Auto Casualty

The Power of Technology: Six Ways to Improve Casualty Claim Outcomes

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Though the Property & Casualty (P&C) industry has made definitive inroads into technology adoption, there remain vast opportunities for the sector to reap the benefits of technology to achieve better, faster results. Insurers and claim organizations at large still have a big opportunity to digitize their operations to improve casualty claim outcomes—incumbent insurance carriers could more than double their profits over a five-year period by digitizing their current business operations, according to a McKinsey report. There are a vast number of different technologies available to workers' compensation and auto casualty claim organizations today to help them with this process, from bill review solutions to electronic billing and payments. Here are six tips for using technology effectively to simplify operations and improve casualty claim outcomes.

1. Automate Expertise with Smarter Solutions

Every decision matters in the claims process, so it's important that decisions are data-driven and guided by company-wide best practices. McKinsey makes it clear that adding automation into the claims process can reduce the cost of a claims journey by as much as 30 percent. In today's technology-enabled world, insurance companies could be more aggressive with their automation strategies—for example, companies should be considering increasing straight through processing rates up to even 70 percent depending on their individual goals. Workers' compensation claims software not only boosts efficiency, but it also helps build a layer of consistency into the operations of a claims organization. Without technology, 10 different adjusters could potentially arrive at 10 different outcomes for the same claim. Technology can help to implement best practices throughout the organization, either to push claims through automatically using preset rules, or by bringing key insights to the surface, helping adjusters make more consistent decisions across the board. In addition to helping improve claims operations, including more consistent outcomes, automation can also help to create positive experiences for both claim organizations and claimants. For simpler, low-dollar claims, automation could help to speed up the process and help claimants achieve a positive outcome quicker. For more complex claims,

automation can help reduce an adjuster's workload and give them more time to focus on helping the claimant achieve a better outcome—since many of the simpler, low-dollar claims will be taken off their plate.

2. Streamline IT Investment

Making a buying decision today can be extremely complicated—a Gartner study reports that on average, 6.8 different stakeholders are usually involved in the purchasing process, making it difficult to agree on buying decisions. Making the process even more difficult, IT investment and resources can be one of the biggest roadblocks for many claim organizations in implementing new solutions or upgrading current processes. But it costs more not to incorporate the excellent technology available today that helps claim organizations to improve processes and outcomes. Choosing one or two solution providers for all claims technologies simplifies the buying process and helps to streamline IT investment. Using fewer vendors can help to reduce implementation costs and time required upfront, while providing a consistent level of security across all of the solutions within a workflow. Streamlining the number of solution providers can also ease logistics because companies will have to manage business and financial relationships with fewer partners.

3. Enhance Adjuster and Other User Experiences

On any given day, an adjuster could have somewhere between three to 15 different programs open to do their job—for example, a claims system, a bill review system, a scheduling system, a pharmacy benefit manager portal, a liability assessment system and more. While adjusters may benefit from all of these different technologies, switching between systems can be time consuming and error-prone. Mitchell conducted a user-experience study that demonstrated this. In the experiment, Mitchell determined the time it took users to complete bill review tasks in a bill environment that had information scattered across multiple pages versus tasks conducted in an optimized environment that had all of the information located on one page. Users completed multiple actions, including changing payment and entry settings, applying those actions, and adding comments to 16 of the states in the U.S. Users who worked from a single page saved an average of 88 percent of total time spent to complete the task, when compared to users who had to switch between multiple page locations. In addition to efficiency savings, a single portal also helps those involved with a claim to have a single view of the important facts of the claim, allowing them to get a more complete picture. When information is contained in multiple systems, it can be challenging for the adjuster to be fully informed, making it difficult to make the right choices when working on the claim. The more relevant information adjusters and other claim handlers can see quickly, the better equipped they will be to make the right decisions for the best outcomes.

4. Optimize Claim Workflows for Improved Casualty Claim Outcomes

Each claims organization is different, and therefore each should have the option of flexible and customizable workflows to help achieve their individual goals. By choosing scalable and customizable workflows, a claims organization will have a greater opportunity to take the subject matter expertise of its best employees and efficiently apply it across the business. If a company's experts can create rules that are tailored exactly to its needs, the potential benefits are huge. Flexible and customizable workflows and rules engine solutions can help insurers and TPAs to reduce operational costs, write rules that align with company objectives and improve employee productivity. In addition to these potential benefits, customizable casualty solutions also allow a claims organization to choose the right cost-containment solution stacking order for optimal results. For example, a carrier could re-order provider networks based on results, or add a bill auditing solution upfront so that bills can be corrected if needed before repricing them. Customizable workflows allow for constant monitoring of processes and programs to help an organization optimize for best results.

5. Improve Program Performance with Actionable Reporting & Analytics

In-depth and real-time actionable reporting and analytics can help provide a full picture of the claims process and allow managers to address potential issues before larger problems arise. Robust reporting and analytics can help managers quickly and easily make informed decisions and changes, correcting issues affecting their bill review process. Monitoring specific red flags in the bill review process is a good first step to making important changes. For example, a visual report can help pinpoint the counties in a certain state or jurisdiction where a company is paying more than the industry average for neck sprain treatments. The company can focus in on this specific outlier to understand why it is happening and then work to make improvements. The reporting and analytics functions tied to claims technology solutions should also provide the ability to compare your company's performance to others based on a robust set of industry data. Claim organizations are always looking to improve accuracy and consistency, and an industry comparison report allows them to get closer to achieving those goals. By understanding, for example, the percentage allowed to total charged compared to the industry average for this statistic, insurance carriers can know whether they are consistently paying fair prices. Comparing an individual claims organizations' performance to the industry is a great way to manage medical costs and focus on specific regions or counties where it is paying more than the industry average, allowing for better preparation to improve the situation. This type of robust reporting can help provide managers within the company the ability to see the full picture of their operation and take action when needed for improved casualty claim outcomes.

6. Use Technology Enabled Services

Outside services are a big part of workers' compensation and auto casualty claims workflows—whether they are medical management, direct-to-provider negotiations, bill review, mailroom, bill coding or another service. A claims organization should be contracting with vendors that provide services that are backed by powerful technology. Properly employed technology promotes consistency, provides data for better decision making and helps speed up processes. Outsourcing services is a trend in the industry today, but no matter how many services are contracted out of house, the company should be making sure that all vendors are using the best technologies to achieve better casualty claim outcomes for the organization.

Conclusion

Implementing technology into an auto casualty or workers' compensation claims workflow is a major decision. By incorporating these six tips, a claims organization will be on its way to using technology to its fullest to help achieve better casualty claim outcomes.



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