

The Essential Guide to Claims Technology in a Changing Environment:

WHAT CLAIM ORGANIZATIONS SHOULD EXPECT
FROM THEIR ADMINISTRATION SYSTEMS

Preface

We at Ventiv Technology believe software should be judged on how well it helps organizations meet their stiffest challenges and capitalize on their most promising opportunities.

That's why we framed this guide to claims-administration systems in the context of what today's technology should do for organizations navigating shifting, often challenging business and regulatory environments.

From talking with our customers who are claim administrators and executives, we know you're striving to stay ahead of the changes impacting your organization. We know you're also working hard to keep abreast of how technology can help. We hope this guide will prompt some fresh insights into how claims-administration technology should do what any good B2B software should do: Help your organization perform your specific set of mission critical functions more effectively.



Key Takeaways

1. Claim organizations face significant business and regulatory challenges. It's productive to think about technology in terms of how it can help you meet your most pressing priorities.
[JUMP TO CHAPTER 1 >](#)
2. There's more than one way for a vendor to deliver your organization's claims-administration system. Your organization's priorities should determine how your solution is deployed and delivered—not the other way around.
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3. The age of analytics up and down the org chart is upon us. For claim organizations, that means adjusters who have access to actionable, up-to-date data in time for that information to be useful. Expect that from your vendor.
[JUMP TO CHAPTER 3 >](#)
4. An adaptable, configurable system is perhaps the most important factor in how effective your claims-administration system will be when it comes to meeting change head-on.
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5. Analytics isn't the only key aspect of the data revolution. Data interchange is the other: that is, ensuring your organization can and does process the growing volumes of data (from internal and external sources) that support claim decision-making.
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6. The old standbys of the claim administration world—regulations and financials—are being transformed by technology. Be sure your claims-administration system can take you to the next level in those areas.
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CHAPTER 1:

Accommodating the Priorities of Today's Claims Organizations



This chapter in 20 seconds...

- » Today's claim organizations face formidable challenges in containing costs, improving efficiency, and building a sustainable claim system.
- » Advances in claims administration technology can dramatically improve how organizations administer claims.
- » However, it's critical to select a system that accommodates the most important priorities, which are detailed in this chapter.

Claim organizations face a significant task in today's environment.

The escalating cost of claims continues to be a major concern. From timely incident reporting to claim accuracy, excessive administrative costs, and more, organizations need to adopt strategies to reduce costs and build an efficient and sustainable claim system.

While the problems are often complex and multifaceted, technological innovation is drastically improving how claim organizations manage claim administration.

Advances in technology can provide the answer: tools to automate processes, reduce costs, and ensure an efficient, results-driven claims operation in a changing environment.

CHAPTER 1: ACCOMMODATING THE PRIORITIES OF TODAY'S CLAIMS ORGANIZATIONS

PRIORITY 1: **Adjusting for less experience, higher caseloads**

While technology is rapidly reshaping the industry, one of the biggest concerns faced by claim organizations is managing a changing workforce. With constant pressure to improve profits and reduce costs, claim organizations are looking for savings by hiring less-experienced adjusters. This trend results in adjusters with less industry knowledge, less long-term commitment, and limited experience in the use of existing tools.

Companies need to ensure new hires are capable of handling claims with as little disruption as possible. If not properly mitigated, employee changes can cause a major disconnect in the efficiency and quality of a claims operation.

There are challenges even for an organization's experienced adjusters. Not too long ago, the typical caseload for an adjuster was around 65 to 80 open claims. Now, it's common for an adjuster to have 125 to 150 open claims in their caseload.

So, the question for claim organizations is, How can they maximize efficiency, reduce costs, and improve output? The answer lies in smart technology like robotic process automation (RPA), which is described on the next page.

Technology that automates processes and workflows can help bridge the gap in experience as well as increasing workflows:

- For less-experienced adjusters, claims-administration systems cut down on time required for employees to acclimate to procedures, increase consistency in which claims practices are utilized, meet compliance, and ensure a smooth transition from one claims handler to the next.
- For an organization's more-experienced adjusters, capabilities like workflow and document automation are critical to handling an increased caseload.

Technology Today for the Needs of Tomorrow

Current technology, such as Ventiv Claims, has been designed to not only meet the needs of claims processing today but create a fluid environment, allowing organizations to remain proactive in an ever-changing industry. Technology can help companies simplify operations while improving output, maintaining quality, and building a sustainable framework for the future.

PRIORITY 2: **Ease of Use**

Claim administrators need software that is easy to learn, intuitive to use, and effective in end-results. New adjusters are entering the workforce, and while lacking experience, are much more technologically inclined than previous generations. Modern software can, therefore, be adopted quickly, resulting in minimal training without compromising claim accuracy or efficiency.

Ventiv Claims, for example, is designed specifically to deliver a logical workflow through an updated and configurable interface that allows access to claims through multiple browsers, operating systems, and devices (mobile, tablet, and desktop). An integrated drag-and-drop dashboard consolidates data into one location to enable a new level of customization designed to meet each client's specific needs.

