

Performance Standards Agreement
Dedicated Group
Jackson County



Kansas City

Administrative Performance Measures

Claims Processing

Claims Administrative Accuracy

Administrative accuracy shall be determined by reviewing a statistically valid sample of medical/dental claims for the correctness of coding accuracy in the administration of the plan. Examples of administrative errors include correct amounts sent to the wrong payee, and/or misapplied deductibles and maximums that do not result in payment errors. Administrative accuracy errors do not include any claims that affect claims payment or deductible accumulation, nor any errors that are corrected by Administrator prior to audit.

Administrative accuracy will be determined by counting the number of claims in a monthly sample that contains one or more coding errors (errors that do not affect claim payment) divided by the total number of claims in the sample. The resulting number shall then be subtracted from 1.00 to determine the administrative accuracy rate.

Performance Standards

97% and greater accuracy: No Penalty
92% to 96.9% accuracy: \$15,000 Penalty
Accuracy less than 92%: \$30,000 Penalty

Claims Financial Accuracy

Financial accuracy shall be determined by reviewing a statistically valid sample of medical and dental claims for the dollar amount of payment errors. Payment errors for financial accuracy shall be defined as claims payments that are either overpayments or underpayments of the amounts due to plan participants (i.e. payment in the wrong amount, duplicate payments, payment for non-eligible benefits, misapplied deductible or maximums resulting in payment errors). A financial error that is corrected by Administrator prior to audit shall not be considered as being a payment error. Overpayments and underpayments made on the same claim to the same provider that result in a correct net payment being made to such provider on such claim shall not be considered a financial payment error.

Financial accuracy of claims payments will be based on the dollar value of the payment errors measured as a percentage of total paid claims (dollar value of payment errors divided by the total dollars paid). The resulting number shall then be subtracted from 1.00 to determine the financial accuracy rate.

Performance Standards

99% and greater accuracy: No Penalty
98.9% to 92% accuracy: \$15,000 Penalty
Accuracy less than 92%: \$30,000 Penalty

Claims Processing Timeliness

Claims processing timeliness shall be determined by reviewing claims systems reports for the length of time incurred in processing clean medical claims. Clean medical and dental claims are defined as claims that do not require investigation or intervention. Claims requiring investigation include all claims that are not yet processed and are being held until Administrator is provided with all information pertinent to the claims as requested by Administrator and as necessary for processing of the claim. Claims requiring intervention include but are not limited to COB claims, claims requiring medical review, etc. Claims requiring investigation or intervention will not be considered for claims processing timeliness.

Claims processing time will be determined by measuring the interval of business days between the date the clean claim is received by Administrator and the date the claim is finalized by Administrator.

Performance Standards

95% or more within 14 days: No Penalty
90% to 94.9% within 14 days: \$15,000 Penalty
Less than 90% within 14 days: \$30,000 Penalty

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Performance Agreement continues on the following page

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JAN 31 2025

MARY JO SPINO

Performance Standards Agreement
Dedicated Group
Jackson County



Administrative Performance Standards – General Principles

The Administrative Performance Guarantees penalty amounts apply to fees (excluding Optional, Non-Standard Services, and or network savings fees) as outlined in the Contract between Administrator and the Plan Sponsor and will be adjusted in accordance with the performance standards set forth below.

The performance measures will be effective January 1, 2025 and will remain in force through December 31, 2025 (hereinafter the "Measurement Period"), or until termination of the Contract between the two parties, whichever is sooner. Administrator will place a maximum of \$90,000 of medical fees at risk. For each category, performance will be measured by, and penalties, if any, will be calculated on the basis of Administrators audits, surveys, or reports as described in this document. Plan Sponsor retains the right to have internal or external auditors verify the accuracy of Administrators reported results at the Plan Sponsor's expenses.

1. Measurement of Administrator performance against the standards shall be performed and reported to Plan Sponsor by Administrator on a quarterly basis or as otherwise noted.
2. The measures discussed herein are average measures relative to the entire Measurement Period, as set out above. The Appropriate penalties will be paid if the result fails to meet the established goal for the entire Measurement Period. Select measures will be reported on a quarterly basis for illustrative purposes only. The final report for the measurement period will be delivered to Group once data on all performance measures is available and calculated by Administrator.
3. This performance guarantee agreement applies only in regard to Plan Sponsor's health services provided directly by Administrator. It is not intended to apply to any other service of coverage, including but not limited to dental and/or life insurance coverage, and carve-outs such as vision, prescription drug card and mental health.

Payment of Penalties

Although Administrator will provide quarterly performance reports, penalties will be assessed for any plan year in which Administrator fails to meet or exceed the performance standards specified herein for Claims Administrative Accuracy, Claims Financial Accuracy, and Claims Processing Timeliness. Performance will be calculated based on an annual average, excluding the best and worst months.

Audit of Performance

Plan Sponsor agrees to accept the results and the methodology, as defined therein under Administrator's internal quality assurance review process, as the measurement of the criteria set forth in this agreement.

Except stated herein, this agreement shall not be construed to otherwise change any of the terms or conditions of the Master Contract.

Approved and agreed to this _____ day of _____, 20_____.

**Jackson County
(Plan Sponsor)**

Name: [Signature]

Title: County Executive

Date: 12-12-2024

**Blue Cross and Blue Shield
of Kansas City (Administrator)**

Name: [Signature]
Name: Rachel Arnett (Jan 7, 2025 12:22 CST)

Title: VP, Sales

Date: 01/07/2025

ATTEST:
[Signature]
Clerk of the County Legislature

APPROVED AS TO FORM
[Signature]
County Counselor