Change • Challenge • Opportunity

Injury & Disability Schemes Seminar

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The Dirty Dozen

Common Claims Management Pitfalls that Impact the Bottom Line

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The Dirty Dozen of Claims Management relate to:

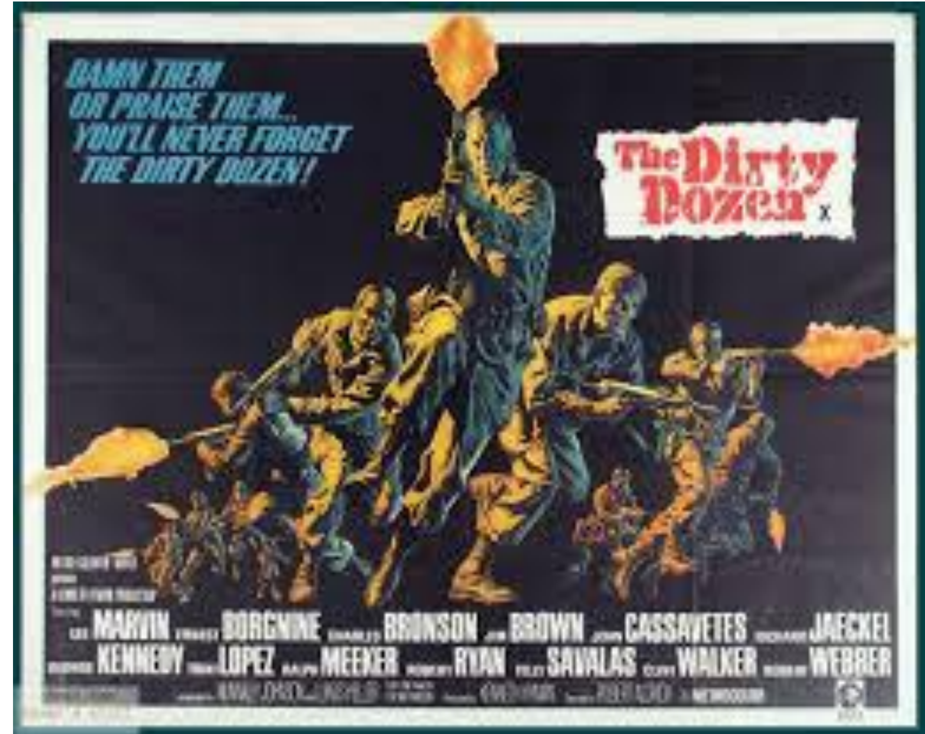
- **Claimants**
- **Claims Staff**
- **Claims Costs**
- **Claims Process**

and … most of all

- **Claims Outcomes!**

The Dirty Dozen creates poor cost, duration and customer outcomes.

What are they and what can be done to tackle them?



Our insights....

Extensive experience in reviewing long-tail personal injury claims

- Strategic / Operational Reviews
- Best Practice Benchmarking
- Compliance Reviews
- Claims Leakage Analysis

Our insights....

- Many common problems, regardless of the system / jurisdiction
  - Legislation and individual scheme dynamics can create particular difficulties
- Common failures relate to
  - Claims management practice
  - Systems and processes
  - Culture and claims philosophy

