Ameriben estimate

From: Caroll Mackay [mailto:CMACKAY@ameriben.com]
Sent: Wednesday, June 10, 2015 9:25 PM
To: Reeves, Robin; Underwood, Janet
Cc: Jon Aubrey; Roxanne Joyner
Subject: RE: TUSD Run Out Claims Estimate

Good Evening Robin,
My apology for not getting this over yesterday.
Janet – We took the average number of employee lives on your plan x the average claims PEPM utilization. We then took that number x the per claim run-out fee. We assume and anticipate first – 5th month to look as follows:

Average number of employee lives = 4500 x 2.0 claims PEPM = 9000
1st Month – 9,000 x $13.50 (per claim fee) = $121,500 (100%)
2nd Month - 70% of $121,500 = $85,050
3rd Month - 50% of $121,500 = $60,750
4th Month – 25% of $121,500 = $30,375
5th Month - 10% of $121,500 = $12,150.00

Total = $298,890
Based upon your groups utilization and our experience with the volume of claims that come in 1st month – 5th month, we anticipate this being the cost associated for approximately six months’ worth of claims run-out. This is just an estimate.