

Memorandum

To: Board of Trustees
Industry & Local 338 Welfare Fund

From: Michael Tesoriero
John P. Urbank

Date: March 28, 2022

**Re: Teamsters Local 338 Welfare Fund – Empire Blue Cross Blue Shield
Joint Administered Arrangement (JAA) Administrative Fee Effective May 1, 2022**

The Fund's Joint Administrated Arrangement (JAA) Administrative Fee with Empire BlueCross BlueShield renews each year and they provided a renewal offer effective May 1, 2022.

The JAA Administrative Fee provides the Fund with the following services:

- Claims Repricing, which adjusts the claims to Empire's contractual levels;
- Utilization Management services, which include precertification of Inpatient initial and concurrent review, outpatient ancillary service and specialty infusion review, retrospective review and pre-determination review;
- Case Management services, which include Complex Medical Case Management including Traumatic Injury, Critical Care, Oncology, LRAC and NICU, Transplant Case Management and Behavioral Health Case Management;
- The Behavioral Health utilization management program includes Inpatient Acute initial and concurrent review.

Empire has requested a 3.0 percent increase to the administrative fee of \$17.22 per participant per month to \$17.74 which amounts to an increase of \$0.52 per participant per month. This fee is based on all individuals covered and assumes 289 total individuals (or 122 contracts). The current annual fee (based on 289 individuals covered) is \$59,720 and would increase by \$1,800 annually to \$61,520.

We recommend that the Trustees accept the offer from Empire as presented.

cc: Associated Administrators
Fund Counsel