

SHERLOCK BENCHMARKS

Independent / Provider-Sponsored Plans Edition



Volume II
Operational Metrics

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SHERLOCK BENCHMARKS

Independent / Provider-Sponsored Edition - 2021

Volume II: Operational Metrics



SHERLOCK COMPANY

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Includes analyses related to those functions of Rating and Underwriting, Marketing, Sales, Commissions (external) and Advertising and Promotion.

Tab 4. Provider Network Management and Services

Provider Network Management and Services includes analyses of activities such as Provider Relations Services (the initial point of contact (telephonic and written) for provider inquiries), Provider Contracting, Provider Audit / Billing Validation and Other Provider Network Management and Services (including the maintenance of the provider network, orientation, on-going education, and in-services with new and existing providers).

Tab 5. Enrollment / Membership / Billing

This section analyzes Enrollment / Membership / Billing. Enrollment is the processing of installation, recording and maintenance of the relationship between the plan and its members. Membership is the recording of and changes in demographic information. Billing is the process and the execution of the submission of invoices.

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Tab 2

Summary of Operational Metrics

This section summarizes analyses of key functional areas. If a quantifiable output is identifiable, per member per month (PMPM) costs are segmented into factors of primary demand, productivity, unit cost, cost per FTE and staffing ratios. In all cases of these functional areas, PMPM costs are segmented into staffing ratios and costs per FTE, which are divided into labor and non-labor components.

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Sales and Marketing

| Metric | Page | Definition | Calculation |
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Sales and Marketing

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|---|--------------------|------------|-------------|
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Tab 4

Provider Network Management and Services

Provider Network Management & Services responds to inquiries from providers, contracts with providers for care delivered to members, is the liaison for provider appeals (whose coordinating responsibility resets with customer services), credentials providers for eligibility for contracts, issues report cards to provider and audits and validates provider activity.

| Metric | Page | Definition | Calculation |
|--------|------|------------|-------------|
|--------|------|------------|-------------|

Provider Relations Service Metrics:

This sub-function responds to inquiries from providers.

Provider Relations Services Cost Summary

Per Member

Manual Inquiries

| | | |
|---|--|----|
| | Manual Inquiries per Member..... | 99 |
| x | Members per FTE..... | 99 |
| = | Manual Inquiries per FTE per Year..... | 99 |
| x | Provider Relations Services Cost per Manual Inquiry..... | 99 |
| = | Provider Relations Services Cost per FTE..... | 99 |
| x | FTEs per 10,000 Members..... | 99 |
| = | Provider Relations Services Costs PMPM..... | 99 |

Total Inquiries

| | | |
|---|---|----|
| | Total Inquiries per Member..... | 99 |
| x | Members per FTE..... | 99 |
| = | Total Inquiries per FTE per Year..... | 99 |
| x | Provider Relations Services Cost per Total Inquiry..... | 99 |
| = | Provider Relations Services Cost per FTE..... | 99 |
| x | FTEs per 10,000 Members..... | 99 |
| = | Provider Relations Services Costs PMPM..... | 99 |

Per Provider

Manual Inquiries

| | | |
|---|--|-----|
| | Manual Inquiries per Provider..... | 100 |
| x | Providers per FTE..... | 100 |
| = | Manual Inquiries per FTE per Year..... | 100 |
| x | Provider Relations Services Cost per Manual Inquiry..... | 100 |
| = | Provider Relations Services Cost per FTE..... | 100 |
| x | FTEs per 10,000 Providers..... | 100 |
| = | Provider Relations Services Costs per Provider per Year..... | 100 |

Total Inquiries

| | | |
|--|--|-----|
| | Total Inquiries per Provider..... | 100 |
| | Providers per FTE..... | 100 |
| | Total Inquiries per FTE per Year..... | 100 |
| | Provider Relations Services Cost per Total Inquiry..... | 100 |
| | Provider Relations Services Cost per FTE..... | 100 |
| | FTEs per 10,000 Members..... | 100 |
| | Provider Relations Services Costs Per Provider per Year..... | 100 |

