

Plan Management Navigator

Analytics for Health Plan Administration



Healthcare Analysts

Douglas B. Sherlock, CFA
sherlock@sherlockco.com

Christopher E. de Garay
cgaray@sherlockco.com

Erin Ottolini
erin.ottolini@sherlockco.com

John Park, CFA
jpark@sherlockco.com

Andrew L. Sherlock
asherlock@sherlockco.com

(215) 628-2289

Please see page 4 for information on the pending release and opportunity to participate in the Sherlock Benchmarks.

STRONG RELATIONSHIP BETWEEN ASA AND CALL ABANDONMENT RATE

A few weeks ago, we received a call from a plan participating in the 2022 *Sherlock Benchmarks* advising us that its high Call Abandonment Rate and its high Average Speed of Answer (ASA) in its Provider Relations Services area were correct. The call arose from our data validation. The plan's results stemmed from it facing a difficult labor market in 2021. It has seen this difficulty in challenges in hiring and employee retention.

While we are still receiving and validating results from the 2022 study, the results from the 2021 study are available, and corroborate the relationship that the plan identified. In addition, this relationship between Call Abandonment and ASA is found in Member Services as well as Provider Network Services. The slopes are positive, the explanatory power is high and the P-Values are very low.

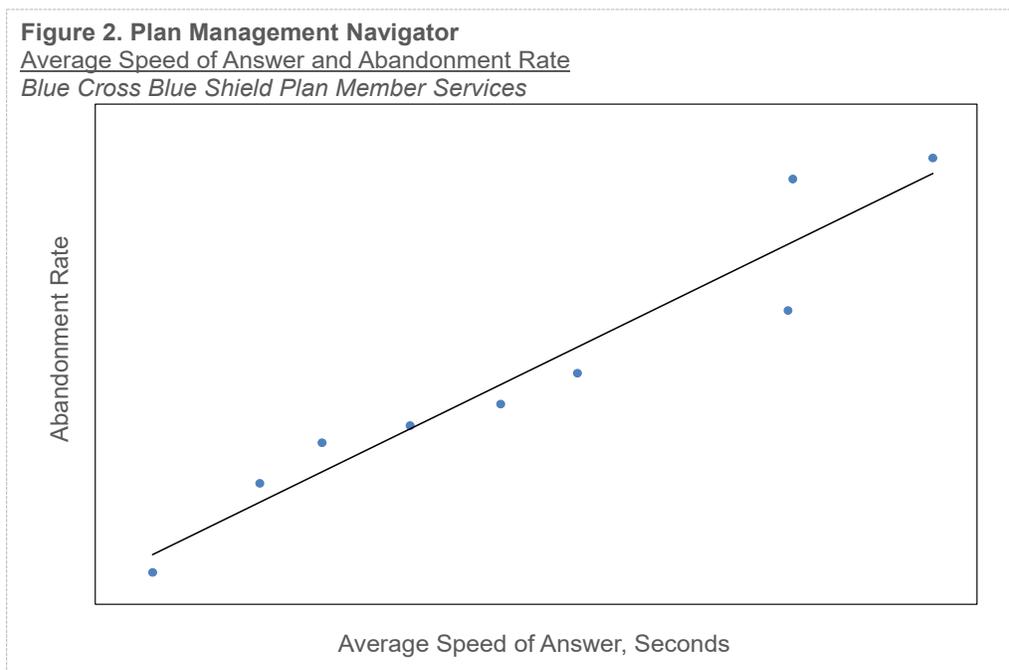
This study is the result of our analyses of 25 health plans that participated in ASA and Call Abandonment metrics for these activities in the 2021 cycle. The plans were reporting their 2020 calendar year results. Blue Cross Blue Shield Plans composed 9 of the plans and Independent / Provider - Sponsored Plans (IPS) composed 16 of the plans. These metrics were optional: a total of 14 Blue plans and 19 IPS plans participated in the 2021 survey.

