

# CLAIM SUCCESS

HOW TO ACHIEVE EXCELLENCE IN CLAIMS MANAGEMENT

E-Book

• Free E-Book •

# WHEN IT COMES TO MANAGING CLAIMS EFFICIENTLY, YOU CAN'T REST ON YOUR LAURELS.

Even organizations that have made big strides in the way claims are handled can almost always find room for improvement. High performers constantly reevaluate their claims process to reduce waste, enhance customer service, and lower costs.

Claims are a high-stakes game. Just a 1% reduction in claims costs can add a sizable bump to your bottom line. And more than just hard dollars are involved. How a claim is handled can impact workplace morale and your company's reputation. All it takes is one bad interaction that goes viral to inflict lasting damage.

So what are your options – especially if you've already updated your claims software and streamlined key processes?

This e-book will show you how to further improve your claims management process to cut costs, enhance service, and achieve optimal claim outcomes. Read on for specific tips about:

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# WHY YOU NEED A HIGH-PERFORMING CLAIMS PROCESS

Customer expectations are higher than ever. And if you don't deliver, your reputation could go down faster than you can say social media.

The best way to keep customers happy – and costs down – is to resolve claims quickly and efficiently. What defines “quickly and efficiently,” however, is constantly evolving. As the saying goes, today's innovation is tomorrow's expectation.

Exceed expectations by looking ahead at best practices and embracing change – whether that involves new technology, new processes, or new vendors.

**Companies that are able to accomplish this will enjoy:**



**Greater**  
customer  
satisfaction



**Higher**  
productivity



**More**  
consistent  
loss costs



**More**  
reserve  
stability



**Improved**  
regulatory  
compliance



**Better**  
pricing  
accuracy



**Lower**  
claims  
costs

**Reducing claims cost by as little as 1% can make a big difference in your bottom line.**

# WHY THE 24-HOUR RULE IS CRITICAL



Claims that drag on cost more – and that’s particularly true with workers’ compensation claims. Every injured person wants you to be as concerned about their injury as they are. And any lag in response time sends a message that you don’t care.



Employees who don’t feel like their injury is being taken seriously are more likely to seek legal counsel – which can exponentially increase the cost of a claim. Add lost-wage payments to the tab anytime an employee misses more than three days of work.



**To increase your odds of a good outcome, aim for making initial contact within 24 hours.** And have a consistent, robust return-to-work program to get them back as quickly as possible to whatever job capacity makes the most sense.





# WHAT CLAIMS DATA CAN TELL YOU

**Claims generate an abundance of data. The key is figuring out how to put it all to good use.**

Artificial intelligence combined with big data can identify subtle but important patterns to guide decision-making. You'll be able to respond faster, allocate resources better – and even prevent similar claims altogether.

## Claims data can be used to identify:



### Complex claims

Forecast how severe the loss will be for each claim, and flag costly and complex cases for early intervention. Complicated claims can be assigned to the most experienced adjusters and routine claims to less experienced adjusters – or even processed automatically – for the best use of resources.



### Medical management.

Look beyond the reported injury to identify which claims need further investigation – by an independent medical evaluation, nurse case manager, pharmacy review, or other healthcare professional – to determine if treatment is appropriate and if other things can be done to improve the claim outcome.



### Fraud

Calculate the degree of fraud potential, and identify early warning signs so those claims can be quickly referred to an investigator and/or medical evaluator.



### Performance levels

Use important indicators such as lag time, litigation rates, average claim duration, severity, closing ratio, aged-claim counts, to determine how well your claims program is performing.



### Litigation potential

Use location, attorney involvement, and other criteria to determine which claims are likely to litigate so defense attorneys can immediately start building a case.



### Priorities

With an estimated 20% of conditions driving 80% of claims costs, data can help determine which claims are in that critical 20% to focus on first for maximum impact.



# THE CASE FOR GETTING IT ALL IN ONE PLACE



Emails can get lost or misfiled. Tasks can get missed or forgotten.

There are a lot of moving parts with a claim, so diligently record everything you can within the claim file – including adjuster notes, medical diagnosis, reserves, and settlement authority. That way, everyone involved knows exactly what has been done and who did it. Claims managers also can see the current status of a claim, check reserve or settlement requests, and review notes to see if **everything possible** has been done to **mitigate the situation**.

**IF AN ACTION ISN'T  
RECORDED IN THE  
CLAIM FILE, DON'T  
CONSIDER IT DONE.**

# HOW TO DIAGNOSE PROCESS INEFFICIENCIES

A single claim can involve a multitude of people, systems, and vendors as it winds toward resolution. A high-performing claims process minimizes the number of touchpoints, eliminates unnecessary steps, and breaks down silos.

To streamline your claims process, seamlessly connect all systems, strategies, and people:



Analytics can tell you when to bring in outside help to manage work levels, add expertise, or get someone geographically closer to the situation. Analytics also can be used to route simpler claims to less-experienced adjusters, freeing up seasoned adjusters for the most complicated claims. For maximum impact, focus first on key processes like return to work and reserve management and continue from there.

