Travis County Commissioners Court Agenda Request

Meeting Date: July 22, 2014
Prepared By/Phone Number: Norman McRee/854-4821
Elected/Appointed Official/Dept. Head: Leroy Nellis, County Executive - Succession
Commissioners Court Sponsor: Samuel T. Biscoe, County Judge

AGENDA LANGUAGE:

Review and approve the immediate release of reimbursement payment to United Health Care for claims paid for participants in the Travis County Employee Health Care Fund for payment of $1,669,083.12 for the period of July 4 to July 10, 2014.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

See attached.

STAFF RECOMMENDATIONS:

The Director or Benefits Manager has reviewed the reimbursement submitted and concurs with the findings of the audits by the Financial Analyst and the Benefits Contract Administrator and therefore recommends reimbursement of $1,669,083.12.

ISSUES AND OPPORTUNITIES:

See attached.

FISCAL IMPACT AND SOURCE OF FUNDING:

Employee Health Benefit Fund (8956) – $1,669,083.12

REQUIRED AUTHORIZATIONS:

John Rabb, 854-2742
Jessica Rio, 854-9106

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Agenda@co.travis.tx.us by Tuesdays at **5:00 p.m.** for the next week's meeting.

TRAVIS COUNTY
RECOMMENDATION FOR TRANSFER OF FUNDS

DATE:	July 22, 2014
TO:	Members of the Travis County Commissioners Court
FROM:	John Rabb, Benefits Manager
COUNTY DEPT.	Human Resources Management Department (HRMD)
DESCRIPTION:	United Health Care (UHC) (The Third Party Administrator for Travis County's Hospital and Self Insurance Fund) has requested reimbursement for health care claims paid on behalf of Travis County employees and their dependents.
PERIOD OF PAYMENTS MADE:	July 4 to July 10, 2014
REIMBURSEMENT REQUESTED FOR THIS PERIOD:	$1,669,083.12
HRMD RECOMMENDATION:	The Director or Benefits Manager has reviewed the reimbursement submitted and concurs with the findings of the audits by the Financial Analyst and the Benefits Contract Administrator and therefore recommends reimbursement of $1,669,083.12.

Please see the attached reports for supporting detail information.

TRAVIS COUNTY

HOSPITAL AND INSURANCE FUND

SUPPORTING DETAIL FOR THE

WEEKLY REIMBURSEMENT REQUEST TO

COMMISSIONERS COURT

FOR THE PAYMENT PERIOD

JULY 4, 2014 TO JULY 10, 2014

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Page 1. Detailed Recommendation to Travis County Auditor for transfer of funds.

Page 2. Chart of Weekly Reimbursements Compared to Budget.

Page 3. Paid Claims Compared to Budgeted Claims.

Page 4. FY Comparison of Paid Claims to Budget.

Page 5. Notification of amount of request from United Health Care (UHC) (Bank of America)

Page 6. Last page of the UHC Check Register for the Week.

Page 7. List of payments deemed not reimbursable.

Page 8. Journal Entry for the reimbursement.

TRAVIS COUNTY
RECOMMENDATION FOR TRANSFER OF FUNDS

DATE:	July 22, 2014
TO:	Nicki Riley, County Auditor
FROM:	Norman McRee, HR Financial Analyst
COUNTY DEPT.	Human Resources Management Department (HRMD)

United Health Care (UHC) (Travis County's Third Party Administrator for our Self Insured Health Care Fund) has requested reimbursement for health care claim payments made on behalf of Travis County employees and their dependents as follows:

PERIOD OF PAYMENTS PAID:

FROM:	July 4, 2014
TO:	July 10, 2014

REIMBURSEMENT REQUESTED: $ 1,669,083.12

SUPPORTING DETAIL FOR REIMBURSEMENT REQUESTED:

NOTIFICATION OF AMOUNT OF REQUEST FROM UHC*:	$	2,712,118.21
LESS: REIMBURSEMENTS PREVIOUSLY APPROVED BY COMMISSIONERS COURT: Jul 15, 2014	$	(1,043,035.09)
SAP corr	$	-
Misc Adj	$	-
TOTAL CLAIMS REIMBURSEMENT REQUESTED BY UHC FOR THIS WEEK:**	**$**	**1,669,083.12**
TRANSFER OF FUNDS REQUESTED:	**$**	**1,669,083.12**

The claims have been audited for eligibility and all were eligible in the period covered by the claim.

