

# Plan Management Navigator

## *Analytics for Health Plan Administration*



Healthcare Analysts

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*Please see page 11 for our invitation to participate in the 2023 or license the 2022 Sherlock Benchmarks.*

## LARGER PLANS ADMINISTRATIVE COSTS WERE LOWER COMPARED TO BLUES IN 2021

Larger Blue Cross Blue Shield Plans tended to post lower costs than their universe as a whole and than Blue Plans not included in this subset. While mix differences complicate the analysis, this relationship remained intact once product mixes are held constant.

The source of the data used in this analysis is from the 2022 Larger Plans edition of the *Sherlock Benchmarks*, a subset of the Blue Cross Blue Shield Plan universe. Of the sixteen total participating BCBS Plans, six were included in the Larger Plans universe.

We expect to follow up with a study of economies of scale in coming weeks.

### *Costs of Larger Plans, Expense Clusters as PMPM and Percent of Premium Equivalents*

In 2021, Larger Plans posted median Comprehensive administrative expenses of \$40.26 PMPM. This was 3.4% lower than the Blue Cross Blue Shield median expenses of \$41.66 PMPM, shown in Figure 1.

Larger Plans' largest cost advantage was in Sales and Marketing at \$8.60, lower by 18.9%. Larger Plans also enjoyed a cost advantage in the Corporate Services cluster at \$6.12 PMPM, lower by 1.8%. Our economies of scale studies, performed each year, generally identify the Corporate Services cluster as subject to economies of scale. The average size of the Larger Plan was 5.7 million compared to the average size of the BCBS Plan at 3.1 million.

On the other hand, Larger Plans had higher expenses in the Medical and Provider Management and Account and Membership Administration clusters. For Medical and Provider Management, Larger Plans costs were higher at \$6.29 PMPM compared to the Blues at \$5.99, a difference of 5.0%. Larger Plans' Account and Membership Administration costs were higher by 2.2% to \$18.70 PMPM.

**Figure 1. Sherlock Benchmark Summary**  
Larger Plans Costs by Functional Area Cluster, 2021 Results  
*Median Per Member Per Month Expenses*

Functional Area	Larger Plans				BCBS Median
	25th Percentile	Median	75th Percentile	Coefficient of Variation	
Sales and Marketing	\$7.72	\$8.60	\$11.71	49%	\$10.60
Medical and Provider Management	5.18	6.29	6.99	28%	5.99
Account and Membership Administration	13.86	18.70	20.69	27%	18.29
Corporate Services	5.46	6.12	7.19	21%	6.23
<b>Total Expenses</b>	<b>\$32.83</b>	<b>\$40.26</b>	<b>\$45.26</b>	<b>29%</b>	<b>\$41.66</b>

Figure 2 shows ratios of administrative expenses to premiums or equivalents. Similar to Figure 1, Larger Plans were lower in the Sales and Marketing cluster by 0.2 percentage points to 1.9%. However, Total expenses were *higher* for Larger Plans at 8.9% versus 8.7% for the Blues. Account and Membership Administration was higher by 0.2 percentage points to 4.0% and Medical and Provider Management was 0.1 percentage points higher to 1.4%. The Corporate Services cluster was essentially the same for the two sets of Plans at 1.3%. All of these calculations employ premium equivalents as a denominator.

### *Costs of Larger Plans, PMPM by Product*

PMPM product cost values are shown in Figure 3, along with the Blue Cross Blue Shield universe values for the same products. The products in each universe vary greatly in their per member costs so this look is one step towards ruling out the effect of product mix differences between the two Sherlock Company universes.

For Larger Plans, the average mix of Commercial products was 78% of comprehensive membership with administrative expenses both higher and lower than the median comprehensive products, depending on their financing mechanisms.

The ASO / ASC product administrative costs of Larger Plans were \$28.43 PMPM, lower than the comparable Blue Plans. For ASO, Indemnity and PPO costs a median of \$28.23 PMPM, HMO costs \$29.81 while POS costs \$39.41. For Larger Plans, the average member mix was 45%.

Total Commercial Insured costs were \$55.21 PMPM slightly higher than for Blues as a whole. Commercial Insured HMO, Indemnity & PPO, and POS costs were \$46.52 PMPM, \$55.10 PMPM, and \$61.45 PMPM, respectively. The average mix for Commercial Insured Products was 33%.

