

SHERLOCK BENCHMARKS

Medicare Plans Edition



Volume I
Operational Metrics

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SHERLOCK BENCHMARKS

Medicare Edition - 2021

Volume II: Operational Metrics



SHERLOCK COMPANY

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Tab 2

Summary of Operational Metrics

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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
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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		
Provider Relations Services Total Staffing Cost per Total FTE.....			
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Provider Network Management and Services

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

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Provider Contracting Metrics (continued):

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= Costs per FTE.....	165		
x FTEs per 10,000 Members.....	165		
= Costs per Member per Month.....	165		
<u>Staffing vs. Non-Labor</u>			
Customer Services Total Non-Labor Cost per Total FTE.....	165		
+ Customer Services Total Staffing Costs per Total FTE.....	165		
= Customer Services Total Costs per Total FTE.....	165		
x Customer Services Total FTEs per 10,000 Members.....	165		
= Customer Services Cost per Member per Month.....	165		
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Manual			
Manual Calls.....	166		
Paper/Written Inquiries.....	166		
Manual Electronic Inquiries.....	167		
Total Manual Inquiries.....	167		
Automated Calls.....	168		
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Customer Services

Metric	Page	Definition	Calculation
Inquiries (continued)			
<u>Percent of Total Inquiries, by Mode and Product</u>			
Manual			
Manual Calls.....	170		
Paper/Written Inquiries	170		
Manual Electronic Inquiries.....	171		
Total Manual Inquiries.....	171		
Automated Calls.....	172		
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Manual			
Manual Calls.....	174		
Paper/Written Inquiries	174		
Manual Electronic Inquiries.....	175		
Total Manual Inquiries.....	175		
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Percent Transfer.....	188		
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Percent of Adverse Decisions Overturned on Appeal.....	193		
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Tab 7

Claim and Encounter Capture and Adjudication

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	199		
x	199		
=	199		
x	199		
=	199		
x	199		
=	199		
<u>Total Claims</u>			
x	199		
=	199		
x	199		
=	199		
x	199		
=	199		
<u>Staffing vs. Non-Labor</u>			
	199		
+	199		
=	199		
x	199		
=	199		
	199		
	199		
	199		
	199		
Volume of Claims			
<u>Receipts</u>			
	200		

Claim and Encounter Capture and Adjudication

Metric	Page	Definition	Calculation
Volume of Claims (continued)			
<u>Receipts Rejected as Incomplete</u>			
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Total Claims Processed Per Member Per Year.....	204		
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Claim and Encounter Capture and Adjudication

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Total Number of Adjusted Claims.....	216		
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Average Claims Inventory as a Percent of Total Claims Processed.....	222		
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31 - 60 days.....	224		
> 60 days.....	224		
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Claim and Encounter Capture and Adjudication

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Interest Paid as a Percent of Total Health Benefits.....	230		
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COB and Subrogation Recoveries Per Dollar of COB Cost.....	232		
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Tab 8
Information Systems

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= IS Costs per IS FTE.....	239		
x IS FTEs per 10,000 Members.....	239		
= Cost per Member per Month.....	239		
Effect of IS Allocated by Supported Functional Area			
IS After Allocation as a Percent of Total IS.....	239		
x Total IS PMPM.....	239		
= IS Costs PMPM, After Allocation.....	239		
x Non-IS Costs PMPM, After Allocation.....	239		
= Total Administrative Cost PMPM.....	239		
Internal vs. Outsourced FTE Costs			
Internal IS Expenses per Internal FTE.....	239		
Outsourced IS Expenses per Outsourced FTE.....	239		
Staffing vs. Non-Labor			
Information Systems Total Non-Labor Cost per Total FTE.....	240		
+ Information Systems Total Staffing Costs per Total FTE.....	240		
= Information Systems Total Costs per Total FTE.....	240		
x Information Systems Total FTEs per 10,000 Members.....	240		
= Information Systems Cost per Member per Month.....	240		
Percent of Information Systems Costs that are Non-Labor.....	240		
Percent of Information Systems Costs that are Staffing.....	240		
Percent of Information Systems Costs that are Outsourced.....	240		
Percent of Information Systems Staffing that is Outsourced.....	240		
Total Information Systems Costs, Natural Accounting Categories			
<u>Per Member Per Month</u>			
(a) Internal Personnel, Including Travel and Training.....	241		
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(c) Hardware Depreciation and Maintenance.....	241		
(d) Software Amortization and Maintenance.....	241		
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Total Information Systems Expenses.....	241		
<u>Percent of Premium Equivalents</u>			
(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		
Total Information Systems Expenses.....	241		

