

# BridgeHealth

Surgery Benefit Management

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## Financial Analysis for Kenai Peninsula School District

May 8, 2017

# Significant Surgical Episodes from the Claims Data

Sorted by the greatest occurrences of each type of case.

## Data Notes

- No Provider Information was supplied in the claims data
- Insurance Member QTY looks to be a bit low for a 1,200 life group
- Some tapering off of data for Feb/March '17

Procedure Categories	Customer Est Avg Billed	Customer Estimated Average Paid	Cust Est Avg Allowed	Total Count	Customer Total Estimated Allowed	Sum of Good	Category	% Good	BridgeHealth Average Rate Paid	BridgeHealth Total Estimated Paid	BridgeHealth h Potential Savings	BridgeHealth h Savings %
29881: Arthroscopy, knee, surgical; with meniscectomy (medial OR lateral, includ	21,350	11,823	15,570	16	249,114	13	Orthopedic	81.3%	6,902	110,432	138,682	56%
27130: Arthroplasty, acetabular and proximal femoral prosthetic replacement (to	78,014	30,595	37,553	4	150,212	4	Hip	100.0%	24,213	96,852	53,360	36%
29880: Arthroscopy, knee, surgical; with meniscectomy (medial AND lateral, inclu	18,423	10,142	12,297	3	36,891	3	Knee	100.0%	6,902	20,706	16,185	44%
20680: Removal of implant; deep (eg, buried wire, pin, screw, metal band, nail, i	11,389	7,897	9,813	3	29,439	3	General Surgen	100.0%	4,703	14,109	15,330	52%
58571: Laparoscopy, surgical, with total hysterectomy, for uterus 250 g or less; wi	35,392	15,250	15,589	4	62,355	3	Women's Healt	75.0%	11,667	46,668	15,687	25%
19318: Reduction mammoplasty	24,407	18,127	18,344	3	55,031	3	Women's Healt	100.0%	10,000	30,000	25,031	45%
27447: Arthroplasty, knee, condyle and plateau; medial AND lateral compartmer	37,427	24,842	27,114	7	189,801	3	Knee	42.9%	22,158	155,106	34,695	18%
29848: Endoscopy, wrist, surgical, with release of transverse carpal ligament	17,820	9,888	12,770	3	38,310	3	Orthopedic	100.0%	4,246	12,738	25,572	67%
47562: Laparoscopy, surgical; cholecystectomy	8,693	7,072	7,430	3	22,289	3	General Surgen	100.0%	7,435	22,305	(16)	0%
42820: Tonsillectomy and adenoidectomy; younger than age 12	11,186	7,686	10,760	2	21,520	2	General Surgen	100.0%	5,000	10,000	11,520	54%
29888: Arthroscopically aided anterior cruciate ligament repair/augmentation o	25,640	11,860	13,333	4	53,334	2	Knee	50.0%	11,164	44,656	8,678	16%
60240: Thyroidectomy, total or complete	14,899	7,766	7,905	2	15,811	2	Endocrinology	100.0%	8,000	16,000	(189)	-1%
27698: Repair, secondary, disrupted ligament, ankle, collateral (eg, Watson-Joni	13,055	9,615	10,485	2	20,970	2	Orthopedic	100.0%	6,300	12,600	8,370	40%
30520: Septoplasty or submucous resection, with or without cartilage scoring, co	17,898	10,483	14,781	4	59,126	2	General Surgen	50.0%	9,000	36,000	23,126	39%
22551: Arthrodesis, anterior interbody, including disc space preparation, discect	50,759	33,437	33,437	5	167,184	2	Cervical Spine	40.0%	34,029	170,145	(2,961)	-2%
58661: Laparoscopy, surgical; with removal of adnexal structures (partial or total	17,403	9,236	9,406	2	18,812	2	Women's Healt	100.0%	12,115	24,230	(5,418)	-29%
19301: Mastectomy, partial (eg, lumpectomy, tylectomy, quadrantectomy, segmer	15,599	10,654	11,168	4	44,673	2	Women's Healt	50.0%	7,604	30,416	14,257	32%
28740: Arthrodesis, midtarsal or tarsometatarsal, single joint	21,873	13,038	14,776	2	29,553	2	Orthopedic	100.0%	8,700	17,400	12,153	41%
29806: Arthroscopy, shoulder, surgical; capsulorrhaphy	35,743	17,679	23,667	5	118,336	2	Shoulder	40.0%	8,273	41,365	76,971	65%
29822: Arthroscopy, shoulder, surgical; debridement, limited	9,997	8,407	8,407	2	16,813	2	Shoulder	100.0%	5,400	10,800	6,013	36%
58150: Total abdominal hysterectomy (corpus and cervix), with or without remov	18,255	15,975	16,408	2	32,816	2	Women's Healt	100.0%	12,892	25,784	7,032	21%
42826: Tonsillectomy, primary or secondary; age 12 or over	18,273	11,133	17,170	3	51,511	2	General Surgen	66.7%	3,850	11,550	39,961	78%
43644: Laparoscopy, surgical, gastric restrictive procedure; with gastric bypass ar	50,268	21,017	21,017	1	21,017	1	General Surgen	100.0%	18,500	18,500	2,517	12%
23412: Repair of ruptured musculotendinous cuff (eg, rotator cuff) open; chronic	31,374	15,405	18,120	2	36,239	1	Orthopedic	50.0%	9,980	19,960	16,279	45%
23472: Arthroplasty, glenohumeral joint; total shoulder (glenoid and proximal h	41,218	33,861	33,861	3	101,583	1	Shoulder	33.3%	20,438	61,314	40,269	40%
49654: Laparoscopy, surgical, repair, incisional hernia (includes mesh insertion,	15,795	13,396	13,689	1	13,689	1	General Surgen	100.0%	6,500	6,500	7,189	53%
25447: Arthroplasty, interposition, intercarpal or carpometacarpal joints	13,621	10,717	12,093	1	12,093	1	Orthopedic	100.0%	8,500	8,500	3,593	30%
28285: Correction, hammertoe (eg, interphalangeal fusion, partial or total phala	8,858	6,890	7,616	1	7,616	1	Orthopedic	100.0%	2,900	2,900	4,716	62%
29898: Arthroscopy, ankle (tibiotalar and fibulotalar joints), surgical; debrideme	9,237	7,844	7,844	1	7,844	1	Orthopedic	100.0%	6,500	6,500	1,344	17%
29914: Arthroscopy, hip, surgical; with femoroplasty (ie, treatment of cam lesion	38,262	22,446	22,446	1	22,446	1	Orthopedic	100.0%	10,500	10,500	11,946	53%
30140: Submucous resection inferior turbinate, partial or complete, any method	15,944	11,746	15,944	1	15,944	1	General Surgen	100.0%	8,302	8,302	7,642	48%
24342: Reinsertion of ruptured biceps or triceps tendon, distal, with or without t	10,351	8,226	8,226	1	8,226	1	Shoulder	100.0%	5,400	5,400	2,826	34%
29824: Arthroscopy, shoulder, surgical; distal claviclectomy including distal art	18,220	13,490	13,490	1	13,490	1	Shoulder	100.0%	9,325	9,325	4,165	31%