Commercial Total was 2.0% lower for Larger Plans at \$38.59 PMPM compared to \$39.80.

The FEP (Federal Employee Program) is included in Blue Plan product portfolios. Median FEP costs were \$31.10 PMPM, higher than for the Blue Plans as a whole. The average product mix was 5% of Comprehensive members among the Larger Plans.

**Figure 2. Sherlock Benchmark Summary**  
 Larger Plans Costs by Functional Area Cluster, 2021 Results  
 Median Percent of Premium Equivalents

Functional Area	Larger Plans			Coefficient of Variation	BCBS Median
	25th Percentile	Median	75th Percentile		
Sales and Marketing	1.7%	1.9%	2.4%	43%	2.1%
Medical and Provider Management	1.1%	1.4%	1.5%	23%	1.3%
Account and Membership Administration	2.9%	4.0%	4.4%	27%	3.7%
Corporate Services	1.2%	1.3%	1.4%	16%	1.3%
<b>Total Expenses</b>	<b>7.0%</b>	<b>8.9%</b>	<b>9.7%</b>	<b>25%</b>	<b>8.7%</b>

The Medicare Supplement's median costs were \$29.94 for the Larger Plans, lower than for the Blue Plans as a whole. The Larger Plan mix of Medicare Supplement members was 5% of Comprehensive membership.

Medicaid and Medicare Advantage are government-sponsored products serving eligible low-income beneficiaries and seniors, respectively. Per Member Per Month, Medicaid costs were \$36.60 PMPM and was 8% of comprehensive membership. Median costs were exactly the same in both sets.

Medicare was less of a focus for Larger Plans with an average mix at 4% and median PMPM costs of \$135.58 PMPM. Median costs for Individual and Group Medicare products were \$151.42 PMPM and \$154.44 PMPM, respectively. Not all Plans offered both products but, overall, costs ran lower for the Larger Plans. While not included in Comprehensive products, Medicare Special Needs Plans (SNP) was \$141.70 PMPM with two of the six Larger Plans offering this product. This was less than that for the Blue Plans as a whole.

The specialty products of Stand-Alone Medicare Part D and Stand-Alone Dental at \$18.34 and \$3.24 PMPM, respectively, favored the Blue Plans as a whole.

**Figure 3. Sherlock Benchmark Summary**  
**Larger Plans Costs by Product, 2021 Results**  
*Per Member Per Month*

Product	Larger Plans			Coefficient of Variation	BCBS Median
	25th Percentile	Median	75th Percentile		
<b>Commercial HMO</b>					
Insured	\$40.25	\$46.52	\$51.13	18%	\$52.94
ASO / ASC	\$22.30	\$28.81	\$31.87	37%	\$35.56
<b>Commercial POS</b>					
Insured	\$51.68	\$61.45	\$64.59	24%	\$54.46
ASO / ASC	\$39.41	\$39.41	\$39.41	NM	\$37.52
<b>Indemnity &amp; PPO</b>					
Insured	\$49.37	\$55.10	\$63.90	29%	\$55.10
ASO / ASC	\$24.91	\$28.23	\$29.44	28%	\$29.04
Commercial Insured	\$47.92	\$55.21	\$60.43	27%	\$54.10
Commercial ASO/ASC	\$24.65	\$28.43	\$32.73	28%	\$29.55
Commercial Total	\$31.20	\$38.59	\$41.78	33%	\$39.80
FEP	\$21.98	\$31.10	\$32.47	28%	\$28.02
<b>Medicare Advantage</b>					
Individual	\$130.27	\$151.42	\$160.81	27%	\$157.67
Group	\$136.54	\$154.44	\$164.76	21%	\$147.23
Medicare Advantage Total	\$120.78	\$135.58	\$157.07	28%	\$145.39
Medicaid	\$32.04	\$36.60	\$49.41	43%	\$36.60
Medicare Supplement	\$25.04	\$29.94	\$34.28	43%	\$35.18
<b>Comprehensive Total</b>	<b>\$32.83</b>	<b>\$40.26</b>	<b>\$45.26</b>	<b>29%</b>	<b>\$41.66</b>
Medicare Advantage SNP	\$116.27	\$141.70	\$167.13	51%	\$192.56
Stand-Alone Medicare Part D	\$11.40	\$18.34	\$21.85	117%	\$16.09
Stand Alone Dental	\$2.69	\$3.24	\$4.26	78%	\$3.23

