Auto Casualty

Combatting New Jersey Auto Casualty Challenges

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10 MIN READ

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Tom Kerr (TK): When an auto injury occurs, insurers often face challenges in coordinating with multiple vendors to address the claim. This is especially true in New Jersey, which has strict requirements that every insurer needs to meet.

To discuss this issue, and offer solutions for handling it, is Ben Roberts, vice president, utilization review of Genex.

Ben, welcome.

Ben Roberts (BR): Thanks for having me on, Tom.

TK: So, when we look at New Jersey and first-party auto claims, what are some of the major issues that those in the industry face?

BR: So, auto claims in New Jersey and the way they're handled really originate from this act that was passed in 1998. The Automobile Insurance Cost Reduction Act (AICRA) has been in place for a long time, and it hasn't been updated since then.

So, we're dealing with regulations that occurred back in 1998, and the challenges that have emerged are really centered around how claims management process has evolved, and how clinical processing has evolved over the

last 25-plus years.

And so, as you can imagine, the tools and ideas used to manage claims under this act, when it was first put into place versus how we manage them today, has changed a fair amount. And so, one of the big components of the Automobile Insurance Cost Reduction Act requires insurance carriers to pay for medical expenses for auto injury claims.

So, what New Jersey did is establish a personal injury protection coverage provision that requires all policies for auto insurance to have coverage for medical expenses should someone be injured in an automobile accident. Under the AICRA regulation, it specifically says that those medical expenses must be reasonable and necessary. And a lot of time has gone into determining what establishes reasonable and necessary medical expenses.

And so, what the state of New Jersey has done is they've developed a few requirements for insurance companies to follow to better manage claims and ensure that medical expenses are reasonable and necessary. And that process is largely referred to as decision point review.

TK: And I understand that one of the challenges is having enough providers in the space to meet these objectives. Is that right?

BR: Yeah. So, when we think about the providers who provide services in New Jersey, you've got the doctors in the hospitals. And, while there's certainly plenty of access to those individual providers, the Automobile Insurance Cost Reduction Act requires each insurance carrier to file a decision point review plan with the state. What that means is it requires them to file a plan with the state on how they're going to address medical issues that come up, and how they are going to treat claims.

So, one of the challenges has been having enough providers who provide the services related to these plans for insurance carriers. Over time, there's been consolidation in that space and there's been a perception that it's a very challenging and difficult process to do.

So, there's been a lack of new providers wanting to enter the space, and that certainly posed challenges for insurance carriers not having a lot of choice in who they use to provide services to address the medical issues in New Jersey auto liability claims.

TK: So, what are some of the main factors a company should look for in partnering with a service that can help fill those provider gaps?

BR: So, one of the big things that we see in this auto liability space is that there are companies that are focused on the clinical aspects of these claims, which is a big and important component. But there's also an administrative aspect of the claims process around billing. So, one of the big challenges is claim staff having to navigate two different worlds focused on the clinical side as well as the administrative side.

One of the big opportunities that exist in the space is to create better integration points between the clinical side and the administrative or billing side of the process to better streamline that data from one system to another. Reduce claims stack time and effort in managing the data flow, as well as to improve the overall accuracy and quality.

The goal being that as we approve treatment on the clinical side of the process, we want to make sure that those approvals get quickly to the bill review and billing side of the process to ensure that bills are paid timely, that there's fewer appeals and disputes. And just to make sure that there's consistent data flow throughout the overall claims process related to the medical side of these auto liability claims.

TK: And now Enlyte is stepping up and playing a bigger role in this space. What type of solutions does Enlyte offer that could help clients reach these goals?

BR: It's the whole enterprise of Enlyte. As Enlyte has come together — from Genex having the clinical perspective, Coventry having the provider network perspective, and Mitchell having the software perspective — combining all three of those things has really created an integrated solution.

Essentially, what we've done is taken this deep expertise in the managed care space that we have. We've been performing clinical services in New Jersey since the inception of AICRA, whether that be our case managers, our independent medical examination physicians, our peer review physicians …

But what the combination of Mitchell, Genex, and Coventry has done has allowed us to better integrate the clinical side of the business with that billing side of the business. And so now, what we've done is created a solution that seamlessly connects the work that the clinical staff is doing and pushes that to the bill review software systems to more quickly enable bills to be adjudicated, reduce errors, reduce appeals on the bills.

And, ultimately, have a frictionless process between the clinical side and that administrative side to allow the claims adjusters and claims staff to focus on the other aspects of the claim that are not medical or clinical in nature.