Provider Network Management and Services

| Metric | Page | Definition | Calculation |
|---|---------------------|------------|-------------|
| Provider Relations Services Cost Summary (continued) | | | |
| <u>Staffing vs. Non-Labor</u> | | | |
| | 100 | | |
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| = Provider Relations Services Total Costs per Total FTE..... | 100 | | |
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| Percent of Provider Relations Services Costs that are Non-Labor..... | 100 | | |
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| Inquiries | | | |
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| Manual | | | |
| Manual Calls..... | 101 | | |
| Paper/Written Inquiries | 101 | | |
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| Total Provider Inquiries | 103 | | |
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| Total Manual Inquiries..... | 105 | | |
| Automated Calls..... | 105 | | |
| Total Provider Inquiries | 105 | | |

Provider Network Management and Services

| Metric | Page | Definition | Calculation |
|--|---------------------|------------|-------------|
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Provider Network Management and Services

Provider Contracting Metrics:

This sub-function recruits and credentials providers such as physicians and hospitals.

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|--|---------------------|------------|-------------|
| Provider Contracting Summary | | | |
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| = Provider Contracting Cost per Contracting FTE..... | 118 | | |
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| Facility..... | 119 | | |
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| Professional Specialists..... | 119 | | |
| Facility..... | 119 | | |
| Ancillary..... | 119 | | |
| Total..... | 119 | | |

Provider Network Management and Services

Provider Contracting Metrics (continued):

This sub-function recruits and credentials providers such as physicians and hospitals.

| Metric | Page | Definition | Calculation |
|---|---------------------|-------------------|--------------------|
| Number of Provider Contracts | | | |
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| Risk Sharing..... | 120 | | |
| Shared Savings..... | 120 | | |
| Fee-for-Service..... | 120 | | |
| Total..... | 120 | | |
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| Capitation..... | 121 | | |
| Risk Sharing..... | 121 | | |
| Shared Savings..... | 121 | | |
| Fee-for-Service..... | 121 | | |
| Total..... | 121 | | |
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Tab 5

Enrollment / Membership / Billing

Enrollment / Membership / Billing processes group and membership transactions, processes invoices and maintains population demographics.

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| | | | 129 |
| x | | Manual Member Transactions per Member..... | 129 |
| | | Members per FTE..... | 129 |
| = | | Manual Member Transactions per FTE per Year..... | 129 |
| x | | Enrollment Cost per Manual Member Transaction..... | 129 |
| = | | Costs per FTE..... | 129 |
| x | | FTEs per 10,000 Members..... | 129 |
| = | | Costs per Member per Month..... | 129 |
| <u>Total Transactions</u> | | | |
| | | Total Transactions per Member..... | 129 |
| x | | Members per FTE..... | 129 |
| = | | Total Transactions per FTE per Year..... | 129 |
| x | | Enrollment Cost per Total Transaction..... | 129 |
| = | | Costs per FTE..... | 129 |
| x | | FTEs per 10,000 Members..... | 129 |
| = | | Costs per Member per Month..... | 129 |
| <u>Staffing vs. Non-Labor</u> | | | |
| | | Enrollment Total Non-Labor Cost per Total FTE..... | 129 |
| + | | Enrollment Total Staffing Costs per Total FTE..... | 129 |
| = | | Enrollment Total Costs per Total FTE..... | 129 |
| x | | Enrollment Total FTEs per 10,000 Members..... | 129 |
| = | | Enrollment Cost per Member per Month..... | 129 |
| | | Percent of Enrollment Costs that are Staffing..... | 129 |
| | | Percent of Enrollment Costs that are Non-Labor..... | 129 |
| | | Percent of Enrollment Costs that are Outsourced..... | 129 |
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Enrollment / Membership / Billing

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|---|---------------------|------------|-------------|
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Enrollment / Membership / Billing

| Metric | Page | Definition | Calculation |
|---|---------------------|------------|-------------|
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Enrollment / Membership / Billing

| Metric | Page | Definition | Calculation |
|--|---------------------|------------|-------------|
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Tab 6

Customer Services

The Customer Services function responds to customer inquiries and coordinates appeals.

