

# State Employees' Insurance Board

## AGREED-UPON PROCEDURES

December 31, 2017



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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**State Employees' Insurance Board  
Table of Contents  
December 31, 2017**

**Report**

Independent Accountants' Report on Applying Agreed-Upon Procedures 1

**Supplemental Information**

Supplement to Report on Applying Agreed-Upon Procedures 2

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Board of Directors  
State Employees' Insurance Board  
Montgomery, Alabama

We have performed the procedures, as described in the supplement to this report, which were agreed to by the State Employees' Insurance Board's (SEIB) management, on evaluating the information in the Blue Cross Blue Shield (BCBS) performance guarantee reports provided to the State Employees' Health Insurance Plan (SEHIP) for the period January 1, 2017 through December 31, 2017. SEIB's management is responsible for the criteria against which the BCBS performance guarantee reports can be evaluated. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the supplement to this report either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the supplement to this report.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the BCBS performance guarantee reports. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the SEIB and is not intended to be and should not be used by anyone other than those specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Montgomery, Alabama  
March 12, 2018

**State Employees' Insurance Board**  
**Supplement to Report on Applying Agreed-Upon Procedures**  
**December 31, 2017**

| Procedures   | Results / Findings<br>SEHIP                        |
|--|--|
| <b>I. Medical and Dental Performance Guarantees</b>  |  |
| <b>A. Claims Processing Timeliness</b>   |  |
| <p>We reviewed the monthly SEIB specific claims timeliness reports generated by the BCBS Plan Performance Auditors (BCBS internal audit function) for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p> | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <b>B. Claims Processing Accuracy</b>   |  |
| <p>We reviewed the weekly SEIB specific claims sample testing results generated by the BCBS Plan Performance Auditors for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>                             | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <b>C. Financial Accuracy</b>   |  |
| <p>We reviewed the weekly SEIB specific claims sample testing results generated by the BCBS Plan Performance Auditors for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>                             | <p>Reviewed 2017 reports. No exceptions noted.</p> |

*See independent accountants' report on applying agreed upon procedures.*

**State Employees' Insurance Board  
Supplement to Report on Applying Agreed-Upon Procedures  
December 31, 2017**

| Procedures   | Results / Findings<br>SEHIP                        |
|--|--|
| <p>D. Member Satisfaction</p> <p>We requested a copy of the most recent annual Medical and Dental Member Satisfaction Survey for 2017 to verify it was performed.</p>  | <p>No exceptions noted.</p>                        |
| <p>E. Account Management Satisfaction</p> <p>We inquired of SEIB management to verify that the annual Medical and Dental Account Management Satisfaction Survey was performed for 2017.</p>  | <p>No exceptions noted.</p>                        |
| <p>F. Customer Service - Average Speed to Answer</p> <p>We reviewed the monthly testing results substantiated by reports from the BCBS phone system for selected months for the average speed to answer phone calls and recalculated the quarter to date amounts reported on the first and third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p> | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>G. Customer Service - Abandonment Rate</p> <p>We reviewed the monthly testing results substantiated by reports from the BCBS phone system for selected months for the percentage of abandoned calls and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>                        | <p>Reviewed 2017 reports. No exceptions noted.</p> |

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**State Employees' Insurance Board**  
**Supplement to Report on Applying Agreed-Upon Procedures**  
**December 31, 2017**

| <b>Procedures</b>  | <b>Results / Findings</b>                   |
|--|---|
|  | <b>SEHIP</b>                                |
| H. Report Production<br>We inquired of SEIB management to verify that the monthly reporting packages were received within 45 days.   | Reviewed 2017 reports. No exceptions noted. |
| <b>II. Pharmacy Performance Guarantees</b>   |   |
| A. System Availability<br>We reviewed the monthly reporting generated by Prime Therapeutics for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.   | Reviewed 2017 reports. No exceptions noted. |
| B. Claims Processing Accuracy<br>We reviewed the weekly SEIB specific claims sample testing results generated by the BCBS Plan Performance Auditors for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data. | Reviewed 2017 reports. No exceptions noted. |

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**State Employees' Insurance Board**  
**Supplement to Report on Applying Agreed-Upon Procedures**  
**December 31, 2017**

| <b>Procedures</b>  | <b>Results / Findings</b>                          |
|--|--|
|  | <b>SEHIP</b>                                       |
| <p>C. Customer Service - Average Speed to Answer</p> <p>We reviewed the monthly testing results substantiated by reports from the BCBS phone system for selected months for the average speed to answer phone calls and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p> | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>D. Customer Service - Abandonment Rate</p> <p>We reviewed the monthly testing results substantiated by reports from the BCBS phone system for selected months for the percentage of abandoned calls and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>              | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>E. Response to Member Written Inquiries</p> <p>We reviewed the monthly SEIB specific inquiry timeliness reports generated by the BCBS Plan Performance Auditors for selected months and recalculated the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>  | <p>Reviewed 2017 reports. No exceptions noted.</p> |

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**State Employees' Insurance Board**  
**Supplement to Report on Applying Agreed-Upon Procedures**  
**December 31, 2017**

| Procedures   | Results / Findings<br>SEHIP                        |
|--|--|
| <p>F. Initial Contact Resolution</p> <p>We reviewed the monthly SEIB specific inquiry timeliness reports generated by the BCBS Plan Performance Auditors for selected months and recalculated the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>            | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>G. Eligibility Processing Timeliness</p> <p>We reviewed the monthly results of the BCBS Eligibility Process Notification for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p> | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>H. ID Card Production</p> <p>We reviewed the monthly SEIB specific sample by the Plan Performance Auditors for selected months and recalculated the quarter to date amounts reported on the third quarter 2017 performance reports for SEHIP without further verification of the underlying data.</p>               | <p>Reviewed 2017 reports. No exceptions noted.</p> |
| <p>I. Report Timeliness</p> <p>We inquired of SEIB management to verify that the monthly reporting packages were received within 45 days.</p>  | <p>Reviewed 2017 reports. No exceptions noted.</p> |

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| <b>Procedures</b>  | <b>Results / Findings</b> |
|--|---------------------------|
|  | <b>SEHIP</b>              |
| J. Account Management Satisfaction<br>We inquired of SEIB management to verify that the annual Pharmacy Account Management Satisfaction Survey was performed for 2017. | No exceptions noted.      |
| K. Member Satisfaction Survey<br>We requested a copy of the most recent annual Pharmacy Member Satisfaction Survey for 2017 to verify it was performed.                | No exceptions noted.      |

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