CHAPTER 1: ACCOMMODATING THE PRIORITIES OF TODAY'S CLAIMS ORGANIZATIONS

PRIORITY 3: Automation, Workflows, and Management

In this traditionally labor-intensive operation, technology has enabled claim organizations to achieve a higher level of output with less manual interaction throughout the life of a claim. Claim operations should expect a high level of automation from any claims-administration system they consider.

Simply put, automation allows companies and workers to remove the now unnecessary groundwork and focus on more important tasks. To take Ventiv Claims as an example, an updated client-determined schema enables claim organizations to build their own workflow rules, which significantly reduces the cost of claims handling without compromising high service and quality levels.

Technology can also automate non-core administrative tasks that do not impact the quality of a claim. A claims-administration system should allow users to send/schedule emails, create diaries, trigger alerts and notifications, set reserves and more: all while ensuring strict criteria are met, and strict compliance regulations have been followed.

RPA: A leap forward in automation

Robotic process automation (RPA) takes automation and operational efficiency for claims administrators to an entirely new level by offering opportunities for straight-through processing of claims. With RPA solutions, like those offered by Ventiv, claims administrators can capture loss information, automate forms and letters, auto-reserve as well as auto-review and pay bills, and even automate regulatory reporting, all without any work on the adjuster's part. By defining situations where adjusters are not required to process claims (or perform other straightforward processes), RPA allows claims administrators to simplify the simple tasks and focus resources where they can add the most value.

PRIORITY 4: Operational Efficiency

Improving operational efficiency is a key aspect of any claim organization. While many have embraced the digital age, there are still organizations that have a deeply ingrained reliance on paper.

The impediment for change goes beyond financial considerations and can be tied to the intrinsic value of a physical document. Paper can feel safer, and organizations are comfortable operating in a known environment. However, as times change, paper-based processes can deliver a weakened claims infrastructure with limited transparency, predictability, and ultimately, a lack of efficiency across the board.

Document-management tools make it possible to package claim files in the click of a button, upload hundreds of documents at different stages along the workflow, easily locate files from anywhere, and share documents effortlessly.

Possibilities for improving efficiency extend to how incidents and events are captured in the field, the data fed into the claims-administration system, and then made available to adjusters. As claim organizations know, one of the keys to closing claims faster is shortening the lag time between when an incident is reported and when the adjuster begins administering the claim.

Claim organizations should look for intake tools that are usable across all platforms, browsers, and operating systems. They should also look for intake tools that have their own dedicated mobile apps. Ventiv Digital solution, for example, features seamless integration with Ventiv Claims. With full support for desktop and mobile apps, Ventiv Digital makes field events and requests immediately available for reporting, analytics, and action as necessary.

To host or not to host

There's another aspect of efficiency related to claims-administration software: Whether claims organizations host their software or delegate it to the vendor. That's the topic of chapter 2.

CHAPTER 2:

Delivery and Deployment: Know Your Hosting Options



This chapter in 20 seconds...

- »As is the case with much of the B2B world, enterprise software today is delivered more and more via the vendor-hosted, cloud-based model.
- »There are, however, legitimate reasons that claim organizations may wish to self-host.
- »It's important to know your hosting options: even claim organizations that self-host can get all the benefits of vendor-hosted, cloud-based applications.

Today's software environment leans heavily toward cloud-based, vendor-hosted applications. However, providers that offer only that kind of solution limit both the flexibility and options available to their clients.

Internet-based applications that can be either vendor- or client-hosted provide the most flexibility and deliver a claims solution that meets the needs of clients. That's because while some organizations have decided they can generate better returns by focusing on their core competency--claims handling--other organizations still have valid reasons for wanting to keep their system behind their own firewalls.



CHAPTER 2: DELIVERY AND DEPLOYMENT: KNOW YOUR HOSTING OPTIONS

Misconceptions of SaaS

SaaS (Software as a Service) is a delivery model in which a vendor supplies software on a subscription basis for a set period of time. There is widespread confusion about what SaaS means, however, lies in the misconception that SaaS is the technology rather than a method of delivery for a specific technology solution.

It's important to remember that the SaaS delivery model can accommodate both client-hosted and vendor-hosted solutions. Giving clients this option (as Ventiv Claims does) provides claim organizations with options to suit their specific business model.

When an organization is hosted externally, there is a heavy reliance on the external party when it comes to functionality, security, and long-term operation. On the other hand, self-hosting provides total access to all files, data, programs, and servers that the company owns.

Even with client-hosted systems, today's claims software can still be cloud-based and accessed via web browsers on multiple devices.

Self-Hosted Solutions Still Play a Role

Despite the prevalence of vendor-hosted software, claim organizations in particular often have compelling reasons for wishing to self-host. With stringent privacy regulations, customization, and a changing claims industry, there are many reasons why an organization may want to be self-hosted. Flexibility is the key, and vendors committed to client priorities will deliver options for self-hosting, hosting through the vendor, or even through an external third party.

Giving claims organizations a choice

Ventiv is one of the dwindling number of vendors who offers clients a choice: either self-host our Ventiv Claims or access it over a secure cloud connection and let Ventiv handle the technology needs.