## Costs of Larger Plans, Percent of Premium Equivalents by Product

While the PMPM comparisons favor the Larger Plans, overall, the percent of premium ratios favor the Blue Plans as a whole, as shown in Figure 4. Notwithstanding, there were few products that did not favor the Larger Plans. These were the POS products and Indemnity and PPO ASO/ASC. In Total Commercial, insured favored Larger Plans and Total ASO favored the Blue Universe as a whole. Blue plans had lower costs in both group and individual MA, though on a combined basis Larger Plans had lower costs. Medicaid and Medicare Part D also favored the Blue universe as a whole.

## Cluster Comparisons when Sets are Mutually Exclusive

Since the Larger Plan universe is a subset of the overall Blue universe, we thought that perhaps the above analyses could fail to capture the cost differences between the Larger Plans and other Blue Plans. Figures 5 and 6 exclude the Larger Plans from the Blue Cross Blue Shield universe making the comparison sets mutually exclusive.

**Figure 4. Sherlock Benchmark Summary**  
**Larger Plans Costs by Product, 2021 Results**  
*Percent of Premium Equivalents*

Product	Larger Plans			Coefficient of Variation	BCBS Median
	25th Percentile	Median	75th Percentile		
<b>Commercial HMO</b>					
Insured	7.3%	9.1%	10.9%	31%	9.3%
ASO / ASC	4.0%	4.4%	6.5%	48%	6.7%
<b>Commercial POS</b>					
Insured	9.3%	10.1%	10.6%	13%	9.8%
ASO / ASC	10.0%	10.0%	10.0%	NM	7.4%
<b>Indemnity &amp; PPO</b>					
Insured	8.9%	9.8%	10.6%	24%	10.6%
ASO / ASC	5.5%	7.5%	10.8%	163%	7.0%
Commercial Insured	8.8%	10.0%	10.3%	24%	10.3%
Commercial ASO/ASC	5.5%	7.6%	9.7%	165%	6.9%
Commercial Total	6.6%	8.8%	10.0%	27%	8.3%
FEP	3.5%	5.1%	6.1%	37%	4.7%
<b>Medicare Advantage</b>					
Individual	12.4%	16.0%	17.2%	24%	15.7%
Group	10.7%	11.7%	13.0%	14%	10.8%
Medicare Advantage Total	11.5%	13.7%	16.3%	25%	14.8%
Medicaid	8.7%	11.5%	11.8%	35%	10.2%
Medicare Supplement	12.9%	15.0%	24.7%	50%	17.0%
<b>Comprehensive Total</b>	7.0%	8.9%	9.7%	25%	8.7%
Medicare Advantage SNP	7.2%	7.8%	8.4%	21%	9.0%
Stand-Alone Medicare Part D	10.7%	20.2%	22.3%	51%	18.3%
Stand Alone Dental	11.4%	17.1%	19.8%	43%	17.8%

The results were similar to Figures 1 and 2. Figure 5 shows that Total Median Expenses were \$1.40 PMPM, or 3.4%, lower for Larger Plans essentially identical to that of Figure 1. Lower Sales and Marketing expenses was Larger Plans' central cost advantage. Corporate Services was a source of advantage while Account and Membership Administration and Medical and Provider Management was higher for the Larger Plans.

Figure 6 shows medians on a percent of premium equivalents for Larger Plans and Blue Cross Blue Shield Only Plans. Similar to Figure 2, the comparisons favored the Blue Plans. Total expenses were 0.3 percentage points *higher* than Blue Only Plans, again similar against to higher 0.2 percentage point difference in the Figure 2 comparisons. In the percent comparisons, Sales and Marketing costs were lower for the Larger Plans while expenses were higher for Medical and Provider Management and Account and Membership Administration. Corporate Services were nearly identical.

