Total FTE	17
= Total Costs per Total FTE	17
x Total FTEs per 10,000 Members	17
= Cost per Member per Month	17
 Total Precerts and Recerts per Clinical FTE	18
<b>Staffing Mix</b>	
Clinical FTE / Total Precert FTE	18
<b>Staffing Ratios</b>	
Total FTEs per 10,000 Members	18
Precert. Clinical FTEsper 10,000 Members	18

## TAB 4. CASE MANAGEMENT

<i>Metric</i>	<i>Page</i>
<b>Summary Analysis - Factors of Cost</b>	
CM Cases Per Member	21
x Members Per Case Management FTEs	21
= Case Management FTEs Per Year	21
x Cost per CM Case*	21
= Costs Per Case Management FTEs	21
x Case Management FTEs Per 10,000 Members	21
= Costs Per Member Per Month	21
<b>Labor vs. Non-Labor</b>	
CM Cases Per Member	21
+ Total Non-Staffing Costs per Total FTE	21
= Total Costs per Total FTE	21
x Total FTEs per 10,000 Members	21
= Cost per Member per Month	21
<i>Volume Drivers</i>	
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Screened CM Cases as a Percent of Referred Cases	22
Opened CM Cases as a Percent of Screened Cases	23
CM Cases Ent. Offsite Visits as a Pct. of Opened Cases	23
<i>Costs Per CM Case Manager</i>	
Pct. of Med. Mgt. FTEs that are Case Managers	24
<i>Productivity</i>	
CM Cases per 1,000 Admission	24
Admissions per CM Cases	24
<i>Case Management Activities</i>	
Number of Referred CM Cases per Manager	24
Number of Screened CM Cases per Manager	24
Number of Opened CM Cases per Manager	24

\*CM Case is the number of actual case management cases opened.

\*\*CM Cases is the 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	27
x Members Per Disease Management FTEs	27
= DM Cases Per Disease Management FTEs Per Year	27
x Cost per DM Case*	27
= Costs Per Disease Management FTEs	27
x Management FTEs Per 10,000 Members	27
= Costs Per Member Per Month	27
<b>Labor vs. Non-Labor</b>	
+ Total Non-Staffing Costs per Total FTE	27
= Total Costs per Total FTE	27
x Total FTEs per 10,000 Members	27
= Cost per Member per Month	27
Staffing Costs per DM FTE	28
Staffing Costs Pct. Total Costs	28
Percent of Members Actively Managed through Disease Management Programs	28
<i>Are the following Disease Management activities outsourced?</i>	
Diabetes Mellitus	29
Asthma	30
Chronic Obstructive Pulmonary Disease	31
Coronary Artery Disease (CAD)	32
Congestive and Other Heart Failure	33
Depression	34
Neoplasms	35
Rare Disease Mgmt.	36
Transplants	37
Obesity	38
Other	39

\*DM Case is the number of actual disease management cases opened.

\*\*DM Cases is the number of disease management cases by major practice category.

## 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	43
x Members Per NBC FTEs	43
= NBC Calls (in plus successful outbound) Per NBC FTEs*	43
x Cost per NBC Call (in plus successful outbound)	43
= Costs PerNBC FTEs	43
x NBC FTEs Per 10,000 Members	43
= Costs Per Member Per Month	43
<b>Labor vs. Non-Labor</b>	
Total StaffingCost 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
Staffing Costs per FTE	44
Staffing Costs as a Percent of Total Costs	44
Costs per Nurse-Based Counseling FTE	44
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Total Calls per Hour	44
Inbound Calls per Day	44
Total Calls per Day	44

## TAB 7. UTILIZATION REVIEW AND APPEALS

<i>Metric</i>	<i>Page</i>
<b>Appeals</b>	
Percent of External and Internal Appeals that are Internal Appeals	49
Percent of Internal Appeals that are Reconsidered	49
Percent of Reconsidered Internal Appeals that are Approved	49
<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> → Internal Expedited Approved Appeals	50
Internal and External Appeals	50
Internal Appeals	50
Internal Appeals Expedited	50
Internal Appeals Expedited Approved	50
Percent of Internal Appeals that are Expedited	51
Percent of Expedited Internal Appeals that are Approved	51
<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> → Internal Expedited Written Appeals	52
Internal and External Appeals	52
Internal Appeals	52
Internal Appeals Written	52
Internal Appeals Written Approved	52
Percent of Internal Appeals that are Internal Written	53
Percent of Internal Written Appeals that are Approved	53
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<i>Expressed Per 10,000 Members per Year, unless Otherwise Noted</i>	
<u>Total Internal and External Appeals → External Written Appeals → External Written Approved Appeals</u>	54
Internal and External Appeals	54
External Written Appeals	54
External Written Appeals Approved	54
Percent of External and Internal Appeals that are External Written Appeals	55
Percent of External Written Appeals that are Approved	55
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Percent of External and Internal Appeals that are Approved	56
Total Internal & External Appeals per 10k Members	56
<i>Total Internal Appeals</i>	
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Total Internal Appeals per 10k Members	58

*Utilization Review and Appeals, continued*

<i>Metric</i>	<i>Page</i>
<i>Reconsidered Internal Appeals</i>	
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Percent of Expedited Internal Appeals that are Denied	59
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Percent of Internal Written Appeals that are Denied	59
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Percent of External Written Appeals that are Denied	60
Total External Written Appeals per 10k Members	60

## TAB 8. QUALITY ASSURANCE AND WELLNESS

<i>Metric</i>	<i>Page</i>
<b>Labor vs. Non-Labor</b>	
Total StaffingCost per Total FTE	63
+ Total Non-Staffing Costs per Total FTE	63
= Total Costs per Total FTE	63
x Total FTEs per 10,000 Members	63
= Cost per Member per Month	63