All claims over $25,000 (5 this week totaling $365,585.39) have been audited for data entry accuracy and the following information is correct for each claim audited: date of service, eligibility, nature of service, name of and amount billed by provider, amount billed by date and amount paid by UHC.

Fifteen percent (15%) of all claims under $25,000 ($199,802.84) have been audited for data entry accuracy and the following information is correct for each claim identified for this random review: date of service, eligibility, nature of service, name of and amount billed by provider, date and amount paid by UHC. Claims in this random audit met the above requirements but may qualify for more detailed analysis through other resources.

All claims have been reviewed to determine if they have exceeded the $275,000 stop loss limit. Claims that have exceeded the limit will be reimbursed by Sun Life; claims expenses are credited in the fiscal year reimbursed. Cumulative fiscal year stop loss reimbursements from Sun Life total $462,653.75.

All claims submitted in this transfer have been audited to confirm accuracy of billing and legitimacy of claim under the service provisions of the health care contract and all are contractually legitimate, legally incurred and accurately billed claims.

I certify that all data listed on this recommendation for transfer of funds is correct and that the payments shown have been made solely for the purpose of health insurance claims.

7.14.2014
Debbie Maynor, Director, HRMD — Date

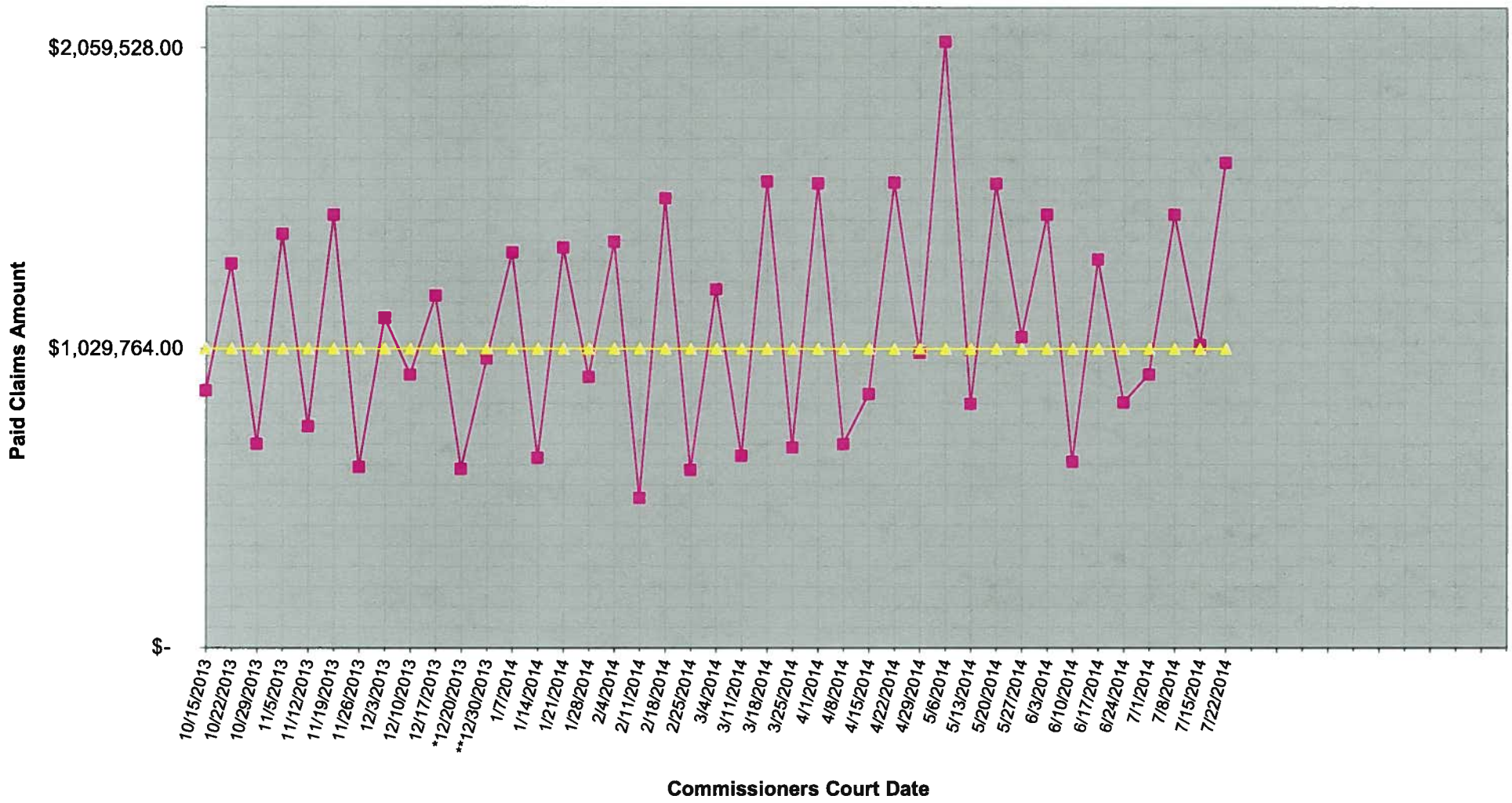
7/14/14
John Rabb, Benefits Manager — Date