Information Systems

Metric	Page	Definition	Calculation
Total Information Systems Costs, Natural Accounting Categories (continued)			
<u>Percent of Total Information Systems Costs</u>			
(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		
Total Information Systems Expenses.....	241		
Internal Help Desk			
Average Speed to Answer, Seconds.....	242		
Call Abandonment Rate.....	242		
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First Call Resolution Rate.....	242		
Satisfaction, Scale of 1 to 10.....	242		
<u>Inquiries per Helpdesk FTE per Year, by Type</u>			
Phone.....	242		
Online.....	242		
Total.....	242		
<u>Inquiries per Total FTE per Year, by Type</u>			
Phone.....	242		
Online.....	242		
Total.....	242		
<u>Percent of Total Helpdesk Inquiries, by Type</u>			
Phone.....	242		
Online.....	242		
Total.....	242		
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Average Utilization for Processors, 24/7 Capacity.....	242		
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<u>Data Center Storage Capacity</u>			
Total Terabytes.....	242		
Terabytes per 10,000 Members.....	242		

Information Systems

Metric	Page	Definition	Calculation
Internal Help Desk (continued)			
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Total FTEs per Helpdesk FTE.....	242		
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Applications by Function.....	244		
Number of Core Operating Systems used by plan.....	247		
Percentage of plans currently in the process of a migration between Core Systems.....	247		
<u>Availability</u>			
System Availability - 24 / 7 Average.....	248		
Time to Resolve Critical Outage, Hours.....	248		
<u>Production Job Cost Summary</u>			
Production Jobs per 1,000 Members.....	249		
x Members per IS FTE.....	249		
= Daily Production Jobs per IS FTE.....	249		
x IS Cost per Production Job.....	249		
= IS Cost per IS FTE.....	249		
x IS FTEs per 10,000 Members.....	249		
= IS Costs per Member per Month.....	249		
<u>Production and Test Jobs</u>			
Daily Production Jobs per 10,000 Members.....	250		
Yearly Claims Processed per Daily Production Job.....	250		
Yearly Enrollment Transactions Processed per Daily Production Job.....	250		
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Percent of Total Production Jobs Run Daily.....	251		

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
Corporate Services Function			
<u>Corporate Services Function Cost Summary</u>			
	259		
x	259		
=	259		
x	259		
=	259		
<u>Staffing vs. Non-Labor</u>			
	259		
+	259		
=	259		
x	259		
=	259		
	259		
	259		
	259		
	259		

Corporate Services Cluster

Metric	Page	Definition	Calculation
Human Resources			
<u>Span of Control</u>			
Middle Management to Top Management.....	260		
Managers to Middle Management.....	260		
Supervisors to Managers.....	260		
Staff to Supervisors.....	260		
Total Employees to Top Management.....	260		
Employees Other than Top Management to Top Management.....	260		
Middle Management, Managers and Supervisors to Top.....	260		
Staff to Middle Management, Managers and Supervisors.....	260		
<u>EEO-1 Job Categories as a Percent of Total Employees</u>			
Managerial.....	260		
Professional.....	260		
Clerical.....	260		
Technical.....	260		
Sales Worker.....	260		
Service Worker.....	260		
Laborer.....	260		
Craft Worker.....	260		
Operatives Worker.....	260		
Total Employees.....	260		
<u>Span of Control- Call Centers</u>			
Member Services			
Line Staff to Support Employees.....	261		
Support Employees to All Other (Supervisors and Managers).....	261		
Total Call Center Employees to All Other (Supervisors and Managers).....	261		
Line Staff and Support Employees to All Other (Supervisors and Managers).....	261		
Provider Services			
Line Staff to Support Employees.....	261		
Support Employees to All Other (Supervisors and Managers).....	261		
Total Call Center Employees to All Other (Supervisors and Managers).....	261		
Line Staff and Support Employees to All Other (Supervisors and Managers).....	261		
<u>Call Centers Job Categories as a Percent of Total Call Center Employees</u>			
Member Services			
Line Staff	261		
Support Employees	261		
All Other (Supervisors and Managers).....	261		
Total Call Center Employees.....	261		
Provider Services			
Line Staff	261		
Support Employees	261		
All Other (Supervisors and Managers).....	261		
Total Call Center Employees.....	261		

