

AHP Settlement Trust
Estimated Costs of Processing a Matrix Claim
Completed: April 19, 2004

Components:	Total Annual Costs	Denominator (Claims Processed/Yr.*)	Cost / Claim (rounded to nearest \$)	Cost Category	Explanation:
PRE-AUDIT PROCESSING COSTS:					
Pre-Audit Direct Claim Processing Employee Costs	\$ 3,129,479	44,000	\$ 71	Direct	Annual Direct Cost of Fund B Employees including Benefits.
Pre-Audit Indirect Claims Employee Costs	\$ 1,514,220	44,000	\$ 34	Indirect	Allocation of Annualized Jan and Feb 2004 Actual, after removing direct Fund A & B expenses.
Pre-Audit Allocation of 1818 Rent	\$ 325,530	44,000	\$ 7	Direct	Actual Annualized Rent split Pre/Post based on FTE count split.
Pre-Audit Allocation of Trust Overhead	\$ 8,294,284	44,000	\$ 189	Indirect	Estimated using actual Trust expenses for Jan and Feb 2004, less costs accounted for in other categories allocated 50% to Fund B.
Sub-Total Pre-Audit:			\$ 301		
AUDIT COSTS:					
Total External Vendor Audit Costs			\$ 516	Direct	As Calculated on per Claim Basis, includes cost of: claimants pre-audit letter, tape copying, and audit packet mailing and laptop.
Sub-Total Audit:			\$ 516		
POST-AUDIT PROCESSING COSTS:					
		(Audits/Year**)			
Post-Audit Direct Claim Processing Employee Costs	\$ 1,377,797	12,000	\$ 115	Direct	Annual Direct Cost of Fund B Employees including Benefits.
Post-Audit Indirect Claims Employee Costs	\$ 541,582	12,000	\$ 45	Indirect	Allocation of Annualized Jan and Feb 2004 Actual, after removing direct Fund A & B expenses.
Post-Audit Allocation of 1818 Rent	\$ 116,430	12,000	\$ 10	Direct	Actual Annualized Rent split Pre/Post based on FTE count split.
Post-Audit Allocation of Trust Overhead	\$ 2,966,569	12,000	\$ 247	Indirect	Estimated using actual Trust expenses for Jan and Feb 2004, less costs accounted for in other categories allocated 50% to Fund B.
Sub-Total Post-Audit:			\$ 417		
Other Costs Associated with Processing Matrix Claims:					
CIP Program Legal Fees	\$ 7,588,642	12,000	\$ 632	Direct	Estimated using January and February Actual MMWR Costs and estimates for remainder of 2004. Also included annualized costs of related experts passed through MMWR.
Appeals/Show Cause Legal Fees	\$ 3,162,036	12,000	\$ 264	Direct	Estimated annualizing actual Jan. & Feb. 2004 expenses.
Expenses for Dr. Dent	\$ 143,000	12,000	\$ 12	Direct	Estimated using last 3 month's actual, annualized.
Trustee Costs	\$ 383,704	12,000	\$ 32	Direct	Estimated using % of Actual 2003, over and above standard fees, considered attributable to Audit/CIP Program.
Sub-Total Other:			\$ 940		
Total Cost Per Claim			\$ 2,174		
Breakdown Direct & Indirect:					
Direct Total			\$ 1,659		
Indirect Total			\$ 515		

* - Based on annualized number of actual Matrix Claims processed per monthly Court Reports divided by 1.8 to account for average number of times a claim is worked before completion.

** - Based on annualized number of actual claims sent to audit in January and February 2004. This number best matches the time frame from which the costs were estimated.