CLAIMANT

- Holistic approach – claim philosophy
- Proactive Communication

CLAIMS PROCESS

- Triage & Segmentation
- Strategy
- Info. Management
- Claims Systems

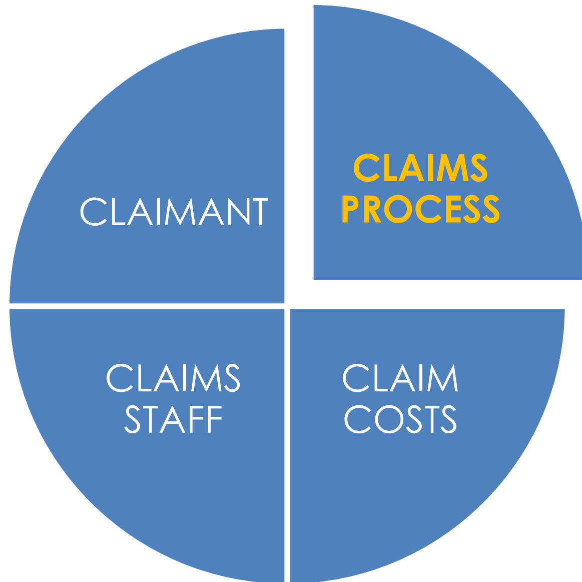
CLAIMS STAFF

- Team Structure
- Training and QA
- Claims Culture

CLAIMS COSTS

- Provider Management
- Review
- Analysis

Key weaknesses in claim process



Where do things most often go wrong?

- Getting to the right team and with the right priority
- Making strategic and evidence-based decisions
- What gets in the way?

1. Triage and Segmentation

Ideally:

- Use of data
- Bio-psycho-social risk factors
- Directs to different claim management strategies and expertise
- Higher needs = smaller workload
- Continually reviewed

Reality:

- Based on preliminary and incomplete information
- Not regularly updated
- Driven by workload rather than needs
- Reluctance to re-allocate
- Handover not done well – a key gripe of claimants

Typical barriers to RTW for long -term Workers' Comp. claims

Main RTW Barrier (other than the original injury)	How often?
Co-morbidities	1 in 5
Lack of employee motivation	1 in 6
Secondary Psychological symptoms	1 in 7
Length of period off work	1 in 8
Chronic pain	1 in 10
Other bio-psycho-social factors	1 in 10
Age of employee	1 in 12
GP's attitude to RTW	1 in 20

- Based on large sample file reviews
- These barriers should be considered as flags for intervention and / or change in claims strategy

2. Strategic decision-making

What is required?

- The right strategy
- At the right time
- Milestone based
- Collaborative
- Share information with treating doctors (rehab progress, IME opinion)

What did we see?

- Tick-a-box recovery plans
- Missed opportunities (e.g. left work, moved location, capacity downgraded)
- Failure to engage with treating practitioners
- Unrealistic goals – doomed to fail

Strategic collaboration examples

When GP is reluctant to certify fitness

- Functional assessment by treating physio
- Together with Voc Rehab – match to work duties
- Discuss suitable duties with employer
- Describe graded RTW program to GP
- Seek GP approval for RTW

When condition relates to alleged harassment / bullying

- What would it take for RTW to same job?
- Options for different role / team / location?
- Consider temporary re-deployment
- Consider different employer
- Consider work trials first?

3. Information Management

We saw:

- Information overload – reports for the sake of it – update IME, rehab progress report
- Failure to act on information
- Failure to provide summary of key issues / latest treating reports to IME
- Information incorrectly classified / difficult to find
- Information missing from electronic system / multiple systems

What can help?

- Clearly articulated reasons for requesting report/ specific questions
- Relevant background provided in summary
- Desktop visualisation: Timeline chronologies of treatment, RTW and assessments
- Regular updating of risk matrix, barriers, treatment plans on-line

Especially as files get transferred across staff

Information Management

What is required?

- Have a data strategy: the 'right' data is easily accessed to inform decisions
- Data driven segmentation & prioritisation
- Benchmarking key claim attributes against averages
- Use machine learning techniques to continually review

What did we see?

- High risk cases not appropriately triaged or monitored
- Key metrics not readily accessible
  - e.g. days on GRTW; duration on rehab plan
- High / ongoing costs not flagged or questioned
- Outliers not identified
- Coding errors – incorrect categorisation

4. Case Management systems

Help or hindrance?