#### Figure 5. Sherlock Benchmark Summary

Larger Plans vs. BCBS Costs by Functional Area Cluster, 2021 Results  
Per Member Per Month Expenses

Functional Area	Larger Plans Median	Blue Only* Median	PMPM Difference	Percent Difference
Sales and Marketing	\$8.60	\$10.91	(\$2.31)	-21.2%
Medical and Provider Management	6.29	5.83	0.46	7.9%
Account and Membership Administration	18.70	17.96	0.74	4.1%
Corporate Services	6.12	6.23	(0.12)	-1.8%
<b>Total Expenses</b>	<b>\$40.26</b>	<b>\$41.66</b>	<b>(\$1.40)</b>	<b>-3.4%</b>

\*Only includes Blue Plans not included in the Larger Plans universe

#### Figure 6. Sherlock Benchmark Summary

Larger Plans vs. BCBS Costs by Functional Area Cluster, 2021 Results  
Percent of Premium Equivalents

Functional Area	Larger Plans Median	Blue Only* Median	Pct. Pt. Difference	Percent Difference
Sales and Marketing	1.9%	2.2%	-0.26%	-12.0%
Medical and Provider Management	1.4%	1.2%	0.19%	15.7%
Account and Membership Administration	4.0%	3.7%	0.24%	6.4%
Corporate Services	1.3%	1.3%	0.08%	6.7%
<b>Total Expenses</b>	<b>8.9%</b>	<b>8.6%</b>	<b>0.31%</b>	<b>3.6%</b>

\*Only includes Blue Plans not included in the Larger Plans universe

## Product Comparisons when Sets are Mutually Exclusive

The results by product are relatively similar when the Plans are mutually exclusive as to when they are not, as shown in Figure 7. In fact, Blue Only Plans' median expenses were the same as all Blue Plans at \$41.66 PMPM, yielding the same \$1.40 PMPM difference from Larger Plans. Blue values were also the same as the subset that excluded Larger Plans for Commercial Insured as well.

Reweightings expenses at the Blue Only Average mix resulted lower expenses for Larger Plans at \$41.83 versus \$43.81 for Blue Only Plans, by 4.5%. Meanwhile, reweighting at the Larger Plan mix also resulted in lower expenses for Larger Plans at \$42.81 compared to \$44.32 PMPM, 3.4% lower. (The weighted values differ from the total Comprehensive values because of our use of medians and because not all Plans offer all products.)

**Figure 7. Sherlock Benchmark Summary**  
Larger Plans vs. BCBS Costs by Product, 2021 Results  
Per Member Per Month

Product	Larger Plans Median	Blue Only* Median	PMPM Difference	Percent Difference
<b>Commercial HMO</b>				
Insured	\$46.52	\$65.96	-\$19.45	-29.5%
ASO / ASC	\$28.81	\$38.25	-\$9.44	-24.7%
<b>Commercial POS</b>				
Insured	\$61.45	\$47.46	\$13.99	29.5%
ASO / ASC	\$39.41	\$33.58	\$5.83	17.4%
<b>Indemnity &amp; PPO</b>				
Insured	\$55.10	\$55.68	-\$0.58	-1.0%
ASO / ASC	\$28.23	\$30.74	-\$2.52	-8.2%
Commercial Insured	\$55.21	\$54.10	\$1.11	2.0%
Commercial ASO/ASC	\$28.43	\$30.74	-\$2.31	-7.5%
<b>Total Commercial</b>	<b>\$38.59</b>	<b>\$40.13</b>	<b>-\$1.54</b>	<b>-3.8%</b>
FEP	\$31.10	\$25.64	\$5.46	21.3%
<b>Medicare Advantage</b>				
Individual	\$151.42	\$158.83	-\$7.41	-4.7%
Group	\$154.44	\$130.04	\$24.39	18.8%
<b>Medicare Advantage Total</b>	<b>\$135.58</b>	<b>\$156.96</b>	<b>-\$21.38</b>	<b>-13.6%</b>
Medicaid	\$36.60	\$32.54	\$4.06	12.5%
Medicare Supplement	\$29.94	\$35.82	-\$5.88	-16.4%
<b>Comprehensive Total</b>	<b>\$40.26</b>	<b>\$41.66</b>	<b>-\$1.40</b>	<b>-3.4%</b>
<i>Costs at Blue Average Mix</i>	<i>\$41.83</i>	<i>\$43.81</i>	<i>-\$1.98</i>	<i>-4.5%</i>
<i>Costs at Larger Average Mix</i>	<i>\$42.81</i>	<i>\$44.32</i>	<i>-\$1.51</i>	<i>-3.4%</i>
Medicare Advantage SNP	\$141.70	\$208.90	-\$67.20	-32.2%
Stand-Alone Medicare Part D	\$18.34	\$13.77	\$4.57	33.2%
Stand Alone Dental	\$3.24	\$3.23	\$0.01	0.4%