**Inefficiencies make unhappy claimants. Whatever can be done to streamline your process to improve customer service is money well spent.**

# WHY VENDORS NEED TO BE PART OF YOUR TEAM – FOR REAL

The claims vendor list is long – attorneys, medical professionals, auto-repair shops, contractors, medical case managers, and the all-important TPA. Not only are you spending good money for their services, these vendors represent your company. And both your reputation and your bottom line are at risk.

Strengthening these vitally important relationships can both lower costs and improve customer service. Quantitative measures – claims resolution costs, timeframes, closing rates, etc. – are certainly important. But it's the qualitative factors that can make or break the relationship.

Strong vendor relationships can balance workloads, control costs, and drive efficiency. The key is to build a collaborative, cross-functional team that works well together.



**Get to know vendors personally.** Having a human connection paves the way to open communication and constructive collaboration. Meet the people who are working on your claims, and get to know them personally. A little old-fashioned rapport with who is on the other end of the line also makes it much easier to deal with any issues that do come up.



**Establish clear expectations.** Spell out realistic, clear, and concise instructions, and include all the right controls for response time, reserve increases, settlement authority, etc. And make sure the vendors' employees are well trained in executing those instructions.



**Hold vendors accountable.** Vendors need to have skin in the game. Make sure they are hitting key metrics and are following your instructions. And know when to step in to keep things on track. It's also important to monitor vendor performance to reduce claim leakage and expense on your bottom line.



**Seamlessly integrate systems.** The more vendors that can fully integrate with your system, the better. Direct data feeds eliminate the need to manually input data – which reduces human error, simplifies communication, and frees up staff for more valuable tasks.

## SWITCHING VENDORS CAN BE COSTLY AND DISRUPTIVE, SO MAKE THAT A LAST RESORT.

Instead, recognize early signs of trouble, and do everything you can to get a derailed relationship back on track. The best option is to avoid trouble in the first place by selecting vendors that match your company's values, and maintain regular and direct communication to keep everything moving along smoothly.



# HOW TO GET THE MOST OUT OF DASHBOARDS

Dashboards might be the best-kept secret in managing claims effectively.



A well-executed dashboard shows you everything you need to assess the health of your claims operation at a glance. You can find answers and visualize KPIs in real time. And graphics make complex information instantly understandable.



Building an effective dashboard starts with deciding which metrics to display. What information do you need to make sure claims are being handled efficiently? Keep your dashboard focused on the six to eight metrics you need to do your job effectively. Any more than that will make your dashboard cluttered and hard to read – which defeats the whole purpose.

## COMMONLY TRACKED KPIs (DAILY, WEEKLY, OR MONTHLY) INCLUDE:

1

New losses (which can be subdivided by incidents, claims, suits, and lines of coverage)

2

Severity (average incurred per claim, top 10 large losses by location or cause)

3

Closed claims (closing-ratio percentage)

4

Average claim duration

5

Average cost per claim

**High-performing claims operations make extensive use of dashboards.**

# WHAT MAKES A GOOD DASHBOARD

## **Acts as the nerve center of your claims operation.**

Critical information is all in one place and well organized for quick answers.

## **Tells a clear story.**

Graphics are more than just eye candy. They put context around the data and convey specific facts in a more effective way than numbers in a table can.

## **Follows the 5-second rule.**

You should be able to find what you're looking for in 5 seconds or less. Put the most significant metrics at the top of the screen and more detailed information at the bottom for the most intuitive layout.

## **Cuts the clutter.**

Include everything you need – and nothing that you don't. Use your space wisely, and group data logically.

**Even the best dashboard is worthless, however, if it isn't combined with thoughtful analysis and attentive follow-up.**



# MAKING IT HAPPEN

Achieving excellence in claim management is a journey of continuous improvement rather than a final destination. It's all about making connections – between your systems, your vendors, your people, and your strategies. And you need technology to make it happen.

The right technology will help you take advantage of all the claims data you've been collecting. Advanced analytics can transform data into insights that will help you make better decisions, root out fraud, reduce cycle time, and allocate resources more effectively. Making good use of dashboards and reporting keeps your thumb on the pulse of the claims process, while improving communication with top management, and enhancing collaboration among the entire claims operation.

Technology is also the springboard for improving other aspects of your claims process. Strengthening your relationships with vendors – including seamlessly connecting with their systems – can yield impressive results. And it's worth taking another look at your processes with an eye toward automation where appropriate to add consistency and speed to the claims process.

That's not to say improvement will be easy. Legacy systems, budgetary constraints, and overworked employees all can make change an uphill battle. But even small improvements in the way claims are handled are worth it when you add up the potential savings – which goes right to the bottom line.

**And that is sure to be welcome news to top management.**



# About Riskonnect

Riskonnect is the leading integrated risk management software solution provider that empowers organizations to anticipate, manage and respond in real-time to strategic and operational risks across the extended enterprise.

Through our unique risk correlation technology, over 900 customers across 6 continents are benefiting from actionable insights that have not been previously attainable to deliver better business outcomes. Riskonnect has operations in the Americas, Europe and Asia employing more than 500 risk management experts. To learn more, visit [www.riskonnect.com](http://www.riskonnect.com).

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