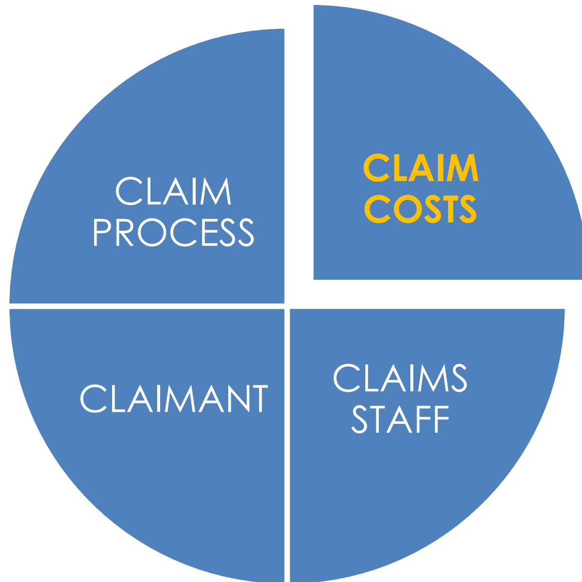
We saw:

- Over-engineered processes
- Disjointed systems, some aspects recorded separately
- Inability to readily access key facts and contacts
- Difficult to navigate
- Poor indexation of documents
- Repetitive entries

Systems should be an enabler:

- Intuitive and user-friendly
- Combine elements of 'case' and customer relationship management
  - e.g. interactive summary screen of the claimant
- Timelines: key events and escalation
- Enable thinking and reflection
  - rank progress, risks, bio-psycho-social factors
- Readily retrieve reports, analytics
- Facilitate better 'customer-centric' responses

Key weaknesses in managing claim costs



Where do things most often go wrong?

- Third party providers
- Reviewing ongoing costs
- Understanding the cost drivers

5. Providers

We saw:

- Variable quality – tick a box progress reports
- Lack of progress and no suggestions
- Unrealistic goals
- Poor engagement with employer / GP / psychologist / physio
- Poor documentation of claimant non-co-operation / motivation

What can help?

- Outline expectations from outset
- Challenge recommendations
- Don't be afraid to change providers
- Ask for experienced CMs on difficult cases – especially psych
- Require case conferencing
- Provide advice when claimant not co-operating
- Evaluation and feedback
- Preferred provider panels

6. Reviewing ongoing costs

We saw:

- Inconsistent approach to managing cost
- Incorrect decisions – e.g. approving hands-on physio *and* exercise program
- Treatments continuing despite Injury Management or medical advice
- Rehab continuing with no progress and non-co-operation
- Co-morbidities not explored – treatment or incapacity was for unrelated reasons
- Causation not explored – paying for treatment that was in place before the injury or temporary aggravations

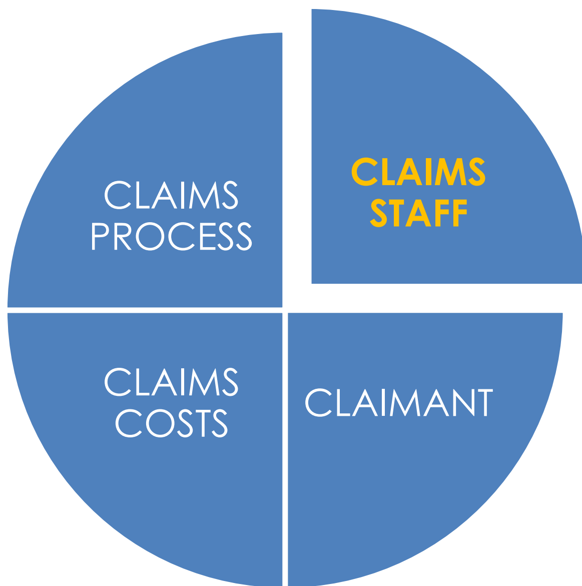
What can help?

- Be clear on strategy
- Expectation Management
  - claimants and providers
  - most treatment / support services are not forever
- Always get clinical notes to explore co-morbidities and aggravations
- Liaise with providers
  - what are the indications for continuing?
  - What are the implications of reducing?
- Easily accessible timeline / tally of treatments and costs

7. Analysis

- Masses of data – but what does it tell us?
- Analytics at different levels:
  - Individual – costs and durations
  - Injury / Segment cohorts
  - Claims teams
  - Trend data
- Understand the cost drivers
- Enable benchmarking – discuss at team level
- Enables identification of outliers – for strategic review
- Enables identification of risk factors and root causes
- Allows for review of claim segmentation strategy

Key weaknesses in managing claims teams



Where do things most often go wrong?