\*Only includes Blue Plans not included in the Larger Plans universe

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Similar to the results of *all* Blue Plans in Figure 3, Larger Plans held their cost advantage in Commercial HMO Insured and ASO/ASC. Commercial POS continued to be higher cost in the Commercial POS Insured and ASO / ASC products. The Indemnity and PPO ASO / ASC product produced similar results to *all* Blue Plans, but the Insured product was lower for Larger Plans by 1.0% or \$0.58 PMPM compared to the Blue Only Plans. This is different from the comparison of Larger versus *all* Blue Plans, where the two sets were equal at \$55.10 PMPM. Total Commercial Insured continued to be higher for Larger Plans, while Larger Plans retained their cost advantage in Commercial ASO/ASC and Commercial Total.

Larger Plans' costs in FEP continued to be higher in the Blue Only comparison.

Medicare Advantage Total and Individual Medicare continued to be lower for Larger Plans. Both sets of Blue Plans held a cost advantage in Group Medicare Advantage.

Medicaid costs for Larger Plans was \$4.06 PMPM, or 12.5%, higher than Blue Only Plans. There was no cost difference between Larger and *all* Blue Plans at \$36.60 PMPM, seen in Figure 3. Medicare Supplement continued to be lower for Larger Plans.

The Non-Comprehensive products produced similar results to Figure 3. Larger Plans held their cost advantage in Medicare Advantage SNP, while being higher in Stand-Alone Medicare Part D and Stand Alone Dental.

Figure 8, on the next page, shows product expenses on a percent of premium equivalents for Larger Plans compared to Blue Only Plans, which is similar to Figure 4. Larger Plans continued to have higher expenses in Comprehensive Total. Costs reweighted at the Blue Only Average Mix resulted in equal expenses for both sets of plans at 8.8% of premium equivalents. Meanwhile, costs reweighted at the Larger Plan mix resulted in higher costs for Larger Plans at 9.1% versus 9.0% for the other Blues, or greater by 0.1 percentage point.

Directionally, the cost advantages for each of the products identified in Figure 4 were also found among products in these mutually exclusive sets shown in Figure 8. For Commercial Products, Larger Plans held their cost advantage over Blue Only Plans in both Commercial HMO products, Indemnity and PPO Insured, and Total Commercial Insured. Conversely, Larger Plans were higher in both Commercial POS products, Indemnity and PPO ASO/ASC, Commercial ASO/ASC, and Total Commercial. These results were similar to the comparison of Larger Plans and all Blue Plans.

FEP continued to be higher for Larger Plans.

Medicare Advantage Individual and Medicare Advantage Group costs were also higher. Medical Advantage Total, however, was lower for Larger Plans.

Medicaid expenses for Larger Plans was higher than Blue Only Plans and was also higher for all Blue Plans. Medicare Supplement continued to be lower for Larger Plans on a percent of premium basis.

For the non-comprehensive products, Larger Plans was higher in Stand-Alone Medicare Part D, while lower in Medicare Advantage SNP and Stand Alone Dental. These results were similar regardless of measuring against all Blue Plans or the mutually exclusive, Blue Only set.

Figure 9, on the next page, shows average product mix for Larger Plans and Blue Only Plans.

They are relatively similar in many respects. FEP, Medicare Supplement and Medicare Advantage are similar in their respective focuses. But while Larger Plans have less of a focus on Commercial Total, especially in ASO/ASC, they also have a much greater focus on Medicaid.

**Figure 8. Sherlock Benchmark Summary**  
Larger Plans vs. BCBS Costs by Product, 2021 Results  
*Percent of Premium Equivalents*