Shannon Steele 7/11/2014
Shannon Steele, Benefits Administrator — Date

Norman McRee 7/11/14
Norman McRee, Financial Analyst — Date

** Agrees to the total payments for this period per the check register received from UHC. See the final page of this period's check register attached.

Travis County Employee Benefit Plan
FY14 Paid Claims vs Weekly Claims Budget of $1,029,764.52



2

Travis County Employee Benefit Plan
FY14 Weekly Paid Claims VS Weekly Budgeted Amount

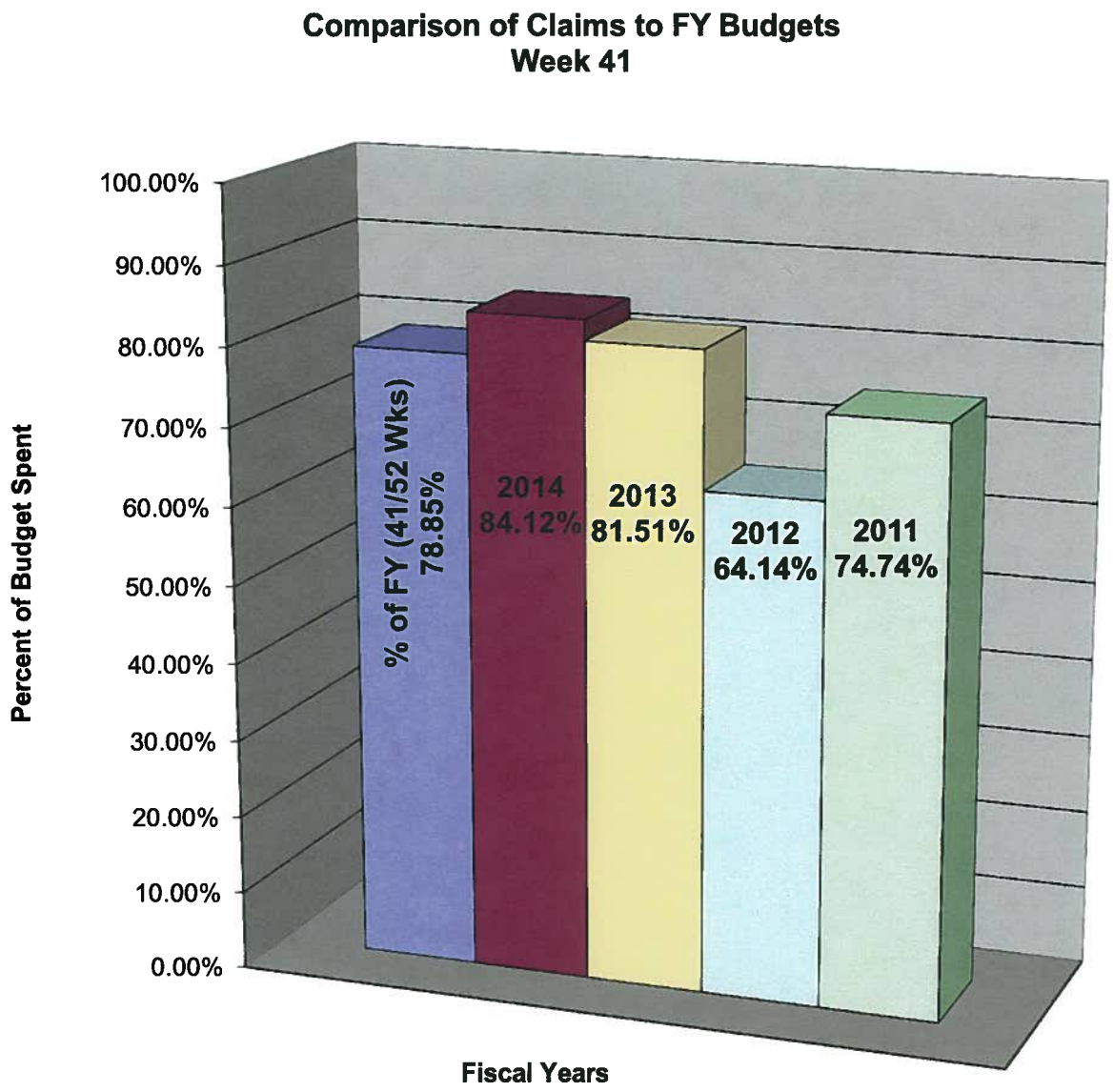
Wk	Period from	Period To	Voting Session Date	Pd Claims Request Amount	Budgeted Weekly Claims	# of Large Claims	Total of Large Claims	FY 2014 % of Budget Spent	FY 2013 % of Budget Spent
1	9/27/2013	10/3/2013	10/15/2013	$ 885,221.27	$ 1,029,764.52	5	$ 195,295.06	1.65%	1.68%
2	10/4/2013	10/10/2013	10/22/2013	$ 1,321,181.23	$ 1,029,764.52	1	$ 164,720.00	4.12%	4.42%
3	10/11/2013	10/17/2013	10/29/2013	$ 701,263.92	$ 1,029,764.52	1	$ 82,224.03	5.43%	6.07%
4	10/18/2013	10/24/2013	11/5/2013	$ 1,423,282.56	$ 1,029,764.52	4	$ 168,709.40	8.09%	8.24%
5	10/25/2013	10/31/2013	11/12/2013	$ 761,418.64	$ 1,029,764.52	2	$ 106,445.83	9.51%	9.25%
6	11/1/2013	11/7/2013	11/19/2013	$ 1,488,394.58	$ 1,029,764.52	3	$ 109,031.75	12.29%	13.29%
7	11/8/2013	11/14/2013	11/26/2013	$ 622,321.91	$ 1,029,764.52	1	$ 29,825.79	13.45%	15.02%
8	11/15/2013	11/21/2013	12/3/2013	$ 1,135,426.11	$ 1,029,764.52	1	$ 40,089.30	15.57%	17.32%
9	11/22/2013	11/28/2013	12/10/2013	$ 940,233.39	$ 1,029,764.52	2	$ 222,703.69	16.46%	18.28%