Advantages of self-hosting include:

- Complete management control within the hosted environment. A client-hosted system can allow organizations to interface with internal systems and add any plug-ins, tools, or analytics without restriction.
- No ongoing external fees for hosting. In a self-hosted environment, there are no ongoing payments to third-party organizations.
- Security and data protection. Claim organizations are dealing with sensitive information, with many bound by strict privacy constraints and regulations. Some organizations prefer to manage sensitive data behind their own firewall.
- Updates, testing, and amendments can be actioned within a client-controlled environment. A cloud-based, hosted application requires additional testing and support before a client can adopt new versions into production.

Give Your Organization Hosting Options

Ventiv Claims is an innovative claims solution that's appropriate for insurtech which enables claim organizations to build a tailored infrastructure that meets each specific need.

Whatever the client's choice, Ventiv Technology's fully formed platform delivers claim, risk, and safety solutions. Underpinning the various solutions that Ventiv Claims offers are standard and configurable capabilities for applications, packages, products, and solutions. These capabilities help your claims administrators make better decisions with full control of the workflow, process, and result, saving costs and improving the client's bottom line.

CHAPTER 3: Analytics and Reporting



This chapter in 20 seconds...

- » Analytics and reporting is no longer the province of the data scientist or the siloed business intelligence team.
- » The best of today's analytics tools get the right data to the right people in the right timeframe.
- » Analytics tools can change the way adjusters handle claims by sharpening the focus on claim outcomes and service levels.

Are your claims adjusters overwhelmed with current data yet unable to see any trends or analytics for current claims?

Does your infrastructure allow for consumption of large amounts of historical data to be used to provide key insights into claim activities, safety initiatives, and risk programs?

Claim adjusters need to handle large caseloads and contend with numerous issues each day. Without the proper tools, seemingly routine claims can cause major headaches for adjusters and impact an organization's bottom line. Taking a proactive approach through analytics and reporting tools, organizations can better manage resources, claims, and vendors.

The best of the current analytics and reporting tools make it easy for adjusters to eliminate inefficiencies, waste, and overpayments to claimants. These tools empower adjusters to become experts on reducing costs, providing superior service, and promoting optimal outcomes. These tools get the right data to the right people in the right timeframe. And this is not static data and burdensome reports, but rather actionable, real-time data.

CHAPTER 3: ANALYTICS AND REPORTING

Take Control of Your Claims

Claims are complex. If not managed effectively, claims can be costly and time-consuming to an organization. Unnecessary medical treatments, fraud, and underlying medical conditions are just a few of the warning signs to look out for in a claim. Adjusters, therefore, need to quickly analyze large amounts of historical data to accurately pinpoint and investigate each claim accordingly.

Early identification and intervention of “jumper” claims through analytic tools can ensure organizations remain proactive and meet the needs of each client while delivering a cost-effective operation.

Robust claim systems that allow for customized reporting and dashboard configuration, in addition to consumption of large amounts of historical data, can help adjusters engage in early intervention, formulate accurate reserves, and manage more cases. Ultimately, this leads to quicker and more accurate decisions, reducing the exposure of your claims organization.

More Efficient, Greater Insight, Better Results

Highly-customized reports and dashboards empower adjusters to analyze large amounts of historical data to help claim organizations contain costs, optimize resources, and improve efficiency across the board.

Data needs to be captured throughout the life of a claim, from the initial injury report right through to settlement. Claims systems should enable adjusters to quickly upload, retrieve, retain, email, and print associated files. There are often multiple documents and records linked to a claim. That’s why Ventiv Claims, for example, is designed to be configurable, which means adjusters can deal with data and records in an efficient manner that is best suited for each claim organization.

Claim system tools can change the way adjusters handle claims. Ad-hoc queries, customizable reports, graphs, charts, and especially the enhanced intuitive dashboards allow adjusters to reduce time wasted on data analysis and instead focus on outcomes and high-quality service.

Reporting and Analysis Made Easy

Today’s analytics and reporting capabilities make claim processing faster, easier, more cost-effective, and more efficient. Indeed, claim organizations should expect better service and significant savings as a result. For example, Ventiv Claims has the following features that improve ease of use as well as outcomes.

- An integrated drag-and-drop reporting dashboard enables users to build pages, providing a greater level of customization.
- Dynamic and intuitive dashboards enable adjusters to run root-cause analyses; identify claims that may need further investigation; formulate corrective actions; and make recommendations for improved outcomes.
- Real-time data feedback ensures compliance is always met as missing or incorrect data can be flagged before it is sent to the jurisdiction.
- Track safety improvements.
- Trends and changes in productivity are easy to see and understand.
- Toolsets can be self-configured easily to reflect industry best practices.

Predictive analytics: Coming soon to a claims system near you

Advanced analytics tools that empower system users at all levels to perform automated predictive analytics. In a nutshell, predictive analytics lets users ask, based on the data at their disposal, “What will happen?” Until now, analytics at the business-unit level has focused on the “descriptive” (“What happened?”) and “diagnostic” (“Why did it happen?”) varieties.

What’s making it possible to deploy predictive analytics in claims-administration systems? Cognitive computing systems (like Ventiv Analytics) bring automated predictive analytics capabilities to the business user. These systems are trained using artificial intelligence (AI) and machine-learning algorithms to detect, predict, infer, and, in some ways, think.

To take just one example of how adjusters will be able to use Ventiv Claims with Ventiv Analytics, imagine combining socioeconomic data (like that from the U.S. Census Bureau) with location and claim data in order to better identify potentially fraudulent claims.