<b>Product</b>	<b>Larger Plans Median</b>	<b>Blue Only* Median</b>	<b>Pct. Pt. Difference</b>	<b>Percent Difference</b>
<b>Commercial HMO</b>				
Insured	9.1%	9.3%	-0.3%	-3.0%
ASO / ASC	4.4%	6.8%	-2.4%	-34.9%
<b>Commercial POS</b>				
Insured	10.1%	9.6%	0.5%	5.2%
ASO / ASC	10.0%	6.8%	3.2%	46.6%
<b>Indemnity &amp; PPO</b>				
Insured	9.8%	11.1%	-1.3%	-11.9%
ASO / ASC	7.5%	7.0%	0.6%	8.0%
Commercial Insured	10.0%	10.9%	-0.9%	-8.2%
Commercial ASO/ASC	7.6%	6.9%	0.7%	10.1%
<b>Total Commercial</b>	<b>8.8%</b>	<b>8.2%</b>	<b>0.6%</b>	<b>7.5%</b>
FEP	5.1%	4.6%	0.5%	11.5%
<b>Medicare Advantage</b>				
Individual	16.0%	15.3%	0.7%	4.6%
Group	11.7%	10.4%	1.3%	12.6%
<b>Medicare Advantage Total</b>	<b>13.7%</b>	<b>14.8%</b>	<b>-1.1%</b>	<b>-7.5%</b>
Medicaid	11.5%	9.1%	2.4%	25.9%
Medicare Supplement	15.0%	17.3%	-2.3%	-13.0%
<b>Comprehensive Total</b>	<b>8.9%</b>	<b>8.6%</b>	<b>0.3%</b>	<b>3.6%</b>
<i>Costs at Blue Average Mix</i>	<i>8.8%</i>	<i>8.8%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Costs at Larger Average Mix</i>	<i>9.1%</i>	<i>9.0%</i>	<i>0.1%</i>	<i>1.4%</i>
Medicare Advantage SNP	7.8%	13.7%	-5.9%	-43.0%
Stand-Alone Medicare Part D	20.2%	14.3%	5.9%	41.4%
Stand Alone Dental	17.1%	18.0%	-1.0%	-5.4%

*\*Only includes Blue Plans not included in the Larger Plans universe*



## Characteristics of Larger Plans and Other Universes

Collectively, Larger Plans served 34 million people under Comprehensive Products. Total Commercial comprised 28 million, or 81% of total members for Larger Plans. Of those Commercial members, about 64% or 18 million were served under self-insured ASO. Medicaid and Medicare Advantage membership totaled 2.4 million and 1.0, respectively. FEP reflected a total of 1.6 million, while Medicare Supplement reflected 1.5 million.

Larger Plans' median mix for premiums for Total Commercial was 68%, while Commercial Insured and ASO were 62% and 5%, respectively. Medicare Supplement represented a median of 3% of premiums, while FEP was 10%. Medicaid and Medicare Advantage was 4% and 9%, respectively.

**Figure 9. Sherlock Benchmark Summary**  
Larger Plans Costs by Product, 2021 Results

Product	Average Product Mix		Pct. Pt. Difference
	Larger	Blue Only*	
<b>Commercial HMO</b>			
Insured	6.7%	4.6%	2.1%
ASO / ASC	1.5%	3.9%	-2.5%
<b>Commercial POS</b>			
Insured	2.7%	1.8%	0.9%
ASO / ASC	3.6%	4.1%	-0.6%
<b>Indemnity &amp; PPO</b>			
Insured	23.5%	24.1%	-0.7%
ASO / ASC	40.4%	43.2%	-2.8%
Commercial Insured	32.9%	30.5%	2.4%
Commercial ASO/ASC	45.4%	51.2%	-5.8%
Commercial Total	78.3%	81.7%	-3.4%
FEP	5.1%	5.9%	-0.8%
<b>Medicare Advantage</b>			
Individual	2.4%	3.5%	-1.1%
Group	1.5%	0.3%	1.3%
Medicare Advantage Total	3.9%	3.8%	0.2%
Medicaid	7.8%	3.9%	3.9%
Medicare Supplement	4.9%	4.7%	0.2%
<b>Comprehensive Total</b>	100.0%	100.0%	0.0%
Medicare Advantage SNP	NA	NA	NA
Stand-Alone Medicare Part D	NA	NA	NA
Stand Alone Dental	NA	NA	NA

\*Only includes Blue Plans not included in the Larger Plans universe

The *Sherlock Benchmarks* (*Sherlock Expense Evaluation Report* or *SEER*) represent the cumulative experience of 963 health plan years. Each peer group in the *Sherlock Benchmarks* is established to be relatively uniform. So, within that constraint, it is open to most Blue Cross Blue Shield Plans, Independent / Provider – Sponsored, Medicare, and Medicaid plans possessing the ability to compile high-quality, segmented financial and operational data. (Larger Plans are a subset of Blue Plans.) We surveyed the participants to populate the *Sherlock Benchmarks* and this summary.

