

CM

**BLUE CROSS AND BLUE SHIELD OF MICHIGAN
ADMINISTRATIVE SERVICES CONTRACT - MONTHLY WIRE**

QUARTERLY SETTLEMENT

FOR THE PERIOD: JULY, 2011 - SEPTEMBER, 2011

MONTHLY PAYMENT DEVELOPMENT

FOR THE PERIOD: JANUARY, 2012 - MARCH, 2012

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11/18/2011

GROUP

SECTION 1: CLAIMS EXPERIENCECLAIMS LIABILITY FOR THE SETTLEMENT PERIOD 07/11-09/11

	<u>07/11</u>	<u>08/11</u>	<u>09/11</u>	<u>TOTAL</u>
1 BLUE CROSS	\$122,018	\$117,511	\$62,906	\$302,435
2 BLUE SHIELD	\$110,949	\$163,066	\$102,443	\$376,458
3 BENEFITS INVOICED	\$232,967	\$280,577	\$165,349	\$678,893
4 LESS: STOP-LOSS CREDIT	<u>\$13,334-</u>	<u>\$27,622-</u>	<u>\$11,394-</u>	<u>\$52,350-</u>
5 NET COST	\$219,633	\$252,955	\$153,955	\$626,543

CLAIMS LIABILITY FROM PRIOR PERIODS

	<u>10/10-12/10</u>	<u>01/11-03/11</u>	<u>04/11-06/11</u>	<u>12 MONTH SUMMARY 10/10-09/11</u>
1 BLUE CROSS CHARGES				\$2,929,222
2 LESS: HOSPITAL SAVINGS				<u>\$1,697,126-</u>
3 BLUE CROSS	\$357,881	\$287,857	\$283,923	\$1,232,096
4 BLUE SHIELD	\$322,871	\$276,184	\$320,342	\$1,295,855
5 BENEFITS INVOICED	\$680,752	\$564,041	\$604,265	\$2,527,951
6 LESS: STOP-LOSS CREDIT	<u>\$91,415-</u>	<u>\$0</u>	<u>\$27,911-</u>	<u>\$171,676-</u>
7 NET COST	\$589,337	\$564,041	\$576,354	\$2,356,275
8 ANNUAL HOSPITAL SAVINGS	57.9%			

GROUP

SECTION 2: REEVALUATION OF HOSPITAL PREPAYMENT

01/12-03/12

1 HOSPITAL BENEFITS PROCESSED FOR YOUR GROUP IN THE SETTLEMENT PERIOD 10/10-09/11:	\$1,232,096
2 LESS: HOSPITAL (BLUE CROSS) STOP-LOSS CREDIT:	\$115,647-
3 NET HOSPITAL (BLUE CROSS) CLAIMS INVOICED BY BCBSM IN THE SETTLEMENT PERIOD 10/10-09/11:	\$1,116,449
4 ANNUAL HOSPITAL BENEFITS PROJECTED:	\$1,227,982
5 LESS: ADJUSTMENT FOR BENEFIT CHANGES:	\$33,242-
6 NET ANNUAL HOSPITAL BENEFITS PROJECTED:	\$1,194,740
7 HOSPITAL PREPAYMENT FUNDING FOR THE PERIOD 01/12-03/12 (30 DAYS OF EXPECTED HOSPITAL BENEFITS):	\$98,198
8 LESS: HOSPITAL PREPAYMENT FUNDED FOR THE PERIOD 10/11-12/11:	\$104,037-
9 NET ADJUSTMENT TO HOSPITAL PREPAYMENT FOR THE PERIOD 01/12-03/12:	\$5,839-

GROUP

SECTION 3: PAYMENT COMPARISON

07/11-09/11

PAYMENTS DUE:

PAYMENTS RECEIVED:

07/01/11 \$196,527

07/05/11 \$196,527

08/01/11 \$196,527

07/27/11 \$196,527

09/01/11 \$196,525

08/31/11 \$196,527

TOTAL \$589,579

TOTAL \$589,581

GROUP

SECTION 4: QUARTERLY SETTLEMENT FOR PERIOD

07/11-09/11

		<u>REVENUE</u>			
TOTAL MONTHLY PAYMENTS RECEIVED	(SEE SECTION 3)			\$589,581	
PLUS: SETTLEMENT OVERPAYMENT FROM	01/11-03/11			<u>\$241,655</u>	
TOTAL REVENUE					\$831,236
		<u>EXPENSES</u>			
CLAIMS INVOICED (SEE SECTION 1)				\$678,893	
LESS: SPECIFIC STOP-LOSS CLAIMS CREDIT				<u>\$52,350-</u>	
NET CLAIMS					\$626,543
LESS: ADJUSTMENT FOR HOSPITAL PREPAYMENT	(SEE SECTION 2)			<u>\$5,839-</u>	
TOTAL CLAIMS EXPENSE					\$620,704
TOTAL ADMINISTRATIVE FEE EXPENSE					\$57,808
	MONTH	1	2	3	
ADMINISTRATIVE FEE		\$63.04	\$63.04	\$63.04	
ACTUAL # OF CONTRACTS		312	310	295	
TOTAL STOPLOSS FEE EXPENSE					\$82,182
	MONTH	1	2	3	
STOPLOSS FEE		\$89.62	\$89.62	\$89.62	
ACTUAL # OF CONTRACTS		312	310	295	
TOTAL EXPENSES FOR QUARTER					<u>\$760,694</u>
QUARTERLY OVERPAYMENT					\$70,542 =====

GROUP

SECTION 5: PAYMENT DEVELOPMENT

01/12-03/12

1 BENEFITS INVOICED FOR YOUR GROUP IN THE PERIOD 10/10-09/11 :			\$2,527,951
2 LESS: STOP-LOSS CREDIT:			\$171,676-
3 NET LIABILITIES TO YOUR GROUP IN THE PERIOD 10/10-09/11 :			\$2,356,275
4 ANNUAL BENEFITS PROJECTED:			\$2,595,014
5 LESS: ADJUSTMENT FOR BENEFIT CHANGES:			\$66,588-
6 NET ANNUAL BENEFITS PROJECTED:			\$2,528,426
7 EXPECTED MONTHLY PAYMENT FOR BENEFITS (\$2,528,426 /12):			\$210,702
8 MONTHLY STOPLOSS FEE:			\$26,438
MONTHLY FEE	\$89.62		
ESTIMATED MONTHLY CONTRACTS	295		
9 MONTHLY PAYMENT FOR BENEFITS AND FEES FOR THE QUARTER 01/12-03/12 (TOTAL OF LINES 7 THROUGH 8):			\$237,140

GROUP

SECTION 6: PAYMENT SCHEDULE

01/12-03/12

PAYMENT	DATE	CLAIMS & FEES	SETTLEMENT ADJUSTMENT (*)	MI CLAIMS TAX ASSESSMENT	TOTAL PAYMENT
1	01/01/12	\$237,140	\$23,514-	\$2,147	\$215,773
2	02/01/12	\$237,140	\$23,514-	\$2,147	\$215,773
3	03/01/12	\$237,140	\$23,514-	\$2,147	\$215,773
TOTAL		\$711,420	\$70,542-	\$6,441	\$647,319

* SEE SECTION 4

PLEASE WIRE PAYMENTS TO:

BCBSM ACCOUNT COMERICA
411 W. LAFAYETTE, DETROIT

WIRE NUMBER BANK

IF THE 1ST OF A MONTH FALLS ON A BANK HOLIDAY OR WEEKEND, YOUR PAYMENT SHOULD BE MADE ON THE NEXT BUSINESS DAY.

NON-PAYMENT OF THE SCHEDULED AMOUNTS WILL RESULT IN CANCELLATION OF THIS POLICY RETROACTIVE TO THE LAST DATE FOR WHICH FULL PAYMENT WAS MADE.

YOUR RATE DOES NOT INCLUDE TAXES OR ASSESSMENTS UNDER CONSIDERATION BY FEDERAL AND STATE GOVERNMENTS THAT, IF ENACTED, WOULD BE ADDED TO YOUR BILL.