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| = Costs per Member per Month..... | 165 | | |
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| + Customer Services Total Staffing Costs per Total FTE..... | 165 | | |
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| = Customer Services Cost per Member per Month..... | 165 | | |
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Customer Services

| Metric | Page | Definition | Calculation |
|--|---------------------|-------------------|--------------------|
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| Provider Check..... | 182 | | |
| Billing & ID Cards..... | 183 | | |
| Complaints / Grievances..... | 183 | | |
| Other..... | 184 | | |
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Customer Services

| Metric | Page | Definition | Calculation |
|--|---------------------|------------|-------------|
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Tab 7

Claim and Encounter Capture and Adjudication

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|---|------|------------|-------------|
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| = Costs per FTE..... | 199 | | |
| x FTEs Per 10,000 Members..... | 199 | | |
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| x Claims Processed Per Member..... | 199 | | |
| = Members Per FTE..... | 199 | | |
| x Claims Processed Per FTE Per Year..... | 199 | | |
| = Cost per Claims Processed..... | 199 | | |
| x Costs Per FTE..... | 199 | | |
| = FTEs Per 10,000 Members..... | 199 | | |
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| <u>Staffing vs. Non-Labor</u> | | | |
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Claim and Encounter Capture and Adjudication

| Metric | Page | Definition | Calculation |
|---|---------------------|-------------------|--------------------|
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| Total Suspension Rate..... | 213 | | |
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Claim and Encounter Capture and Adjudication

| Metric | Page | Definition | Calculation |
|--|---------------------|------------|-------------|
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Claim and Encounter Capture and Adjudication

| Metric | Page | Definition | Calculation |
|--|---------------------|-------------------|--------------------|
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Tab 8
Information Systems

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|---|---------------------|------------|-------------|
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| x IS Costs per Total FTE..... | 239 | | |
| = IS Costs per IS FTE..... | 239 | | |
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| Staffing vs. Non-Labor | | | |
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| + Information Systems Total Staffing Costs per Total FTE..... | 240 | | |
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| (d) Software Amortization and Maintenance..... | 241 | | |
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| (a) Internal Personnel, Including Travel and Training..... | 241 | | |
| (b) Consultants / Contractors..... | 241 | | |
| (c) Hardware Depreciation and Maintenance..... | 241 | | |
| (d) Software Amortization and Maintenance..... | 241 | | |
| (e) All Other, Including Office Supplies..... | 241 | | |
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Information Systems

| Metric | Page | Definition | Calculation |
|---|---------------------|------------|-------------|
| Total Information Systems Costs, Natural Accounting Categories (continued) | | | |
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| (a) Internal Personnel, Including Travel and Training..... | 241 | | |
| (b) Consultants / Contractors..... | 241 | | |
| (c) Hardware Depreciation and Maintenance..... | 241 | | |
| (d) Software Amortization and Maintenance..... | 241 | | |
| (e) All Other, Including Office Supplies..... | 241 | | |
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| (1) Voice and Data Network..... | 242 | | |
| (2) Data Center..... | 242 | | |
| (3) Engineering..... | 242 | | |
| (4) Desktop Services..... | 242 | | |
| (5) Help Desk..... | 242 | | |
| (6) Storage and Capacity Management..... | 242 | | |
| (7) Business Continuity Planning (BCP) and Disaster Recovery (DR)..... | 242 | | |
| (8) Other..... | 242 | | |
| 11 (b) Applications Maintenance..... | 242 | | |
| 11 (c) Applications Acquisition and Development..... | 242 | | |
| (1) Project Management Office and Support (PMO)..... | 242 | | |
| (2) Other..... | 242 | | |
| 11 (d) Security Administration and Enforcement..... | 242 | | |
| Total Information Systems Expenses..... | 242 | | |
| <u>Percent of Premium Equivalents</u> | | | |
| 11 (a) Operations and Support..... | 242 | | |
| (1) Voice and Data Network..... | 242 | | |
| (2) Data Center..... | 242 | | |
| (3) Engineering..... | 242 | | |
| (4) Desktop Services..... | 242 | | |
| (5) Help Desk..... | 242 | | |
| (6) Storage and Capacity Management..... | 242 | | |
| (7) Business Continuity Planning (BCP) and Disaster Recovery (DR)..... | 242 | | |
| (8) Other..... | 242 | | |
| 11 (b) Applications Maintenance..... | 242 | | |
| 11 (c) Applications Acquisition and Development..... | 242 | | |
| (1) Project Management Office and Support (PMO)..... | 242 | | |
| (2) Other..... | 242 | | |
| 11 (d) Security Administration and Enforcement..... | 242 | | |
| Total Information Systems Expenses..... | 242 | | |

