Auto Casualty

The Power of Advanced Reporting & Analytics: Highlighting Actionable Insights in the Claims Process

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This is the sixth article in a seven-part series that highlights how technology and solution integration can result in improved claim outcomes. Click to read the first, second, third, fourth and fifth articles in the series. Analytics has been a hot topic for a few years now, and for good reason. More than half of analytics leaders reported a correlation between their organization's analytics initiatives and seeing a "significant improvement" in their competitive standing. In the coming year, more than three quarters of that same group plan to expand or modernize their IT infrastructure to support analytics, according to a study from Forbes and Cisco. In the insurance industry specifically, claims organizations are seeing varying results with their analytics programs. According to a McKinsey report, while more than half of CEOs at a variety of major P&C insurance carriers that they surveyed consider analytics a top priority, only one in six responded that analytics was making a large impact. The reasons for these struggles varied, including lack of alignment with strategic goals, poor integration and adoption or poor data quality. When analytics is implemented correctly, it can have a significant positive impact on the claims process. As evidenced by the McKinsey study, getting analytics right can be challenging. Below, I've outlined a few tips on how to use analytics effectively to make improvements in the claims process itself and to support a claims organization's operations.

Using Advanced Reporting & Analytics in the Claims Process

Within the claims process, claims organizations should be looking for different ways to highlight actionable insights for adjusters to react to and use throughout the process. Here are a few effective ways to incorporate advanced reporting and analytics for adjusters:

Surface Key Findings

Use analytics to surface key findings in the claim to help give adjusters the full picture so they can improve decision making. For example, technology can help analyze if a claimant has been seeking treatment outside of the set treatment timeline, or if a bill was submitted for treatment that was unrelated to the injury. These types of analytics provide immediate information to adjusters so they can make more informed decisions, ultimately having a direct effect on the claim outcomes.

Provide Predictive Analytics

Implementing predictive analytics into the claims process could help claims organizations to accurately predict the severity of a claim or the types of symptoms typically associated with a type of injury. These types of predictions allow claims organizations to accurately triage claims to the right adjuster or group of adjusters to help make sure the claims are handled appropriately from the start.

Analyze Provider Data

Analyzing provider behavior and surfacing key insights for adjusters can help them to understand when a certain provider might be charging above the industry averages on a certain treatments, or treatments that may not be necessary for certain injuries. Questionable billing or treating practices can be further scrutinized by adjusters and nurses, or ultimately referred to the Special Investigations Unit. Implementing these types of provider analytics help claims organizations to be more confident that they are paying a fair amount on claims across the board, and that the injured workers are getting the right treatments.

Using Advanced Reporting & Analytics to Support Operations

In addition to providing advanced reporting and analytics to adjusters to help make an immediate impact on claim decisions, claims organizations should also be implementing advanced reporting and analytics to support their operations.

Understand Internal Claim Operations

Internal reporting and analytics can help give managers at claims organizations insight into how their claims departments are operating. Specifically, there are a few key metrics that claims organizations can track constantly at the bill review level to help them make real-time adjustments and improvements, including: bill inventory, pend aging, number of bills a specific team works per day and average time per bill. Providing managers with insight into this type of reporting can allow them to fully understand how their department is operating and influence them to make key decisions to improve business outcomes.

Analyze Trends and Compare to Industry

Advanced reporting and analytics can help a claims organization to analyze trends within its own claim data in addition to comparing that data to industry metrics. This kind of insight will support claims organizations in interpreting what is going on in their claims processes so they understand if they are overpaying or underpaying for certain treatments compared to the industry and allow them to make adjustments within their operations.

Effectively Leveraging Reporting & Analytics in Claims

In order to make investment in reporting and analytics worth a claims organization’s time, it’s important to focus in on deriving actionable insights that can help make a tangible difference in operations and claim outcomes. By implementing both analytics that can surface information in the claims process and internal reporting that can help managers spot operational trends and make business improvements, organizations can begin to cultivate improved return on analytics investment.



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