TK: And is that a unique approach to what's currently being offered in New Jersey?

BR: Yeah, as I mentioned, the access to providers and vendor partners who perform these services is limited in that there's only a few of these providers in the space. And it's not common for insurance carriers to use the same provider for all their clinical services as well as their administrative and billing services.

And so, this is a somewhat unique view in that we have created the software and technology connection points so that a client or an insurance carrier doesn't have to go out and create those themselves. They don't have to go through building the technology. We lift their burden of trying to integrate separate systems. We've done that work for them, and that's really the unique value proposition. The technology integration combined with the clinical expertise, and not having to rely on any third parties within the process.

Genex is able to have our case managers, our peer review physicians and our independent medical examiners work seamlessly within the same software application to provide the clinical services required by our decision point review plans, and that the insurance companies need.

And by having that all done in one system with one company who oversees and controls all parts of the clinical review process, we can accelerate the turnaround time. And we can accelerate the quality results that come to fruition from the clinical review process.

And then, that all translates and pushes to the bill review process, in real time to allow for that end-to-end quality to be established, as well as the overall throughput to be faster than our other providers in the space.

TK: What type of results can insurers offering services in New Jersey expect from such a program?

BR: So, one of the results or the outcomes you'll see from this kind of integrated end-to-end solution is the way that we are able to visualize data and show you what's happening on claims from the beginning to the end.

To be able to see exactly what the status of those claims is from a clinical perspective, but also from a billing and claims cost perspective. So, you're able to see that holistically.

You're also able to see a reduction in the amount of time it takes for claim staff to work on these things. They don't have to send out multiple emails. They don't have to send out multiple referrals or track various clinical activities that are happening.

We handle that so the claim staff can simply refer a claim to us, or the treating physician can submit a treatment plan request directly to us. And we're able to handle those independently from start to finish without having to engage with the claim staff, and ultimately reduce the level of workload they have to do on any of these claims.

TK: You mentioned that a key component of the solution is the decision point review process. Can you walk us through how that works?

BR: Yeah. So what's one of the unique things about New Jersey is that they've created a requirement for each insurance carrier to file, with the Department of Banking and Insurance, a plan on how they're going to handle these medical issues that arise.

And there's two components to that plan. One is the decision point review process. The state has defined that there's certain injuries — neck and spinal injuries — that specifically have to follow defined care paths for treatment. And the decision point review plan really governs how the insurance carrier is going to help claims guide through that process. And, the Genex nurses who work for us, they are the clinical resource who's helping those injured individuals to guide through that process.

But the second component of the decision point review plan is related to precertification. So, under the decision point review plan, the insurance carrier can list the medical treatment that they feel requires precertification. And an insurance carrier can have as short or as long a list as they would like.

And, what happens is if they have a list of items that require precertification, that's vetted out when a claim is established to the provider and to that claimant. And the treatment requests need to be submitted by the treating physician to the insurance carrier's decision point review partner for review.

And what that does is it allows the carrier to establish whether the treatment adheres to best practices in medicine, evidence-based guidelines, and the carrier standards. And if it does adhere to that, the decision point review process will approve that treatment and that treatment plan. And that provider doesn't need to submit additional requests for precertification, but it doesn't always result in approval.

There may be times when there's a modification of that treatment plan, or a denial, or there's a claim issue, and an independent medical examination needs to be completed. And that's really the kind of secondary clinical process of the decision point review plan.

You have the decision point review for defined injury types — spine and neck injuries — and then you have the more optional treatments that require precertification under each carrier's individual precertification plan. And Genex offers those clinical services to support our insurance carriers in their decision, executing on their decision point review plans.

TK: So, having that clinical component that you can call on, is that unique in this space?

BR: Well, all decision point review plans and decision point review vendor partners have clinical components by nature of how the regulations are and how the decision point review plans are defined. Those clinical staff do involve nursing staff as well as physicians for either independent medical exams or peer review decisions.

What’s unique about Genex’s process is our length of time in the space. We have our case management team and our physician team that have been working in New Jersey since the inception of AICRA. So, we offer nurse review, case management, independent medical examinations, peer review escalations. All these clinical services are core to Genex’s business practice. And so, while all decision point review plans require clinical resources, our approach is somewhat unique in that we have all those resources under one roof.

TK: Thanks, Ben. And we’ll be back with another podcast soon. Until then, thanks for listening.

Learn more about Enlyte's NJ DPR+ solution here.



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