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Board Chair

Date: March 23, 2023

Item Number: IX - Supplemental

SUMMARY

This report provides the PEBP Board and members of the public with supplemental information regarding CTI's audit of PEBP's Third-Party Administrator, UMR, and the performance guarantees that were not part of the Random Sample Audit results. The tables below illustrate additional penalties being assessed by PEBP for self-reported, unmet performance guarantees not captured in the Q1 audit.

REPORT

Claims Administration

There are a total of nineteen (19) measurement categories of service and performance guarantees related to claims administration. In addition to the exceptions noted in the audited performance guarantees, there were six guarantees reported to be "Not Met" with penalties calculated against total fees of \$1,303,565.40:

Performance Guarantee	Result	Fees at Risk	Calculated Penalty
1.4 Claim Adjustment Processing Time	NOT MET	1.0%	\$13,035.65
1.5 (Customer Service) Telephone Service Factor	NOT MET	1.0%	\$13,035.65
1.6 Call Abandonment Rate	NOT MET	1.0%	\$13,035.65
1.9 CSR Audit	NOT MET	1.0%	\$13,035.65
1.11 Participant Email Response Performance - 8 Hours	NOT MET	1.0%	\$13,035.65
1.11 Participant Email Response Performance - 24 Hours	NOT MET	1.0%	\$13,035.65
Total			\$78,213.92

Network Administration

There are a total of six (6) measurement categories of service and performance guarantees related to network administration. There was one (1) guarantee reported to be “Not Met” with penalties calculated against total fees of \$664,716.60:

Performance Guarantee	Result	Fees at Risk	Calculated Penalty
2.1 EDI Claims Repricing Turnaround Time	NOT MET	2.0%	\$13,294.33
Total			\$13,294.33

Utilization Management and Case Management

There are a total of thirteen (13) measurement categories of service and performance guarantees related to Utilization Management and Case Management. There was one (1) guarantee reported to be “Not Met” with penalties calculated as the number of unreported high-cost claims (12 claims) against fees of \$1,000.00 per occurrence:

Performance Guarantee	Result	Fees at Risk	Calculated Penalty
3.2 Notification of high-cost claims (per occurrence)	NOT MET	\$1,000 per occurrence	\$12,000.00
Total			\$12,000.00

Summary

This is a brief summary of the performance guarantees where the measurements were determined to be “Not Met:”

Performance Guarantee	Calculated Penalty
1. Claims Administration	\$78,213.92
2. Network Administration	\$13,294.33
3. Utilization Management and Case Management	\$12,000.00
Total	\$103,508.25

The penalties, totaling \$103,508.25, are administratively and automatically assessed by PEBP to the vendor. This is in conjunction with the audited penalties totaling \$58,660.44. The calculated penalties for the period ending 09/30/2022 total **\$162,168.69**.