Corporate Services Cluster

Metric	Page	Definition	Calculation
Human Resources (Continued)			
<u>Average Training Hours per Employee</u>			
Member Services.....	261		
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<u>Human Resources Activities</u>			
Total Turnover.....	262		
Retention.....	262		
<u>Human Resources Cost Summary</u>			
HR Costs per Total FTE.....	262		
x Total FTEs per HR FTE.....	262		
= HR Costs per HR FTE.....	262		
x HR FTEs per 10,000 Members.....	262		
= HR Cost per Member per Month.....	262		
<u>Staffing vs. Non-Labor</u>			
Human Resources Non-Labor Costs per Human Resources FTE.....	262		
+ Human Resources Staffing Costs per Human Resources FTE.....	262		
= Human Resources Costs per Human Resources FTE.....	262		
x Human Resources FTEs per 10,000 Members.....	262		
= Cost per Member per Month.....	262		
Percent of Human Resources Costs that are Non-Labor.....	262		
Percent of Human Resources Costs that are Staffing.....	262		
Percent of Human Resources Costs that are Outsourced.....	262		
Percent of Staff that is Outsourced.....	262		
Legal			
<u>Normal Business Legal Costs vs. Litigation Legal Costs</u>			
PMPM			
Normal Business Legal Costs.....	263		
Litigation Legal Costs.....	263		
Total Legal Costs.....	263		
Percent of Premiums and Fees			
Normal Business Legal Costs.....	263		
Litigation Legal Costs.....	263		
Total Legal Costs.....	263		
Percent of Total Legal Costs			
Normal Business Legal Costs.....	263		
Litigation Legal Costs.....	263		
Total Legal Costs.....	263		

Corporate Services Cluster

Metric	Page	Definition	Calculation
Facilities (Continued)			
<u>Size of Facilities</u>			
Square Feet per Total FTE			
Gross.....	265		
Usable.....	265		
Square Feet per On-Site FTE			
Gross.....	265		
Usable.....	265		
On-Site FTEs as a Percent of Total FTEs.....	265		
Usable Square Footage by Type			
Percent Owned.....	265		
Percent Leased.....	265		
Usable Square Feet as a Percent of Gross Square Feet.....	265		
Gross Square Footage by Type			
Percent Owned.....	265		
Percent Leased.....	265		
Total Facilities Costs per Square Foot			
Gross.....	265		
Usable.....	265		
<u>Facilities Costs by Type</u>			
<i>Per Member Per Month</i>			
(a) Rent.....	266		
(b) Depreciation.....	266		
(c) Heat, Light and Taxes.....	266		
(d) Security.....	266		
(e) Maintenance.....	266		
(f) Leasehold Improvements.....	266		
(g) All Other.....	266		
Total.....	266		
<i>Percent of Premiums and Equivalents</i>			
(a) Rent.....	266		
(b) Depreciation.....	266		
(c) Heat, Light and Taxes.....	266		
(d) Security.....	266		
(e) Maintenance.....	266		
(f) Leasehold Improvements.....	266		
(g) All Other.....	266		
Total.....	266		

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.

Metric	Page	Definition	Calculation
Risk Adjustment Cost Summary			
Chart Reviews per 1,000 Members.....	269		
x Members per FTE.....	269		
= Chart Reviews per FTE per Year.....	269		
x Cost per Chart Review.....	269		
= Costs per FTE.....	269		
FTEs per 10,000 Members.....	269		
Costs per Member per Month.....	269		
Staffing vs. Non-Labor - Risk Adjustment			
Risk Adjustment Non-Labor Cost per Total FTE.....	269		
+ Risk Adjustment Total Staffing Costs per Total FTE.....	269		
= Risk Adjustment Total Costs per Total FTE.....	269		
x Risk Adjustment Total FTEs per 10,000 Members.....	269		
= Risk Adjustment Cost per Member per Month.....	269		
Percent of Risk Adjustment Costs that are Staffing.....	269		
Percent of Risk Adjustment Costs that are Non-Labor.....	269		
Percent of Risk Adjustment Costs that are Outsourced.....	269		
Percent of Risk Adjustment Staffing that is Outsourced.....	269		
Number of Chart Reviews			
Per 1,000 Members			
Internal.....	270		
Outsourced.....	270		
Total.....	271		
Percent of Charts Subject to Multiple Passes			
Internal.....	271		
Outsourced.....	272		
Total.....	272		
Percent of Charts Reviews: Internal vs. Outsourced			
Internal.....	273		
Outsourced.....	273		
Total.....	274		
Internal Charts Reviewed per Risk Adjustment FTE Reviewing Charts.....	274		

Risk Adjustment

Metric	Page	Definition	Calculation
Risk Adjustment Staffing			
Risk Adjustment Staffing FTEs per 10,000 Members			
Employees Reviewing Charts.....	275		
Other Risk Adjustment Employees.....	275		
Total.....	276		
Percent of Risk Adjustment Staffing			
Employees Reviewing Charts.....	276		
Other Risk Adjustment Employees.....	277		
Total.....	277		
Revenue Yields and Returns			
Risk Score Improvement Percentage			
Internal.....	278		
Outsourced.....	278		
Dollar Reimbursement Yield			
PMPY			
Internal.....	279		
Outsourced.....	279		
Total.....	280		
Per Chart Review			
Internal.....	280		
Outsourced.....	281		
Total.....	281		
As a Percent of Health Care Costs			
Internal.....	282		
Outsourced.....	282		
Total.....	283		
Vendors used by participants for outsourced risk-adjustment services.....	283		

SHERLOCK BENCHMARKS

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