- Structure and access to expertise
- Training and QA
- Claims culture

8. Team Structure

We saw:

- Variable access to expert advice
- Variable attitudes – reluctance to access expert advice
- Inconsistent use of case conferences and strategic review meetings
- Skilled people spending time on routine tasks

What can help?

- Team structure that encourages collaborative problem solving – embedded experts?
- Specialist teams? e.g. serious injury; psych claims
- Strategic reviews by Injury Management Advisors
- Building skills - junior staff coached by experienced staff on difficult cases

9. Training and Quality

We saw:

- Process dominated Tick-a-Box thinking!
- Lack of confidence to query providers, propose strategies
- Ineffective QA – not flagging key issues:
  - Failure to follow up
  - Review of long term expenses
  - Red & yellow flags
- Inconsistent practices between different teams
- Cynicism

What can help?

- Regular training by experts on specific topics
  - what works in voc rehab
  - overcoming barriers,
  - managing psych claims, etc
- Peer review of long term / difficult cases
- Flags and checklists for strategic reviews
- Mentoring to build confidence in provider liaison and case conferencing

10. Claims Culture

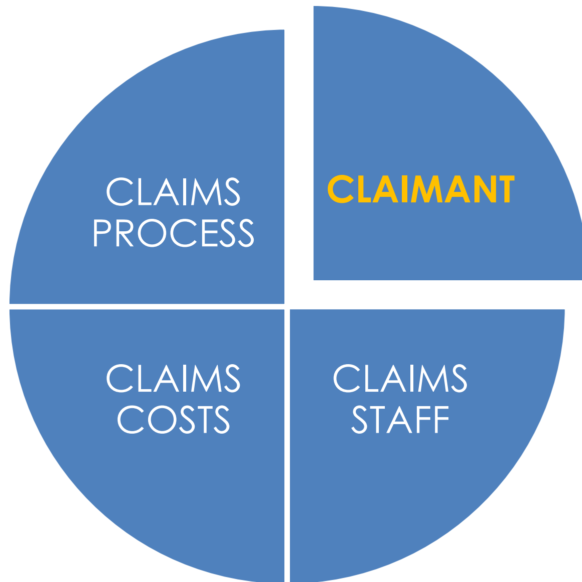
We saw:

- Claims staff not understanding their role and purpose
  - Who is my client: claimant / employer?
  - Stuck in the middle
- Disconnect between 'customer experience' *principles* and adversarial *practises*
  - Reinforced by transactional rather than outcome focus
- Archaic claims management, often driven by cynicism and anecdotes rather than evidence-based research
- Lack of empowerment, engagement contributing to high turnover
- Poor understanding of performance drivers
  - Blunt and sometimes inappropriate KPIs, driving the wrong behaviour

What can help?

- Leadership needs to reinforce the role of claims as a service
- The desired culture needs to be explicitly articulated – it drives behaviour
- Operationalise current research and evidence-based approaches e.g.
  - Better management of psychological claims
  - Incorporate claimant feedback
  - Use of behavioural insights techniques
- Claims / case management is difficult – find the pain points, empower and engage staff and create career pathways
- Performance measurement needs to be balanced and nuanced
  - What does success look like?

The claimant's experience



How does it feel

- Was there a consistent approach to my claim, which I could understand?
- Was communication with me honest, appropriate and timely?

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11. Holistic approach

We saw:

- Task- based and transaction- based approach
- Lack of underpinning philosophy
- Arms-length management
- Inconsistent communication with claimant and providers

What can help?

- Strong values statements
- Aspirational claim philosophy
  - Who's driving this bus?
  - Emphasis on empowerment balanced by the need for rigour in claim management
- Emphasis on transparency and collaboration
- Clarification of respective roles

12. Proactive Communication

What does this look like?

