



### Claims Management – Lessons Learnt

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### Overview of session

- Claims management and why it's important
- What we know from best practice
- Why it's difficult to translate into reality
- Our experience and key learnings



## What is claims management?

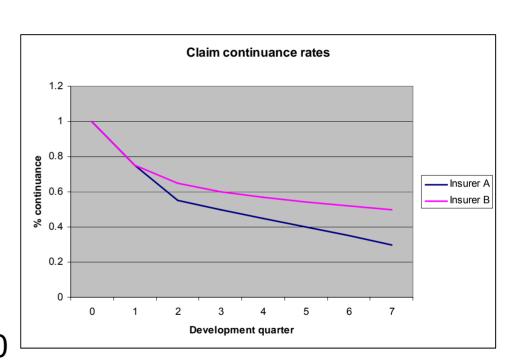
- Claims management is the integration of injury management and claims administration, with the aim of returning people back to health and work
- Claims management involves:
  - organising and coordinating care support
  - managing the multiple dimensions of rehabilitation
  - individual focus and management

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## Why claims management is important

- Consider two insurers in the same scheme with the same lost-time claims at 3 months
- Improving year 2
   continuance from 50% to
   30% reduces average
   major lost-time claim size
   from \$172,000 to \$112,000
- Flow on benefits to medical costs and statutory lump sums



Note: Based on real examples



### Areas of focus for claims management

### These include:

- Management of the tail
- Short-term return to work
- Specialisation



## Principles of best practice

Good claims management practice is built on:1

- multi-disciplinary management
- multi-dimensional management
- best practice clinical management
- rehabilitation that is tailored
- outcome measurement
- timeliness / early intervention

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### **Pressures influencing RTW**

#### **Injured Worker**

### Health, Psychological & Social Characteristics

- · Physical impairment
- Psychological impairment pain, fear, anxiety, stress
- Pre / post injury income
- · Social factors

#### **Attitudes & Perceptions**

#### Self perceptions of:

- injury and impairment
- · functional ability
- · ability to recover
- ability to RTW
- pain
- fear of re-injury
- · depression, anxiety and stress

Perceptions of employer, workplace & system regarding:

- · iob satisfaction
- · supervisor's first response to injury
- · support offered to employees
- · attitudes and support of co-workers
- · suitability of duties, accommodations and modified work
- · satisfaction with insurer
- satisfaction with care provider

Personal factors

Societal factors

System

### **Demographic characteristics**

- Age
- Gender
- · Level of pre-employment education
- · Martial status
- · Language spoken at home
- · Union membership

#### **Injury Characteristics**

- · Injury nature, location & circumstances
- · Type of treatment
- · Completion of rehabilitation program
- Injury history chronic, acute

#### Claim characteristics

- Previous claim history
- Data of injury
- · Date of claim
- Workers compensation benefits type

#### **Return to Work Outcomes**

- · First RTW, Durable RTW
- · Employment characteristics at RTW
- Recurrent injury, work absence and claim

#### Health & psychological outcomes

- · Employee attitudes to RTW
- Physical and psychological functioning
- Capacity to RTW
- Social functioning outcomes
- · Job satisfaction
- Employer support

#### • Size of emp

#### **Rehabilitation & Medical Care**

- · Treatment type
- · Timely treatment
- · Rehabilitation completion
- · Treatment location

### **Employer**

#### **Attitudes & Perceptions**

- · Injured worker willingness to return to work
- · Availability of workplace accommodations
- Capabilities to supply suitable and / or modified duties

#### Characteristics

- Size of employer (wages, employees)
- Job category (desk or labour)
- · Ergonomic risk of work
- Financial rewards of job
- Job tenure
- · Workplace environment
- · Preventative interventions

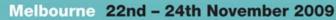
Legend: Unmodifiable factors

Modifiable factors



## Organisational challenges

- Building to scale
- Skills and competencies of staff
- Leadership





### Our approach

### Identify opportunities to reduce:

- operating costs
- future liabilities



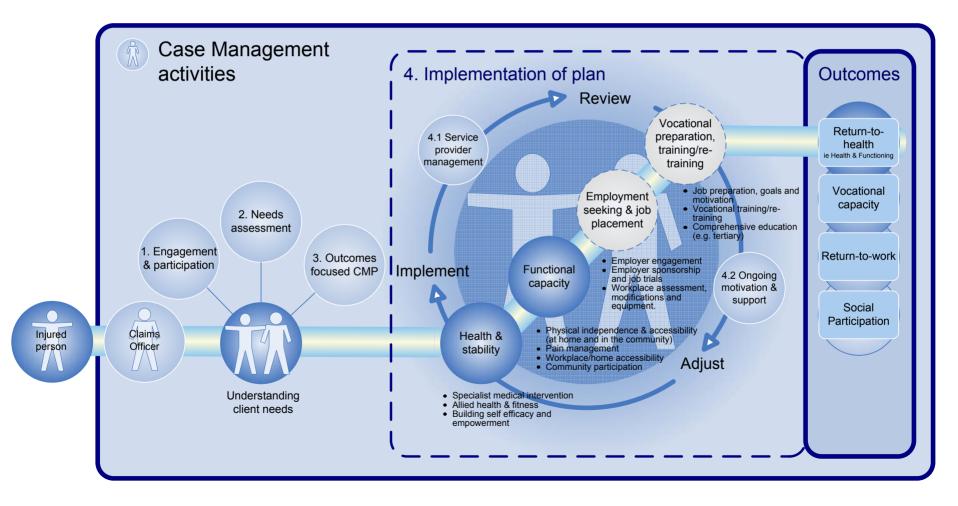
### It is important to:

- engage key stakeholders and include them in the process
- transfer knowledge and encourage ownership
- work within organisational-specific parameters

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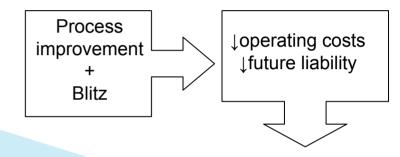
### The claim pathway



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## Claims management framework



#### **REALISATION OF BENEFITS**

# PREVENTION SEGMENTATION CLAIMS MANAGEMENT • Injury management • Claims administration • Claims administration

TRAINING AND DEVELOPMENT

**POLICIES AND PROCEDURES** 

PERFORMANCE MANAGEMENT

LEADERSHIP AND STRATEGIC DIRECTION

### For example:

- Management of the tail
- Short-term RTH/W
- Specialisation (eg serious injury)

<sup>\*</sup> A claims management process that is underpinned by strong leadership and a clear strategic direction; standardised policies and procedures, a performance management framework aligned to strategy and policies and facilitated through training and development.



### **Benchmarking**

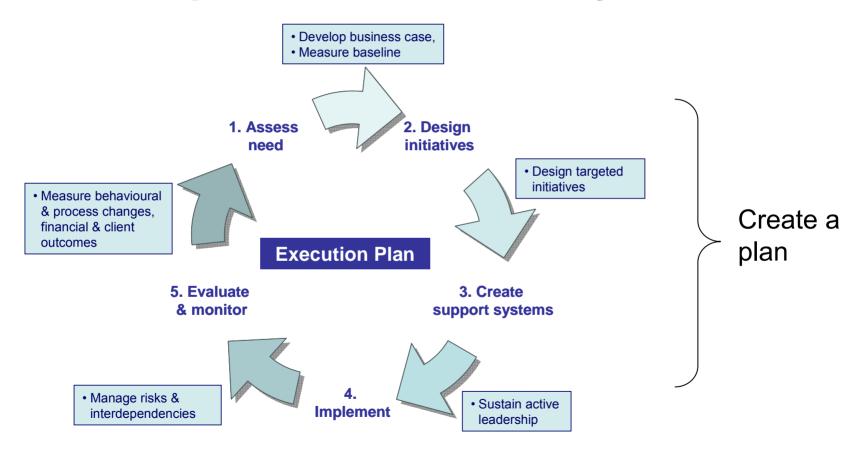
- Understanding what is being done elsewhere - what is working / not working
- How do you compare?
- Considering:
  - case loads
  - team size and structure
  - qualifications and grades
  - models of segmentation

- accountability (KPIs, budgets)
- interaction with other stakeholders

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### Implementation lifecycle



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## **Example monitoring framework**

#### **Annual Budget**

Expected distributions of claimant across age and severity bands

Available annual budget for each injury-year cohort, derived from actuarial projection model of incidence / severity / cost Available "average" budgets for each segment of claimant, in \$\$\$ and mix of services for expected incidences Injury management plans, outcome measures and short-term budgets for each segment of claim streaming for each claimant

#### Client Plan

Accumulate and summarise number of claimants, plus IMPs, outcome measures and short-term budgets

### **Cycle of Governance**

Prudential Management and Stakeholder Satisfaction

Scheme annual experience summary report for each injury-year cohort incidence, severity and injury management plans

Close the loop for another year of dynamic planning and prudential management

**Budget adjustments** 

Annual actuarial valuation and projection, giving revised costs and available budgets, using results of monitoring experience & other outcomes Monitoring and benchmarking reports to cover reporting, service utilisation, costs, claimant satisfaction & health outcomes Develop database and evaluation tool-kit to measure reporting, utilisation, costs, claimant satisfaction and health outcomes

**Outcome measures** 



## Implementation: key messages

- Leadership as key driver
- Ownership = sustainability
- Resourcing change

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## **Concluding remarks**

- Claims (case) management is crucial for claimant and financial outcomes
- Communication and collaboration with all parties is important for return to work
- Continuous improvement through strong leadership and application of a control cycle