Figure 1. Plan Management Navigator
Call Abandonment and ASA
Summary of Regressions

	Slope	P-Value	R ²	n	Total Plans
<i>Member Services</i>					
Blue Cross Blue Shield	0.00043	P<.001	92.5%	9	14
IPS	0.00082	P<.001	91.1%	16	19
<i>Provider Relations Services</i>					
Blue Cross Blue Shield	0.00016	P<.001	86.0%	7	14
IPS	0.00043	P<.001	90.5%	14	19

Figure 1 summarizes the results showing the two call center relationships for IPS and Blue plans. The slopes are all positive, that is, the higher the ASA the greater the Call Abandonment. The Member Services slopes relationships are steeper, thus Call Abandonment is more sensitive to ASA than are Provider Relation Services. The significance and predictive power are slightly stronger for Member Services than Provider Relations Services. IPS plans, with a larger sample, show slightly lower P-Values than Blues, though the differences are too small to display. The R² is the percent of the differences between the points that can be explained by the regression line. The P-Value is the probability that the regression line model can be explained by random sampling error.

Figure 2 shows one example of the relationships noted above. The positive slope for the Blue Cross Blue Shield Member Services relationship shows that a one second increase in Average Speed of Answer is associated with a 0.043 percentage point increase in Call Abandonment Rate. Put more actionably, a 30 second increase is associated with a 1.3 percentage point increase in abandonment, equating to a better than 50% increase in that percent. The R² is 92.5% and the P-Value is P<.001.



That a higher ASA is associated with higher Call Abandonment may be “shocking news from the world of science” but our analysis quantifies these unsurprising relationships. The results have implications for the complexity of optimizing costs. Staffing costs are approximately 90% of the costs in Provider Relations Services and Member Services, shown in Figure 3. These activities are fundamentally about human beings answering primarily telephone inquiries, and there are maximum practical limits to representative productivity. Thus, after a point, managing the staffing ratio is the key lever of cost management. On the other hand, declines in the staffing ratios can increase ASA leading to a high Call Abandonment rate. Plausible consequences of excessively low staffing is higher Average Speed of Answer, higher Call Abandonment and lower satisfaction and member retention.

Figure 3. Plan Management Navigator
Call Abandonment and ASA
Median Staffing Costs as a Percent of Comp. Total Admin Costs

	Member Services	Provider Relations Services
Blue Cross Blue Shield	87.6%	89.6%
IPS	92.4%	89.9%

Sherlock Benchmark Information for 2022 Cycle

For **Medicare Plans** and **Medicaid Plans**, we are still enrolling new participants. We expect to launch these surveys in early June. Reports for the two universes will be published beginning in September.

For the first time in a decade, we are intending to launch a Benchmarking universe of **Third Party Administrators**. Seven TPAs have said that they intend to participate and two more are appear inclined to do so. We will launch this survey in June and begin publishing in September.

If your organization has an interest in participating in Medicare, Medicaid or TPA universes, please reach out to us as soon as convenient. You will be among good company.

We expect to begin publishing the **Blue Cross Blue Shield** edition of the *Sherlock Benchmarks* in the third full week in June. We will be publishing our *Plan Management Navigator* summary at around that time. This universe of sixteen Plans serves 48.6 million people, approximately 74% of Blue Cross Blue Shield comprehensive members other than those served by Anthem.

In the second full week in July, we will begin publishing the **Independent / Provider - Sponsored** universe results. As with the Blue Cross Blue Shield edition, we will publish a *Plan Management Navigator* summarizing the results. The fifteen plans in this universe serve, we estimate, 10.8 million people with comprehensive products, a high share of the members served by the Health Plan Alliance and by the Alliance of Community Health Plans.

If your organization has an interest in licensing the Blue Cross Blue Shield or Independent / Provider - Sponsored universe results, we hope you will not hesitate to reach out to us.