

**Blue Cross & Blue Shield of Rhode Island**  
**Direct Pay - Comparison of CY09 Budget to CY08 Projected Actual by Natural Account**

	<u>CY2008 Projected</u>	<u>CY 2009 Budget</u>	<u>Increase (Decrease)</u>	<u>%</u>
Salaries And Wages	\$1,801,358	\$1,932,416	\$131,057	7.3
Temporary Empl Serv	31,307	2,992	(28,315)	(90.4)
Fringe Benefits	687,110	766,499	79,389	11.6
Outside Services	293,143	325,340	32,197	11.0
Legal	163,663	170,090	6,427	3.9
Facilities & Occupancy	158,990	172,217	13,227	8.3
Equipment	66,399	117,667	51,268	77.2
Software	151,195	150,218	(977)	(0.6)
Insurance	28,655	29,354	699	2.4
Travel	39,107	39,724	617	1.6
Printing/Office Supplies	69,013	88,497	19,484	28.2
Postage	170,337	182,364	12,026	7.1
Telephone	77,617	80,731	3,114	4.0
Advertising & Public Relations	131,910	134,548	2,638	2.0
Corporate & Civic Dues	34,761	37,952	3,191	9.2
Vendor Fees	1,611,643	1,550,451	(61,192)	(3.8)
Other	<u>231,142</u>	<u>238,478</u>	<u>7,336</u>	3.2
Subtotal	<b>\$5,747,351</b>	<b>\$6,019,536</b>	<b>\$272,186</b>	<b>4.7</b>
Change In Claims Handling	21,489	18,275	(3,214)	(15.0)
Beacon MHSA	84,810	91,348	6,538	7.7
Pharmacy Benefit Management	34,474	173	(34,301)	(99.5)
Radiology Vendor Fee	<u>51,124</u>	<u>49,354</u>	<u>(1,770)</u>	-
<b>Total Expense</b>	<b><u>\$5,939,248</u></b>	<b><u>\$6,178,686</u></b>	<b><u>\$239,439</u></b>	<b>4.0</b>
Contract Months	115,736	117,528	1,792	1.5
PCPM	<b>\$51.32</b>	<b>\$52.57</b>	<b>\$1.25</b>	<b>2.4</b>

**Budget Methodology**

The 2009 expenses were developed by using the 2008 projections (January - June 2008 actual and annualizing for a full year) and adding inflation factors by department. The expenses were then adjusted for known activities.

- ◆ Rate filing costs will be similar to 2007.
- ◆ Enrollment remains relatively flat.

**Blue Cross & Blue Shield of Rhode Island**  
**Direct Pay - Comparison of CY10 Budget to CY09 Budget by Natural Account**

	<u>CY 2009 Budget</u>	<u>CY 2010 Budget</u>	<u>Increase (Decrease)</u>	<u>%</u>
Salaries And Wages	\$1,932,416	\$2,003,844	\$71,429	3.7
Temporary Empl Serv	2,992	3,101	109	3.6
Fringe Benefits	766,499	779,447	12,948	1.7
Outside Services	325,340	335,100	9,760	3.0
Legal	170,090	175,193	5,103	3.0
Facilities & Occupancy	172,217	180,827	8,611	5.0
Equipment	117,667	95,940	<span style="color: red;">(21,727)</span>	(18.5)
Software	150,218	154,724	4,506	3.0
Insurance	29,354	30,234	880	3.0
Travel	39,724	40,916	1,191	3.0
Printing/Office Supplies	88,497	91,152	2,655	3.0
Postage	182,364	187,834	5,471	3.0
Telephone	80,731	74,608	<span style="color: red;">(6,123)</span>	(7.6)
Advertising & Public Relations	134,548	138,585	4,036	3.0
Corporate & Civic Dues	37,952	39,091	1,139	3.0
Vendor Fees	1,550,451	1,624,801	74,350	4.8
Other	<u>238,478</u>	<u>246,264</u>	<u>7,787</u>	3.3
<b>Subtotal</b>	<b>\$6,019,536</b>	<b>\$6,201,662</b>	<b>\$182,125</b>	3.0
Change In Claims Handling	18,275	16,000	<span style="color: red;">(2,275)</span>	(12.4)
Beacon MHSA	91,348	96,544	5,196	5.7
Pharmacy Benefit Management	173	37,440	37,267	21,541.6
Radiology Vendor Fee	<u>49,354</u>	<u>48,488</u>	<u><span style="color: red;">(866)</span></u>	(1.8)
<b>Total Expense</b>	<b><u>\$6,178,686</u></b>	<b><u>\$6,400,134</u></b>	<b><u>\$221,447</u></b>	3.6
Contract Months	117,528	117,528	0	
PCPM	<b>\$52.57</b>	<b>\$54.46</b>	<b>\$1.88</b>	<b>3.6</b>

**Budget Methodology**

The 2009 expenses were developed by multiplying 2008 budget by department with inflation factors. The 2009 Direct Pay budget was then adjusted for other known and anticipated changes that include:

- ◆ No change in enrollment for 2010 in comparison to 2009.
- ◆ Rate filing costs will be similar to 2009