

SHERLOCK COMPANY

SHERLOCK BENCHMARKS

Independent / Provider - Sponsored Edition - 2026

Volume II

Staffing and Compensation Metrics - Revised

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Volume II: Staffing and Compensation - Revised



SHERLOCK COMPANY

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- Organization, conventions, applicability, and process of the *Sherlock Benchmarks*.

Tab 2. Staffing Ratios

- This provides in-depth analyses of various staffing ratios per 10,000 Members including Reported FTEs, Inferred FTEs by Product, and Inferred FTEs by segments.
- Products include:
  - Commercial Insured
  - Commercial ASO/ASC
  - Medicare Supplement
  - Medicare Advantage
  - Medicare Advantage SNP
  - Medicaid HMO

Tab 3. Compensation

- Includes analyses of staff compensation - Staffing Costs per FTE for each functional area, Composition of Compensation, and Staffing Costs Per Member Per Month. Internal, Outsourced and Combined Staffing Costs are analyzed.

Tab 4. Labor Intensity

- This section includes metrics relating to Internal and Combined Staffing Costs as a Percent of Comprehensive Total Costs for each function, Non-Labor Costs per FTE (Internal and Combined), Total Costs per FTE and Non-Labor Costs Per Member Per Month.

Tab 5. Propensity to Outsource

- This provides in-depth analyses of propensity to outsource for each functional area including Outsourced Costs as a Percent of Total Costs, Outsourced Staffing Costs as a percent of Total Staffing Costs, Outsourced Staffing Costs as a Percent of Total Costs, Outsourced FTEs as a Percent of Total FTEs and Outsourced Costs Per Member Per Month.

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Tab 2

Staffing Ratios

This section provides an analysis of staffing ratios by function. Values are presented on a per 10,000 member basis.

Outsource FTEs are estimated by the plans. Combined FTEs are the sum of internal and outsourced FTEs. Combined FTEs are intended to represent the staffing if no activities were outsourced.

Inferred Combined FTEs by product and by segment are estimated by dividing the plan's PMPM costs by the total costs per FTE. This is multiplied by 120,000 to convert monthly costs to annual FTEs and to adjust for the staffing ratio being expressed in per 10,000 members.

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Tab 3

Staff Compensation

This section provides an analysis of staff compensation, by function. Outsourced staffing costs are estimated by the plans.

Staffing Costs for Internal FTEs include all benefits. These correspond to internal staffing costs, except they include acruals for retiree benefits other than pensions. Other Post Employement Benefits (OPEB) are classified in the financial metrics in the Other Corporate Services sub-function of Corporate Services.

Outsourced Staffing Costs are provided by the plans. Depending on the plan, their ultimate source may be their direct knowledge of the compensation of the outsourced FTE or an estimate. If estimated by the plans, it may be based upon local wage levels for the personnel or the typical costs for FTEs in Plans that do not outsource any activities.

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Labor Intensity

This section provides an analysis of labor intensity, by function. Non-Labor Costs are inferred as total costs less staffing costs.

Comprehensive Total Costs per Combined FTE is calculated as total costs per function divided by the sum of all internal and outsourced FTEs. This metric is useful for estimating staffing requirments across products and segments. Assuming the staffing and non-labor mix is precisely the same for each product or segment served, this value can then be used to estimate staffing in that product. This is done by dividing the PMPM costs for that product or segment by comprehensive total costs per combined FTE. The result is then multiplied by 120,000 to convert month-based calculation of PMPM to annual values and to express the staffing ratio in the more wieldy per 10,000 members.

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