CHAPTER 4: Configurability



This chapter in 20 seconds...

- » In a competitive and constantly changing industry, technology must help claim organizations adapt quickly to business and industry requirements.
- » As the industry changes, organizations are choosing systems that are more adaptable, efficient, and scalable than the legacy systems that meet yesterday's needs.
- » Current claims technology is easily modified to meet an organization's unique needs.

Claim organizations operate in a competitive and constantly changing environment. As the gap between relevance and obsolescence grows each day, companies need to meet change head-on and adapt quickly to remain competitive. For claim organizations, this can come down to their claim management system.

Flexible systems that adapt to business and industry requirements are essential to meet the needs of claim organizations today and in the future. Using an outdated claim administration system is becoming increasingly costly and inefficient and exposes the organization to a higher level of business risk.

Legacy systems may still be meeting the needs of a company; however, they lack functionality, configurability, and can be clunky. Over time they have been reliable and dependable, but as the market is changing, companies are moving towards newer technology that is more adaptable, efficient, and scalable.

CHAPTER 4: CONFIGURABILITY

Why Organizations Need Configurable Software

As claim organizations evolve, systems and processes need to change with them.

- Older systems are often outgrown quickly and don't provide the configurability that organizations need to remain relevant in the present and for the future.
- Processes that are designed within the parameters of existing legacy systems will likely be inefficient and ineffective.
- The result of using a customized system that is not easily configurable can mean expensive upgrades, additional staff training, and a decrease in the effectiveness of the claims management process.

Configurable systems are important as they can be easily modified to fit the unique needs of each claim organization and still take advantage of streamlined processes, automation, and industry best practices.

Benefits of Configurable Software

- Configurable systems are flexible and easily scalable to support the growth of organizations.
- Ability to easily connect with data from multiple sources to allow for comprehensive, real-time metrics, which enables organizations to make better decisions.
- Configurable cloud-based software can allow for a lower total cost of ownership without compromising individual customization, as all the costs of development, upgrades, and support are spread out over a large customer base.
- Claim management efficiency can be refined as workflows can be easily modified without the need for custom coding.
- Advancement in technology is driven by competitive pressure surrounding software providers. Configurable software results in software vendors that are always improving.

Is Your System Configurable, Scalable and Effective?

A claim administration system should deliver current technology that provides businesses with the tools to adapt and stay relevant. Does your system meet the current standards?

CHAPTER 4: CONFIGURABILITY

A CHECKLIST:

1. Web-based Technology That Improves Efficiency

Can your claim organizations deploy the system quickly, thus reducing inefficiencies in setup? Immediate deployment should not compromise configurability, and you should be able to modify many different aspects to create a robust system that works for your organization.

Web-based claim systems improve access and efficiency within an organization. Browser-based systems allow access only for those authorized to do so. Users benefit from a more flexible platform that enables connection from multiple browsers and multiple devices (including tablets). The ability to quickly access and share vital information between departments helps to streamline workflow and result in improved efficiency of the claims management process.

2. Configurable Workflows Without the Need for Custom Coding

Does your system allow your claim organization to operate in a more efficient, productive, and relevant environment? As an organization changes over time, your system should provide all the tools needed to configure workflow in-house, without the need for custom coding. Ventiv Claims, for example, highly configurable dashboard interfaces, intuitive reporting, system modules, and fields enable adjusters to structure Ventiv Claims to their specific needs. Compared to older systems that require hard programming to optimize, Ventiv Claims delivers significant cost savings.

3. No Coding Required: Let Bots Do the Work for You

On page 5 (“RPA: A leap forward in automation”), we discussed robotic process automation and how it enhances operational efficiency. In addition, RPA is opening up whole new realms in system configuration. The most technologically current claims-administration system deploy “bots” to let system users quickly and easily automate just about any manual process.

Bots are configurable software set up to perform the tasks that you assign and control. The robotic process automation tool tracks what a user does on the screen and then automates that process. Once a user has shown the system bots what to do, the user can let the bots do the work. Bots can interact with any system or application the same way your users do. Bots can learn, and their work can be adjusted and scaled as you see fit.

With an RPA-enabled claims-administration system, bots intelligently optimize how work gets done. RPA enables claim organizations to more effectively automate tasks, streamline processes, increase employee productivity, and, ultimately, deliver more satisfying claimant experiences.

4. Configurable Reporting

Your claim organizations system should provide easy-to-use reporting tools within an integrated dashboard that enables adjusters to customize reports through drag-and-drop functionality. Adjusters should be able to isolate specific focus areas to improve claim management and gain key insights into risk programs, safety initiatives, and claim activities. Reports and information can also be distributed over email or the Internet to internal departments and outside parties such as nurse case managers, third-party administrators, and vendors.

CHAPTER 5:

The Importance of Data Interchange



This chapter in 20 seconds...

- » Data interchange is the transmission of information electronically between internal departments and to and from external parties.
- » Claim organizations handle large volumes of information, and they need to be on the lookout for better ways to utilize data in the claim decision-making process.
- » New technology can connect to many different sources of information and make that data integral to streamlined workflow.

Claim organizations handle large volumes of data on a daily basis. From new claim reports to patient medical reports, attorney correspondence, and more, data comes from a variety of different sources.