## Executive Summary - ROI Analysis for Kenai Peninsula Borough School District

Updated 5/8/2017

	Year 1	Year 2	Year 3	Year 4	Year 5
Level of Engagement*: % of total surgeries done in BH network	35%	40%	45%	50%	55%
Est. Number of Surgeries	42	48	54	61	67
Claims Data Est. Surgery Costs	\$735,078	\$840,089	\$945,100	\$1,050,111	\$1,155,122
BridgeHealth Est. Surgery Costs	\$461,319	\$527,221	\$593,124	\$659,027	\$724,929
<b>Gross Annual Savings</b>	<b>\$273,759</b>	<b>\$312,868</b>	<b>\$351,976</b>	<b>\$391,084</b>	<b>\$430,193</b>
Annual PEPM Cost	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600
Annual Est. Service and Access Fees	\$69,198	\$79,083	\$88,969	\$98,854	\$108,739
Annual Est. Travel Cost	\$122,476	\$139,973	\$157,469	\$174,966	\$192,463
Annual Est. Member Incentive Cost	\$0	\$0	\$0	\$0	\$0
Annual Est. BridgeHealth Program Cost	\$213,274	\$240,656	\$268,038	\$295,420	\$322,802
<b>Net Annual Savings</b>	<b>\$60,485</b>	<b>\$72,212</b>	<b>\$83,938</b>	<b>\$95,664</b>	<b>\$107,391</b>
ROI per \$1.00: Savings/PEPM	\$12.67	\$14.48	\$16.30	\$18.11	\$19.92
ROI % PEPM: (Savings-PEPM)/PEPM	1167%	1348%	1530%	1711%	1892%
Return on Total Program Spend per \$1:00: Savings/Spend	\$1.28	\$1.30	\$1.31	\$1.32	\$1.33
Return on Total Program Spend % : (Savings-Spend)/Spend	28%	30%	31%	32%	33%
<b>Cumulative Savings</b>	<b>\$60,485</b>	<b>\$132,697</b>	<b>\$216,635</b>	<b>\$312,299</b>	<b>\$419,690</b>

### Data Metrics

Claim Data Duration (months)	12
Annualized Number of Surgeries	121
Annualized Surgeries per 10,000 Members:	1008
Number of Eligible Members	1200
BridgeHealth PEPM Fee	\$1.50
Service and Access Fee %	15%
Avg Travel Cost per Surgery	\$2,892
Avg Member Incentive Amount	\$0

**Note:** We anticipate the level of engagement to grow as time goes on, which increases savings each year.