Figure 10 highlights the characteristics of the different universes of the *Sherlock Benchmarks*.

**Figure 10. Sherlock Benchmark Summary**  
Selected Characteristics of Sherlock Benchmark Universes  
 Results reflect the year ended December 31, 2021.

	Blue Cross Blue Shield	Larger	Independent / Provider- Sponsored	Medicaid	Medicare
<b>Sample Size</b>					
Number of Participants	16	6	15	14	10
Total Membership (000's) <sup>1</sup>	49,144	34,489	10,573	14,511	12,409
Median Membership (000's)	2,214	3,600	555	674	899
Mean Membership (000's)	3,071	5,748	705	1,037	1,241
<b>Supplemental Content</b>					
Medicaid or Medicare Membership from Other Universes (000's)	NA	NA	NA	1,049	860
Total Medicaid or Medicare Product Members (000's)	NA	NA	NA	9,091	1,525
<b>Market Mix (Premiums and Fees)</b>					
Commercial <sup>2</sup>					
Median	69.7%	68.2%	46.6%	21.9%	41.2%
Average	63.8%	62.0%	49.0%	21.0%	36.7%
Medicare Advantage					
Median	8.3%	8.7%	12.7%	17.9%	34.3%
Average	12.5%	12.9%	17.3%	19.1%	33.1%
Medicaid Total					
Median	0.0%	3.9%	25.4%	39.4%	28.0%
Average	6.7%	10.6%	21.3%	46.1%	23.8%
<b>Product Mix</b>					
Percent Managed Care (Premiums and Fees) <sup>3</sup>					
Median	32.6%	0.0%	72.2%	83.1%	91.3%
Average	36.7%	14.5%	67.9%	76.1%	86.4%
Percent ASO (Members)					
Median	49.6%	50.8%	21.9%	13.2%	13.8%
Average	49.1%	45.4%	29.2%	16.0%	16.1%
<b>States Served</b>					
	24	10	24	21	10

<sup>1</sup> Membership reflects only "comprehensive" products which may include commercial and government products.

<sup>2</sup> Commercial excludes FEP.

<sup>3</sup> Managed Care is the sum of Medicare Advantage, Medicaid Total and Commercial HMO.

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Tables of Contents, report formats, citations, quality assurance and other information can be found on the following page.

<https://sherlockco.com/sherlock-benchmarks>

In addition, the Sherlock Company website has an application that allows you to try out the Benchmarks for no charge.

<https://sherlockco.com/test-drive/>

If you are interested in licensing these materials we hope that you will not hesitate to contact us ([sherlock@sherlockco.com](mailto:sherlock@sherlockco.com)).

### *Invitation to Participate in the 2023 Sherlock Benchmarking Study*

We will soon begin the development of our panels for the 2023 *Sherlock Benchmarks* cycle. The highly validated, well-populated *Sherlock Benchmarks* helps prioritize cost management activities and provide an unbiased ranking and to have the greatest impact on improving your health plan's overall operating performance.

The 2023 study will be the 26th consecutive year, building on a cumulative experience of 963 health plan years. Since June of 2019, health plans serving more than 210 million people have licensed the *Sherlock Benchmarks* including most Blue Cross Blue Shield plans, public companies and the largest Independent/Provider-Sponsored health plans.

For the most recent cycle of the *Sherlock Benchmarks*, of the 33 U.S.-based Blue Cross Blue Shield primary licensees, sixteen serving approximately 49.1 million people, participated in the *Sherlock Benchmarks* for Blue Cross Blue Shield Plans. Of the 15 members of the Alliance of Community Health Plans that are not focused on public programs or are staff-model plans, six participated in the *Sherlock Benchmarks* for Independent / Provider - Sponsored health plans. Four of the 10 largest commercial-focused Health Plan Alliance members are participating in this year's *Sherlock Benchmarks*. Health plans serving 15% of all Medicaid members participated in the *Sherlock Benchmarks*.

The *Sherlock Benchmarks* have been called the "Gold Standard" by leading health care consultants. Report publication begins in late June but varies by universe. Participation entails efforts on your part since useful outputs require relatively granular inputs. However, the cost is relatively modest.

Please reach out to Douglas Sherlock at [sherlock@sherlockco.com](mailto:sherlock@sherlockco.com) or 215-628-2289 if you are interested in participation in the 2023 cycle. *You will be among good company.*

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