As the industry rapidly evolves, claim organizations must strive to provide the most responsive and best claim solution for their clients. Organizations need to be constantly on the lookout for better ways to utilize data for their decision-making process.

Organizations need to embrace newer technology and adopt a flexible claim system that can connect to many different sources of information, both internally and externally. Streamlining data can result in a more efficient workflow that delivers improved accuracy, higher levels of productivity, and a reduction in the cost of claims.



CHAPTER 5: THE IMPORTANCE OF DATA INTERCHANGE

Data Interchange and Workflow

Data interchange is the transmission of information electronically between internal departments and to and from external companies. Claim processing involves a varied mix of paper and electronic documents. While advances in technology can lead to improved operational efficiency, claim organizations still face information bottlenecks and slower claim processing due to the inability to disseminate data efficiently and accurately.

In claims processing, the complexity of documents needed from different sources makes the collection of information a challenging task. Claim processing involves multi-faceted decision-making. Organizations that don't have a robust claims system to access and utilize all available data points can result in far too much time spent on manual administration tasks and ultimately see a reduction in accuracy as well as efficiency.

There is a clear link between data interchange and efficiency. Claim administration systems that enable internal departments and external parties to share information through technology promote intelligent workflow solutions, which can streamline the claim handling process. Flat file data exchange is becoming redundant as organizations move towards current technology that enables web services and XML file formats.

Newer technology, such as Ventiv Claims, provides the foundation for organizations to automate workflows through effective data interchange.



CHAPTER 5: THE IMPORTANCE OF DATA INTERCHANGE

Smarter Data Interchange Solutions

Legacy systems simply don't provide the ability for dynamic business rule automation and intuitive data interchange. Claim organizations need to look to dedicated providers that continuously improve and invest in new technology. For example, Ventiv Technology's Ventiv Claims delivers an integrated, configurable platform that promotes best practices and improves claim quality through effective data interchange.

- Claim organizations should seek out systems designed to maximize the opportunities for electronic intake of claim-related documentation. Workflows built on electronic intake of the widest possible range of documents can significantly increase efficiency for claim organizations, allowing examiners to perform initial reviews quicker and begin the process of facilitating an injured worker's return sooner.
- A system should connect with external parties to help relay information quickly and accurately. Adjusters can easily access and distribute information to third-party administrators, nurse care managers, and independent medical examiners, thus improving efficiency.
- Systems should provide a centralized method for compiling and distributing claim information. Automating the distribution of claim packages can reduce manual administration time and allow adjusters to attend to more caseloads.
- For worker's compensation claims in particular, identification of claim drivers is a significant asset. Better insights lead to better decisions which can help supervisors reduce costs and close claims more quickly.
- Early intervention is the key to delivering the best possible outcomes for workers and companies. Ventiv Claims, for example, can be configured to automatically trigger a workflow once there is a report of injury. This enables the facilitation of medical assistance at an earlier point in time, delivering the best outcomes for both parties.

- Worker's compensation claims are heavily regulated, with statutory timelines attached to nearly every process. A missed deadline can result in penalties, so it's important that claim organizations manage deadlines effectively. Systems should help supervisors take a proactive approach by keeping track of statutory timelines and advising supervisors of upcoming dates.
- Claim organizations need to remain compliant and keep up with legislation, federal mandates, and state-specific regulations. Ventiv Claims, for example, pushes out continuous updates to ensure claim organizations always remain compliant.
- Legacy systems can often result in manual caseload management through Excel and Access spreadsheets. Current systems have moved to newer data transmission methods including XML file formats and web services, which can strengthen and automate large sections of the workflow.

The Role of EDI in Claim Organizations

EDI (electronic data interchange) enables the electronic exchange of standardized data between companies. As claim organizations are required to report on an increasing amount of workers compensation data, EDI plays a vital role in transmitting data in an accurate and timely manner.

As more states continue to change regulatory requirements and adopt the IAIABC's electronic reporting of FROI (first report of injury) and SROI (subsequent report of injury), organizations need compatible claim reporting systems to meet the needs of each jurisdiction. Ventiv Claims has integrated compliance reporting solutions that capture all mandatory data and support EDI reporting, making it quick and easy to remain compliant.

CHAPTER 6: Regulatory Considerations



This chapter in 20 seconds...

- » Remaining compliant with ever-changing local, state, and federal regulations is a top priority for claim organizations.
- » Current technology can help organizations stay up to date and compliant by integrating letters, forms, and reports into the application as well as updates as they're released.
- » Data interchange is also a factor as claim organizations are called upon to provide increasing amounts of data to regulatory bodies.

The workers' compensation compliance market is continually changing.

Claim organizations are being called upon to provide increasing amounts of data while keeping up with complex and ever-changing local, state, and federal regulations.

Remaining compliant is not a simple task. It takes time for adjusters to understand the intricate requirements. From CMS reporting, regulations differing state-by-state, jurisdictional forms at multiple points along the claims process, and EDI reporting, organizations have a lot on their plate regarding compliance.

With steep penalties and fines for non-compliance, organizations need to find innovative ways to reduce manual intervention and automate as much as possible. Current technology can help organizations stay up to date and compliant through streamlined reporting, improved accuracy, and a reduction in overall administration costs.

