

For Immediate Release  
October 23, 2013

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### **Medicaid Plan Administrative Costs Slow on Account and Membership Administration Decreases in 2012**

Core administrative expenses of selected Medicaid plans grew by 2.7% per member per month (PMPM). This increase was sharply lower than last year and resumes a multi-year trend of modest growth. While Provider and Medical Management expenses grew less than last year, Account and Membership Administration expenses actually decreased.

Douglas Sherlock, President of Sherlock Company, notes "The decrease in Account and Membership Administration expenses was driven primarily by Information Systems. This follows an unprecedented increase of this function in the prior year."

Core administrative expenses of Medicaid-focused plans had a median per member per month cost of \$23.90 and were 6.5% of premiums. Core Medicaid HMO costs were \$25.45 PMPM and were 7.5% of premiums.

Results are from the 2013 Medicaid edition of the *Sherlock Expense Evaluation Report (SEER)*, a benchmarking study analyzing in-depth surveys of 11 Medicaid plans. These plans serve 3.8 million members, of which 1.1 million were enrolled in Medicaid HMO. This analysis also contains results from 15 other plans serving an additional 1.2 million Medicaid members. Sherlock benchmarks comprise the experience of approximately 14% of all Medicaid MCO members.

Sherlock benchmarks support plans' streamlining efforts. Plans serving most insured people use current editions of Sherlock benchmarks. These include the vast majority of Blue Cross Blue Shield Plans and 70% of the health plan board members of America's Health Insurance Plans.

Besides Medicaid plans, other universes include Blue Cross Blue Shield Plans, Medicare plans and Independent/Provider-Sponsored plans. Collectively, the 41 participant organizations serve 42 million insured Americans.

Additional information is available in *Plan Management Navigator* and is posted at [www.sherlockco.com](http://www.sherlockco.com). The complete analysis is available in *SEER*.

We will also host a web conference on Wednesday, October 23 from 2:00 PM to 3:00 PM EDT to discuss the summary results. Douglas Sherlock will offer a brief presentation, followed by questions and answers. To participate in the web conference, please register at:

<https://www2.gotomeeting.com/register/381641690>



Once registered, dial-in information and a link to connect to the web will be provided in a confirmation email.

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Sherlock Company ([www.sherlockco.com](http://www.sherlockco.com)), based in North Wales, Pennsylvania, provides informed solutions for health plan financial management. Since its founding in 1987, Sherlock Company has been known for its impartiality and technical competence in service to its clients.