Information Systems

| Metric | Page | Definition | Calculation |
|--|------|------------|-------------|
| Total Information Systems Costs, Functional Areas (continued) | | | |
| <u>Percent of Total Information Systems Costs</u> | | | |
| 11 (a) Operations and Support..... | 243 | | |
| (1) Voice and Data Network..... | 243 | | |
| (2) Data Center..... | 243 | | |
| (3) Engineering..... | 243 | | |
| (4) Desktop Services..... | 243 | | |
| (5) Help Desk..... | 243 | | |
| (6) Storage and Capacity Management..... | 243 | | |
| (7) Business Continuity Planning (BCP) and Disaster Recovery (DR)..... | 243 | | |
| (8) Other..... | 243 | | |
| 11 (b) Applications Maintenance..... | 243 | | |
| 11 (c) Applications Acquisition and Development..... | 243 | | |
| (1) Project Management Office and Support (PMO)..... | 243 | | |
| (2) Other..... | 243 | | |
| 11 (d) Security Administration and Enforcement..... | 243 | | |
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| Online..... | 244 | | |
| Total..... | 244 | | |
| <u>Inquiries per Total FTE per Year, by Type</u> | | | |
| Phone..... | 244 | | |
| Online..... | 244 | | |
| Total..... | 244 | | |
| <u>Percent of Total Helpdesk Inquiries, by Type</u> | | | |
| Phone..... | 244 | | |
| Online..... | 244 | | |
| Total..... | 244 | | |

Information Systems

| Metric | Page | Definition | Calculation |
|---|---------------------|------------|-------------|
| Internal Help Desk (continued) | | | |
| Percent of Total Inquiries Requiring Escalation..... | 244 | | |
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| = Daily Production Jobs per IS FTE..... | 251 | | |
| x IS Cost per Production Job..... | 251 | | |
| = IS Cost per IS FTE..... | 251 | | |
| x IS FTEs per 10,000 Members..... | 251 | | |
| = IS Costs per Member per Month..... | 251 | | |
| <u>Production and Test Jobs</u> | | | |
| Daily Production Jobs per 10,000 Members..... | 252 | | |
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| Production Jobs as a Percent of Total Jobs..... | 253 | | |
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Tab 9

Corporate Services Cluster

The Corporate Services Cluster is comprised of the functions of Finance and Accounting, Actuarial, Corporate Executive and Governance and the Corporate Services function. The Corporate Services function includes subfunctions like Facilities, Legal and Human Resources. This tab includes metrics of those subfunctions.

| Metric | Page | Definition | Calculation |
|---|---------------------|------------|-------------|
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| <u>Corporate Services Function Cost Summary</u> | | | |
| Total FTEs per Corporate Services FTE..... | 263 | | |
| x Corporate Services Costs per Total FTE..... | 263 | | |
| = Cost of Corporate Services per FTE..... | 263 | | |
| x FTEs per 10,000 Members..... | 263 | | |
| = Cost per Member per Month..... | 263 | | |
| <u>Staffing vs. Non-Labor</u> | | | |
| Corporate Services Function Total Non-Labor Cost per Total FTE..... | 263 | | |
| + Corporate Services Function Total Staffing Costs per Total FTE..... | 263 | | |
| = Corporate Services Function Total Costs per Total FTE..... | 263 | | |
| x Corporate Services Function Total FTEs per 10,000 Members..... | 263 | | |
| = Corporate Services Function Cost per Member per Month..... | 263 | | |
| Percent of Corporate Services Function Costs that are Staffing..... | 263 | | |
| Percent of Corporate Services Function Costs that are Non-Labor..... | 263 | | |
| Percent of Corporate Services Function Costs that are Outsourced..... | 263 | | |
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Corporate Services Cluster

| Metric | Page | Definition | Calculation |
|--|---------------------|-------------------|--------------------|
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| Line Staff to Support Employees..... | 265 | | |
| Support Employees to All Other (Supervisors and Managers)..... | 265 | | |
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Tab 10

Risk Adjustment

Risk Adjustment is the analysis of clinical data in order to match government compensation with the risk factors of members. This includes adjustment for the “three Rs”: permanent risk adjustment, transitional reinsurance and transitional risk corridors.

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Risk Adjustment

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