

SHERLOCK BENCHMARKS

Medicare Plans Edition



Volume II Staffing and Compensation

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SHERLOCK BENCHMARKS

Medicare Edition - 2023

Volume II: Staffing and Compensation



SHERLOCK COMPANY

September 2023

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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. Inferred staffing ratios include the effect of outsourced staffing.
- Products include:
 - Commercial Insured
 - Commercial ASO
 - Medicare Supplement
 - Medicare Advantage
 - Medicare Advantage SNP
 - Medicaid HMO
- Segments include:
 - ACA, Under 65 Individual Product Line
 - Non-ACA, Under 65 Individual Product Line
 - Total Individual Product Line
 - Total Group

Tab 3. Staff Compensation

- Provides analyses related staff compensation, including:
 - Staffing Costs per FTE
 - Composition of Compensation
 - Compensation Costs per FTE
 - Staffing Costs Per Member Per Month

Tab 4. Labor Intensity

- This section includes metrics relating to Staffing Costs as a Percent of Comprehensive Total Costs, Non-Labor Costs per FTE, and Total Costs per FTE.

Tab 5. Propensity to Outsource

- This provides in-depth analyses of propensity to outsource, 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

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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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*Only one IPS Plan with SNP

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 accruals for retiree benefits other than pensions. Other Post Employment 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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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 requirements 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 widely per 10,000 members.

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