Auto Casualty

Using an Advanced Medical Bill Review Platform to Improve Third Party Outcomes

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Some auto casualty insurance carriers' workflows are missing a key part of an end-to-end third party solution – an advanced medical bill review platform. Though bill review is traditionally thought of as a specifically first party or workers' compensation solution, it can also make an impact on third party claims. Bill review provides benchmarking and other capabilities that insurance companies are typically lacking in third party claims, helping to achieve consistent results through data-driven and supportable evidence. Specifically, bill review can help adjusters keep up with changes in the market, increase automation and efficiency and ultimately help improve the negotiation and settlement process.

Keeping up with the Changing Market

Since the compliance and medical landscapes are very complicated and dynamic, it's nearly impossible to manually keep up with changes including rising medical costs through training and research alone. It's difficult for adjusters to know what the market price is for the many different billing codes they come across on any given day. In addition, many attorneys do not understand detailed compliance rules, which means it is essential for adjusters to have the right tools to be able to easily explain these rules in negotiations. Because of these market trends, it's difficult for an adjuster to negotiate using traditional adjustments or simple fee schedule look-ups. A bill review platform provides the robust capabilities an adjuster needs to make better decisions, while simplifying the process and managing complexities. For example, a rules engine, clinical expertise, procedural coding and frequent updates of a bill review platform help adjusters be confident that they are consistently reaching the right decision on what they should pay. In addition, a bill review platform can also group adjustments related to complex compliance regulations into easy-to-explain categories. This way, the adjuster can more effectively negotiate billing adjustments.

Making Automatic, Customized Decisions

Many third party adjusters are overwhelmed with the sheer volume of claims on their desk, and in order to reach a fair and consistent settlement on each of these claims, adjusters need to take many different, often time-consuming steps. A bill review platform's customizable rules engine integrated with nurse review, second level reviewers and workflow routing to second level review can help automate many of those steps and decisions to save time and improve consistency. Customized rules help point out additional opportunities for negotiation that aren't tied directly to the price of the bill. This may include rules that automatically re-code procedures to a typical level for the injury, deny certain procedures that are not related to the accident, or point out treatments beyond a typical recovery date for the reported injuries. One specific area where adjusters can save time using automated workflows is in evaluating treatment patterns. A bill review platform allows insurance carriers to pre-configure business rules to allow an adjuster to quickly adjust medical specials to align with typical treatment patterns for claimants with similar injuries. For example, the adjuster could highlight a claimant's treatment pattern against commonly recommended American Medical Association (AMA) guidelines. Having these reference points allows the adjuster to consider whether the treatments were reasonable and related to the incident.

Excelling in Negotiations

Evaluating a demand package can be a very difficult task that often includes activities outside of the adjuster's core skills. When entering third party claim negotiations with attorneys, adjusters are expected to not only have a full understanding of the medical expenses, treatments and injuries, but they must also be prepared to clearly explain the amount they are willing to pay and why. Adjusters should be basing their decisions and arguments on fact-based, data-driven expertise as they evaluate the claim and negotiate settlement. Without a fact-based, planned argument, the work done to evaluate the demand can fall apart in negotiation. With bodily injury costs increasing by about 13 percent from 2011 to Q2 2016[1], insurance companies can't afford to have negotiations go awry. A bill review platform can make a positive impact on the negotiation process in a couple of different ways. Not only does a bill review platform provide fact-based negotiation points, but it displays them in an easy-to-use concise BI report or expert claims workspace. This way, all of the key findings are pulled front and center for adjusters to use during negotiations. A bill review platform also provides talking points and endnote guidance to help adjusters clearly and confidently communicate usual and customary charges based on other providers in the area. In addition to providing adjusters with tools for successful negotiations, a bill review platform also gives an insurance company the opportunity to take a step back and look at performance trends and insights to help managers pinpoint areas where their teams can improve. For example, a company could look at three different numbers – charged, recommended and evaluated. When the adjuster evaluated amount regularly differs from the recommended amounts, it may indicate an opportunity to train adjusters for negotiation on these adjustments or consider updating the adjustment types set up in bill review. By clearly comparing the bill review recommendation to an evaluated amount, carriers can improve their organization's performance.

Better Outcomes

In order to be effective in improving these three areas of third party claim adjudication, insurance companies should use a robust, customizable bill review engine that not only has sophisticated functionality, but also helps adjusters effectively and appropriately use its recommendations. By integrating an expert bill review platform into their end-to-end third party solution, insurance carriers can start to consistently see improved outcomes on third party claims. Click to see the first installment of our third party blog series: Managing Medical Records is Key to Improving Third Party Claim Settlements

[1]Iso Fast Track Data

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