10	11/29/2013	12/5/2013	12/17/2013	$ 1,212,118.51	$ 1,029,764.52	5	$ 182,392.18	18.73%	20.94%
11	12/6/2013	12/12/2013	*12/20/2013	$ 615,656.75	$ 1,029,764.52	3	$ 107,366.02	19.88%	23.72%
12	12/13/2013	12/19/2013	**12/30/2013	$ 995,001.70	$ 1,029,764.52	3	$ 358,745.50	21.74%	26.12%
13	12/20/2013	12/26/2013	1/7/2014	$ 1,360,704.88	$ 1,029,764.52	3	$ 222,051.40	24.28%	27.88%
14	12/27/2013	1/2/2014	1/14/2014	$ 653,436.13	$ 1,029,764.52	1	$ 28,139.66	25.50%	28.75%
15	1/3/2014	1/9/2014	1/21/2014	$ 1,376,963.18	$ 1,029,764.52	4	$ 155,466.04	28.07%	30.39%
16	1/10/2014	1/16/2014	1/28/2014	$ 932,402.70	$ 1,029,764.52	5	$ 310,357.04	29.81%	31.62%
17	1/17/2014	1/23/2014	2/4/2014	$ 1,396,783.17	$ 1,029,764.52	2	$ 80,497.62	32.42%	34.58%
18	1/24/2014	1/30/2014	2/11/2014	$ 515,683.34	$ 1,029,764.52	2	$ 130,646.43	33.38%	35.73%
19	1/31/2014	2/6/2014	2/18/2014	$ 1,545,248.14	$ 1,029,764.52	4	$ 214,487.53	36.27%	38.08%
20	2/7/2014	2/13/2014	2/25/2014	$ 611,759.43	$ 1,029,764.52	0	$ -	37.41%	39.28%
21	2/14/2014	2/20/2014	3/4/2014	$ 1,233,909.99	$ 1,029,764.52	4	$ 133,153.83	39.71%	42.16%
22	2/21/2014	2/27/2014	3/11/2014	$ 660,394.37	$ 1,029,764.52	1	$ 32,174.24	40.95%	43.40%
23	2/28/2014	3/6/2014	3/18/2014	$ 1,603,217.96	$ 1,029,764.52	7	$ 331,213.98	43.94%	45.52%
24	3/7/2014	3/13/2014	3/25/2014	$ 688,786.64	$ 1,029,764.52	3	$ 141,879.50	45.23%	47.04%
25	3/14/2014	3/20/2014	4/1/2014	$ 1,597,535.37	$ 1,029,764.52	3	$ 173,339.16	48.21%	49.48%