- Informed by underpinning philosophy
  - Honest and transparent communication
  - Simple, plain language
  - What is the claimant's preference?
- Strong introductory contact
  - claimant and provider
- Expectation management
  - Collaborative goal setting and problem solving
  - It is my role to … and I will contact you when…
  - It is your priority to focus on your recovery… you should contact us when…
- Proactive contact
  - when something changes
  - at agreed milestone points

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To recap:

- Holistic approach – claim philosophy
- Proactive Communication

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In summary, you can provide a better customer experience and get better cost and duration outcomes by taking on the Dirty Dozen:

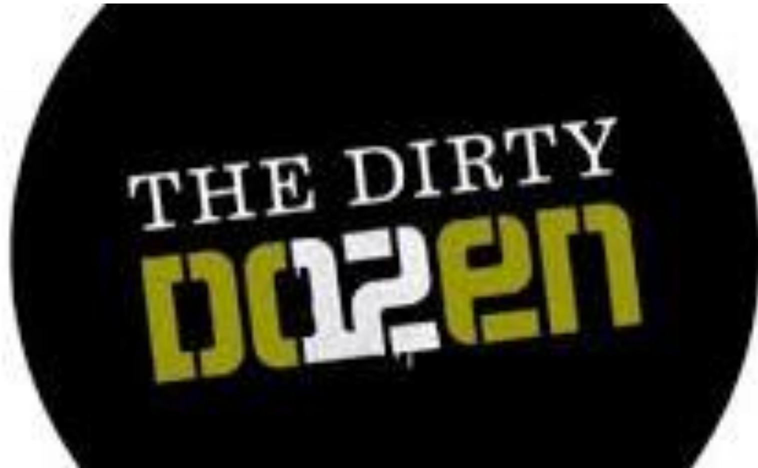
- **Segmentation** – risk based and meaningful
- **Strategy** - collaboration to plan approach and make evidence-based decisions
- **Information** - Summarised and accessible – timeline and key information points displayed; key metrics monitored

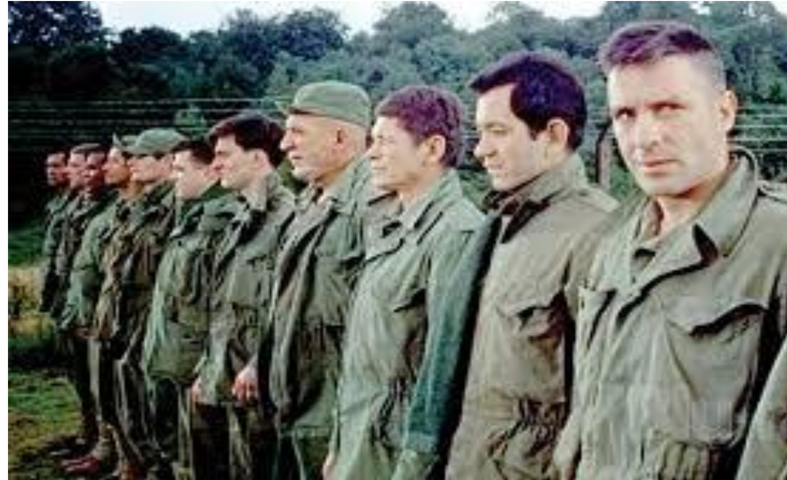
Review your claims operations holistically, with a strategic lens

- **Systems** – need to be more customer centric and an enabler for claims staff: providing key information in readily accessible form
- **Providers** – set expectations, work collaboratively & expect good quality advice
- **Review of ongoing costs** - manage expectations, get the right information and be clear on strategy
- **Analysis** – put the key information into the hands of the front line staff

Finally: claims is about people - empower and engage your staff so that they can provide a better customer experience

- **Team Structure** – embedded expert advice and collaborative problem solving
- **Training and QA** – build knowledge and confidence, encourage strategic thinking
- **Claims culture** – create a culture to drive desired behaviours
- **Holistic approach** – importance of a claims philosophy that clarifies respective roles and approach
- **Proactive communication** – transparent and consistent; working together towards agreed goals





Questions?