

OGB Performance Standard Penalties: 2013

Medical Administrative Fee

2013 Actual	
January	\$2,979,612.00
February	\$2,959,630.00
March	\$2,959,087.50
April	\$2,962,444.50
May	\$2,946,036.00
June	\$2,946,768.00
July	\$2,920,484.00
August	\$2,906,118.50
September	\$2,894,804.50
October	\$2,910,142.00
November	\$2,921,041.00
December	\$2,926,334.50
2013 Total	\$35,232,502.50

2013 Maximum Fees at Risk	
General Standards- 10% Total Medical Administrative Fees	\$3,523,250.25
Data Submission Standard- \$10,000/day	\$20,000.00
Enrollment Meeting Standard- 40 meetings @ \$1,000/meeting	\$0.00
MH&SA Standards- 17.5% Total Medical Administrative Fees	\$6,165,687.94
Annual Independent Audit, due 9/30/13- 92 days @ \$1,000/day	\$0.00
Total Fees at Risk	\$9,708,938.19

2013 Fees Owed	
Average Speed to Answer Standard = <30 seconds 2013 Results : 39 seconds	\$352,325.03
Claims Accuracy Standard = 98% 2013 Results : 96.31%	\$352,325.03
Membership Identification Cards Timeliness Standard = 100% 2013 Results : 99.92%	\$352,325.03
Data Submission Timeliness Standard = Files submitted within 10 business days after end of month 2013 Results : 2 late files *1	\$20,000.00
MH&SA - Appeals Standard = 100% w/in 72 hrs. 2013 Results : 98.53%	\$528,487.54
MH&SA-Ambulatory Follow-up Standard = 60% 2013 Results : 53%	\$528,487.54
MH&SA -Medical Integration Standard = 90.07% 2013 Results : 86.98%	\$528,487.54
MH&SA-Member Satisfaction Survey Score Standard = 90% 2013 Results : 80%	\$528,487.54
Total Fees at Owed	\$3,190,925.25

*1 February and July Provider Claim Payment Registers 1 day late.

Detail to Support 2013 Performance Standard Penalties Document

The contract between Blue Cross and Blue Shield of Louisiana and the state of Louisiana employees and retirees group, also known as the Office of Group Benefits (OGB), contains 26 performance goals (called service level agreements, or SLAs) related to customer service and claims processing. During 2013 Blue Cross experienced challenges in meeting a handful of these goals. This document is intended to outline the specifics of the 2013 SLAs in question.

We have worked diligently to provide value to the state of Louisiana and excellent service to the members of the state group. Surveys show 89% of OGB members are satisfied with our service. We have created corrective action plans for the areas that presented challenges last year. We have resolved all issues and are fully prepared for excellent performance during the 2014 calendar year.

Specifics

The areas of challenge for Blue Cross were:

- **Average Speed to Answer** (of customer service phone calls) – The goal was a 2 tier goal: The first tier was an average of below 45 seconds for the year. The second tier goal was an average of below 30 seconds for the year. Our average of the year was 39 seconds. We achieved the first tier goal, but not the second tier. (Penalty 1% of 2013 administrative fees)
- **Claims Accuracy** – The goal was a 2 tier goal: The first tier was to process 96% of the claims accurately for the year. The second tier goal was to process 98% of the claims accurately for the year. Our results were 96.31%. We achieved the first tier goal, but not the second tier goal. (Penalty 1% of 2013 administrative fees)
- **Membership ID Card (Delivery) Timeliness** – The goal was to mail ID cards to 100% of new participants prior to the effective date of service. We did not meet the goal on 3 ID cards resulting in a 99.92% of the goal. (Penalty 1% of 2013 administrative fees)
- **Data Submission** – The goal is to submit files to OGB within ten (10) business days after the end of the month. We were one day late in February and July in forwarding provider claim payment registers. (Penalty \$10,000 per day per occurrence)

In addition, Magellan – a vendor that provides mental health and substance abuse care for OGB members as a contractor to Blue Cross – experienced the following areas of challenge. We are working closely with Magellan to improve their performance standards as well as our own.

- **Percent of appeals resolved within time frame of 72 hours** – The goal was 100% of appeals resolved within 72 hours. One appeal was resolved within 73 hours which resulted in a measure of 98.53%. (Penalty 1.5% of 2013 administrative fees)
- **Ambulatory follow-up after acute hospitalization within seven days of discharge** – The goal was 61% and our performance was 53%. (Penalty 1.5% of 2013 administrative fees)

- **Medical Integration** (percentage of members identified with major depressive, bipolar and psychotic disorders with an annual medical visit to their primary care provider) – The goal was 90.07% (10% improvement from the baseline). The year to date measure was 86.98% (-3.09% improvement from the baseline). (Penalty 1.5% of 2013 administrative fees)
- **Member Satisfaction Survey Score for members receiving services for Mental Health and Substance Abuse** – The goal was 90% of the members receiving mental health and substance abuse services would be satisfied. The survey results were 80% satisfaction for these members. (Penalty 1.5% of 2013 administrative fees)

As a local Louisiana company, owned by our policyholders, we're held to a very high standard by all of them – our relatives, friends and neighbors. We believe our openness and transparency with our clients and the public shows that we value integrity and will continue to operate with a high level of respect for that value in the year ahead.