CHAPTER 6: REGULATORY CONSIDERATIONS

CMS Reporting Challenges

Centers for Medicare & Medicaid Services (CMS) reporting is a challenge for many claim organizations. The federal mandate requires claim organizations to disclose any payments made to Medicare-eligible beneficiaries. While Medicare would cover the initial cost of the patient's treatment, the insurer would be the "primary" payer and ultimately responsible for the costs. The inability to efficiently seek reimbursement from insurers resulted in the CMS reporting model, also known as the MMSEA Section 111, in 2007 in an attempt to reduce unnecessary Medicare costs.

Due to the infrequency of Medicare-eligible beneficiaries, CMS reporting is not a day-to-day occurrence. This presents a challenge for claim organizations, as adjusters need to identify these claims as they arise and take appropriate steps. Examiners need to be knowledgeable, proactive, and quick to respond, as there are strict penalties for non-compliance, including fines of \$1,000 a day per claim. Organizations need to deliver accurate data in a timely fashion to avoid strict penalties.

While some organizations choose to do it all manually, new technology is drastically improving the efficiency of CMS reporting.

Keeping up With State Mandates

Each state typically has its own regulatory agency or board when it comes to workers compensation, which means that mandates vary state by state. Claim organizations must meet each state's requirements from jurisdictional forms to disability rates and even EDI reporting for states that have adopted the IAIABC's national standards. For many large claim organizations that operate across multiple state lines, it can be a considerable task to track and comply with the stringent requirements.

Jurisdictional Forms	Benefit Rates	EDI Reporting
<p>There are thousands of forms across all jurisdictions that organizations are expected to file and submit at different points along the claims process. Deadlines differ depending on form and state, and with continual document updates, it can prove extremely challenging for organizations to manage.</p> <p>Automation in the form of technology is essential to keeping insurers compliant. Current systems integrate all state-mandated letters, forms, and reports into the application. Updates are managed by the vendor and pushed out in a timely fashion, reducing an organization's exposure to fines and providing peace of mind.</p>	<p>Payments made to injured workers differ state-by-state. The calculations are often complex, and the rates are frequently updated, meaning organizations need to maintain accuracy, update systems, and react in a timely manner. Utilizing current technology can ensure claim organizations keep up state-specific rate changes without compromising the efficiency of the workflow.</p>	<p>EDI reporting in the workers' compensation industry is beginning to build traction. More states are adopting the IAIABC's electronic reporting of FROI (first report of injury) and SROI (subsequent report of injury), and with it, comes a range of challenges.</p> <p>While the IAIABC sets the standard, each state has its own rules and regulations regarding the timing and sequence of submissions. Incorrect transmissions can result in delays, re-submission of claims and substantial fines for organizations. Also, as confidential information is being shared, organizations need to ensure proper steps are taken to safeguard and encrypt data.</p>

CHAPTER 6: REGULATORY CONSIDERATIONS

How Ventiv Claims Helps Claim Organizations Remain Current

Ventiv Claims provides claim organizations with the tools to remain current in the ever-changing WC market. Eliminating many compliance headaches through automated solutions, Ventiv Claims is reliable, cost-effective, and efficient.

Dedicated Compliance Department

With a dedicated compliance department, Ventiv provides unrivaled solutions to ensure claim organizations are never out of date. Continual changes to local, state, and federal regulations are maintained by Ventiv and updated in Ventiv Claims ensuring a tightly integrated compliance program.

CMS Reporting Made Easy

Ventiv Claims integrates functional CMS reporting into the application to enable claim organizations to deliver more accurate reports, automate specific processes, and help examiners make quick decisions.

All Jurisdictional Forms are Maintained by Ventiv

Ventiv maintains over 1,600 jurisdictional forms. Ventiv Claims can track statutory timelines and alert supervisors of upcoming deadlines. This significantly enhances the workflow, enabling claim adjusters to operate with efficiency in a constantly changing and fast-paced environment.

Integrated Benefits Covering all US Jurisdictions

Ventiv Claims provides integrated compensation benefit rates across all US jurisdictions. This significantly increases the accuracy of payouts, allowing claim organizations to maintain costs with improved efficiency.

Integrated Compliance Feedback

Ventiv Claims provides real-time data feedback that promotes best practices. With fully integrated compliance, missing or incorrect data can be resolved before it is sent to jurisdiction.

Integrated EDI Reporting

The integrated compliance reporting solutions that come with Ventiv Claims capture all mandatory data, making EDI reporting easy, efficient, and accurate. FROI and SROI reports can be created and submitted to state agencies with minimal effort and improved accuracy, delivering a more efficient and cost-effective process.

CHAPTER 7: Financials



This chapter in 20 seconds...

- » Case reserves play a significant role in a company's financials; giving adjusters access to accurate data is essential to accurately setting reserves.
- » New technology can help organizations facilitate more accurate claim reserves with a focus on efficiency.
- » With regard to payments, organizations that have adopted e-billing practices reporting substantial gains in efficiency, improved communication, and lower operating costs.

Claim organizations tread a fine line financially, particularly when it comes to estimating claim costs and payment processing. These organizations need reliable claim infrastructure that supports the necessary tasks of an adjuster and maintains best practices for the company. From establishing case reserves to processing indemnity payments, improving efficiency and reducing operating costs should be a high priority.