26	3/21/2014	3/27/2014	4/8/2014	$ 700,301.00	$ 1,029,764.52	3	$ 92,139.61	49.52%	51.79%
27	3/28/2014	4/3/2014	4/15/2014	$ 872,967.78	$ 1,029,764.52	4	$ 143,618.18	51.15%	53.36%
28	4/4/2014	4/10/2014	4/22/2014	$ 1,599,892.53	$ 1,029,764.52	3	$ 152,608.89	54.14%	55.92%
29	4/11/2014	4/17/2014	4/29/2014	$ 1,015,027.15	$ 1,029,764.52	3	$ 269,777.73	56.03%	57.78%
30	4/18/2014	4/24/2014	5/6/2014	$ 2,082,333.51	$ 1,029,764.52	9	$ 512,959.72	59.92%	60.43%
31	4/25/2014	5/1/2014	5/13/2014	$ 839,403.51	$ 1,029,764.52	4	$ 141,146.67	61.49%	62.01%
32	5/2/2014	5/8/2014	5/20/2014	$ 1,596,258.02	$ 1,029,764.52	5	$ 305,545.38	64.47%	64.62%
33	5/9/2014	5/15/2014	5/27/2014	$ 1,069,244.41	$ 1,029,764.52	8	$ 463,508.51	66.47%	65.78%
34	5/16/2014	5/22/2014	6/3/2014	$ 1,489,967.60	$ 1,029,764.52	5	$ 289,392.05	69.25%	68.09%
35	5/23/2014	5/29/2014	6/10/2014	$ 639,722.30	$ 1,029,764.52	2	$ 78,377.52	70.44%	69.49%
36	5/30/2014	6/5/2014	6/17/2014	$ 1,337,350.68	$ 1,029,764.52	4	$ 132,451.05	72.94%	71.78%
37	6/6/2014	6/12/2014	6/24/2014	$ 844,172.67	$ 1,029,764.52	4	$ 129,722.57	74.52%	73.31%
38	6/13/2014	6/19/2014	7/1/2014	$ 940,920.56	$ 1,029,764.52	4	$ 307,321.73	76.27%	75.77%
39	6/20/2014	6/26/2014	7/8/2014	$ 1,490,398.86	$ 1,029,764.52	3	$ 180,002.56	79.06%	77.64%
40	6/27/2014	7/3/2014	7/15/2014	$ 1,043,035.09	$ 1,029,764.52	4	$ 267,094.15	81.01%	79.05%
41	7/4/2014	7/10/2014	7/22/2014	$ 1,669,083.12	$ 1,029,764.52	5	$ 365,585.39	84.12%	81.51%
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									