With case reserves playing a significant role in a company's financials, how can claim organizations maintain best practices for reserving? Can they benefit by moving away from check payments and towards EFT?

CHAPTER 7: FINANCIALS

RESERVING PRACTICES

Why Claim Organizations Need to Get Case Reserving Right

Getting case reserves right is an essential function for any claim organization. Reserves are financial assets, set aside as legal obligations to pay for future claims. Setting accurate case reserves is essential for predicting financial exposure in the long-term and ensuring funds are available for claims when needed.

Claim organizations rely heavily on case reserves for many different reasons beyond actual claim valuations and legal obligations. Case reserves can be used to accurately assess premiums payable, act as an early-warning system for larger individual claims, manage an organization's cash flow, and assist in future budgeting processes.

Case reserves can also impact clients as well. Putting too much money aside, or overstating case reserves, can affect the experience modifier, and ultimately result in higher premiums, distort a client's "loss history," and make it inherently more difficult to move to another provider in the future.

Therefore, it's essential that adjusters establish an accurate initial reserve, and continue to maintain and keep all information up to date.

Current Technology to Meet Your Needs

Ventiv Claims is an easy-to-use claim administration system that incorporates data, systems, and people to promote best practices. From getting reserving right to streamlining payments, Ventiv Claims improves efficiency, reduces costs and adapts to meet the needs of your business today and in the future.

Why Determining Case Reserves is Challenging

Maintaining case reserves involves a significant expenditure of company resources. Adjusters need strong analysis skills, high-level estimating skills, and a certain degree of intuition. As such, the quality of case reserving practices varies significantly across the industry.

Estimating claim costs can be extremely challenging for adjusters. Each state has different legislation, local statutes, and ever-changing regulations when it comes to workers compensation. Also, information that is needed to establish an initial reserve accurately is not normally available to the adjuster at the time of receiving the claim. It may be weeks or even months before the information is released that allows adjusters to confirm the final claim costs.

So, how can claim adjusters accurately set reserves with limited information?

There is no single best procedure to do this, and many claim organizations utilize different approaches, depending on the nature of the claim. One method is to look at historical data based on similar claims to estimate a reserve. The adjuster uses past information to provide their best estimate. The second approach is based on statistical data. Adjusters categorize all claims with a blanket reserve based on the historical average of an organization's total claims. However, many claim organizations do not strictly enforce their approach resulting in a mismatched combination.

While establishing reserves is inherently tricky, accurate data is essential in both approaches. The adjuster must also revisit and update the reserve as new information becomes available, to provide organizations with a clear picture of loss reserves.

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Best Practices for Setting Case Reserves

Organizations should look to close claims quickly and come to the final claim value as soon as possible. The longer a claim stays open, the more significant the financial risk to the organization. While open claims vary in length of time, the majority close within a few months.

To accurately determine reserves, adjusters need to consider all facts and circumstances surrounding each particular claim. This can include:

- The nature and extent of the injury
- Demographic data relating to the claimant
- Employment information
- Indemnity benefit data
- Liability sharing factors
- Medical information
- State-specific information pertaining to the particular jurisdiction

Best practices should involve adjusters encompassing all future payments of a claim until it is closed (also known as ultimate cost). As all relevant information must be considered, receiving timely and accurate data can help the adjuster ensure the reserve is not overstated or understated. To reduce the time an adjuster spends on each claim, the information needs to be easy to input into the system, and quick to update further down the line.

One practice that should be avoided, particularly common with inexperienced adjusters, is stair-stepping. Stair-stepping involves frequently increasing the reserve in small increments to cover payments that are due. Adjusters should avoid this method at all costs as it overstates the organization's financial position.

How the Right System Can Get Reserving Right

Historically, adjusters were required to read and update claim notes to understand what is happening across the life of a claim. While all the information was stored in one place, claim systems were outdated and made searching for specific claim situations and producing reports extremely time-consuming.

The emergence of new technology can help organizations improve their claim handling and facilitate more accurate claim reserves with a focus on efficiency. Using pre-defined data fields, adjusters can capture and store critical information maintaining consistency and precision across the board. Today's systems deliver readily available claim information, quick and accurate reporting with the ability to spot trends and address any concerns proactively.

Organizations shouldn't solely rely on pre-set data fields. Claim notes still play an essential role as they capture further information that provides adjusters with the full picture of a complicated claim. For best practices, organizations should use a combination of data fields and claim notes, with reduced reliance on the latter. However, claim organizations will need to find the right balance to facilitate complex claims while improving operational efficiency. Adjusters are best supported by a system with advanced document management with an integrated workflow allowing the attachment of any electronic file.

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How Ventiv Claims Promotes Best Reserving Practices:

- All claim information is readily accessible in one location. Dynamic dashboards allow adjusters to see the state of claims at any one time.
- Ventiv Claims provides the ability to standardize data entry using radio buttons and checkboxes that enable adjusters to conduct quick and accurate searches.
- Advanced analytics reports enable adjusters to spot trends and proactively identify issues to ensure accurate reserves are maintained.
- Integrated ISO Claim Search allows users to find essential information on loss histories, claim patterns, and suspect claims.
- Advanced notifications can alert adjusters when case reserves need to be updated as soon as information becomes available.
- Automatic creation of notes, reserves, form letters, and more based on over 1000 events or conditions.
- Integrated document imaging allows claim notes to be attached and easily found.

Payment Practices

The workers' compensation industry is slowly moving away from manually posting paper checks, bills, and explanations of reimbursement (EOR) to more efficient payment iterations such as electronic funds transfer (EFT).

With the introduction of the Patient Protection and Affordable Care Act (PPACA), and with several states already adopting mandatory e-billing practices, paper checks are on the way out. The acceptance of the Internet and the improvement of technology to facilitate secure e-billing practices has seen more organizations move to a paperless environment.

While many organizations are adopting EFT, either proactively or via state mandates, there is still a host of organizations that are skeptical of making the move. The impediment to change is the concern new operating models will have financial impacts on expenses and claim costs. However, these concerns prove to be unwarranted, with organizations that have adopted e-billing practices reporting substantial gains in efficiency, improved communication, and lower operating costs as a result of automated processing.

More states are pushing for EDI, and with several currently utilizing and benefiting from EFT, it is only a matter of time before the workers' compensation industry embraces the move.

Ventiv Technology's Risk and Insurance Software Solutions

Ventiv IRM™

Improve and simplify the evaluation, mitigation, and monitoring of risk. Stay ahead of changing expectations with powerful built-in analytics, business intelligence, and reporting.

Ventiv Claims™

Promote optimal claim outcomes and reduce costs. The most feature-rich core-administration solution empowers examiners to focus completely on claim resolution.

Ventiv ELM™

Empower attorneys and claim examiners to collaborate and resolve litigation and associated claims in the most appropriate, cost-effective manner.

Ventiv Policy™

Streamline every policy process, from underwriting to renewal. End-to-end policy administration reduces costs and improves service to agents and insureds.

Ventiv Analytics™

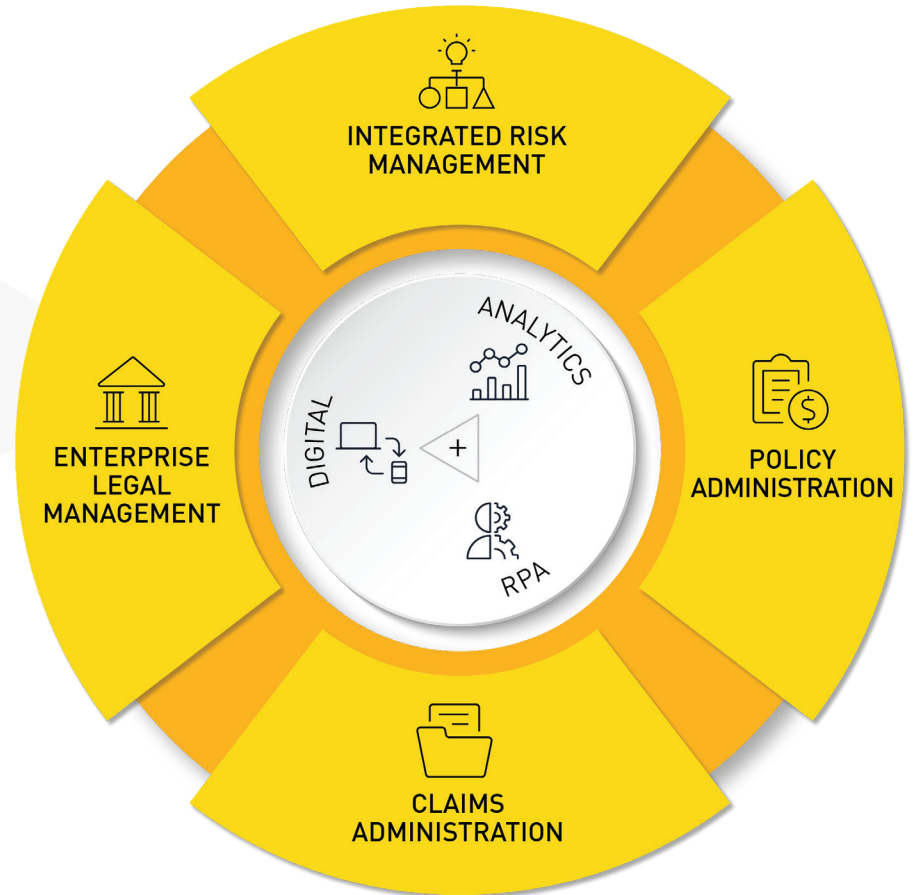
The most advanced analytics, reporting, and data discovery platform empowers you to make data-driven decisions that generate optimal outcomes.

Ventiv Digital™

Enterprise data intake with powerful mobile capabilities. Supports any risk, insurance, or claim process that requires notifications, requests for information, or assessments.

Ventiv RPA™

Ventiv Robotic Process Automation (RPA) automates manual processes, integrates disparate applications, and frees staff to perform higher-value functions.





Let's talk.

Ventiv Technology helps organizations achieve clarity and efficiency through optimal management of their risk and insurance programs. We provide award-winning business software solutions, designed with and for our clients. Ventiv strives always to put our clients at the center of everything we do.

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