Claims (net) & Budget to Date	$ 45,045,770.91	$ 42,220,345.29
Gross Paid Claims over (under) Original Budget		$ 2,825,425.62

stop loss $ (462,653.75)

note: Not predictive of impact on reserve, intended to show relationship of weekly claims cost to weekly budget.

*Friday due to Holiday
**Monday due to Holiday


Comparison of Claims to FY Budgets
Week 41
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Percent of Budget Spent
% of FY (41/52 Wks)
78.85%
2014
84.12%
2013
81.51%
2012
64.14%
2011
74.74%
Fiscal Years

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CISCO

Secured Message

Reply ReplyAll

From: SIFSFAX@UHC.COM

To: NORMAN.MCREE@CO.TRAVIS.TX.US

Date: July 11, 2014 5:35:00 AM GMT

Subject: Secure Message from sifsfax@uhc.com

TO: NORMAN MCREE
FAX NUMBER: (512) 854-3128
PHONE: (512) 854-3828

FROM: UNITEDHEALTH GROUP
AB5

NOTIFICATION OF AMOUNT OF REQUEST FOR: TRAVIS COUNTY

DATE: 2014-07-11 REQUEST AMOUNT: $2,712,118.21

CUSTOMER ID: 00000701254
CONTRACT NUMBER: 00701254 00709445
BANK ACCOUNT NUMBER: 385015850067 ABA NUMBER: 011900445
FUNDING ADVICE FREQUENCY: DAILY
FREQUENCY: FRIDAY INITIATOR: CUST METHOD: ACH BASIS: BALANCE

CALCULATION OF REQUEST AMOUNT

+ ENDING BANK ACCOUNT BALANCE FROM: 2014-07-10	$1,123.56
- REQUIRED BALANCE TO BE MAINTAINED:	$2,668,041.00
+ PRIOR DAY REQUEST:	$00.00
= UNDER DEPOSIT:	$2,666,917.44
+ CURRENT DAY NET CHARGE:	$45,200.77
+ ISSUED CREDIT AMOUNT:	$00.00
+ FUNDING ADJUSTMENTS:	$00.00
REQUEST AMOUNT:	$2,712,118.21

ACTIVITY FOR WORK DAY: 2014-07-03

CUST PLAN	CLAIM	NON CLAIM	NET CHARGE
0632	$60,720.28	$00.00	$60,720.28
5972	$05.05	$00.00	$05.05
TOTAL:	$60,725.33	$00.00	$60,725.33

ACTIVITY FOR WORK DAY: 2014-07-07

CUST	NON	NET

UNITED HEALTHCARE CHECK REGISTER FOR TRAVIS COUNTY SUBMITTED 2014_07_10

CONTR_NBR	PLN_ID	TRANS_AMT	SRS_DESG_NBR	CHK_NBR	GRP_ID	CLM_ACCT_NBR	ISS_DT	TRANS_TYP_CD	TRANS_DT
701254	632	(663.02)	A1	4113551	AH	1	7/2/2014	200	7/9/2014
701254	632	(677.96)	A1	4179558	AH	8	7/2/2014	200	7/9/2014
701254	632	(780.67)	A1	4181951	AH	1	7/2/2014	200	7/9/2014
701254	632	(811.30)	A1	4152063	AA	8	7/2/2014	200	7/9/2014
701254	632	(812.46)	A1	4144765	AH	1	7/2/2014	200	7/9/2014
701254	632	(1,463.42)	QG	82180157	AH	3	7/3/2014	50	7/10/2014
701254	632	(1,569.96)	A1	4150701	AH	1	7/2/2014	200	7/9/2014
701254	632	(1,651.53)	A1	4154694	AA	7	7/2/2014	200	7/9/2014
701254	632	(1,695.80)	A1	4152064	AA	8	7/2/2014	200	7/9/2014
701254	632	(2,388.09)	A1	4187167	AE	3	7/2/2014	200	7/9/2014
701254	632	(2,721.44)	A1	4150680	AE	7	7/2/2014	200	7/9/2014
701254	632	(4,593.60)	QG	82084421	AH	9	7/4/2014	50	7/11/2014
701254	632	(4,785.29)	A1	4150463	AH	7	7/2/2014	200	7/9/2014
701254	632	(8,704.00)	QG	93347448	AH	2	7/1/2014	50	7/8/2014

$ 1,669,083.12

6

Travis County Employee Health Benefits Fund

UHC Payments Deemed Not Reimbursable

For the payment week ending: 7/10/2014

CONTR_#	TRANS_AMT	SRS	CHK_#	GRP	CLAIM ACCT #	ISS_DATE	TRANS CODE	TRANS_DATE
Total:	$0.00							

Travis County - Employee Health Benefits Fund (8956)

Journal Entry for the Reimbursement to United Health Care

For the payment week ending: 7/10/2014

Type	EE/RR	Cost Center	G/L Account	Transaction Amount	
CEPO	EE	1110068956	516010	$ 358,260.81	
	RR	1110068956	516110	$ 40,991.87	
			Total CEPO		$ 399,252.68
EPO	EE	1110068956	516030	$ 232,143.61	
	RR	1110068956	516130	$ 84,986.88	
			Total EPO		$ 317,130.49
PPO	EE	1110068956	516020	$ 846,612.74	
	RR	1110068956	516120	$ 106,087.21	
			Total PPO		$ 952,699.95
			Grand Total		$ 1,669,083.12

Human Resources Management Department

010 Lavaca Street, 2nd Floor • P.O. Box 1748 • Austin, Texas 78767 • (512) 854-9165 / FAX(512) 854-4203

MEMORANDUM

Date: July 14, 2014

To: Commissioners Court

From: John Rabb, Benefits Manager, HRMD
Shannon Steele, Benefits Administrator, HRMD

Re: Explanation of Larger than Normal Health Reimbursement Request
For the Period of July 4, 2014 – July 10, 2014
$1,669,083.12

This week's claims reimbursement request of $1,669,083.12 includes five (5) claims over $25,000 totaling $365,585.39. In addition there are a total of twenty-four (24) claims between $5,000 and $25,000, totaling $189,875.42. Travis County will be reimbursed for claims costs for individuals that exceed $275,000 in the fiscal year.

There are 2,624 non-pharmacy claims included this week which is close to the average of 2,651 claims per week.

Pharmacy charges are included in claim reimbursements every other week. Pharmacy charges included in this week's reimbursement is $866,562.33, which is higher than the previous fifteen-week average of $666,468.36.

It appears this week's reimbursement is higher due to large dollar claims, the inclusion of pharmacy charges, as well as the higher than average pharmacy claim costs.

Claims have been trending higher than expected for this fiscal year's budget. HRMD will continue to monitor the weekly claim amounts. If necessary, we will make a recommendation to transfer funds from the health fund reserves.