

Claims Management



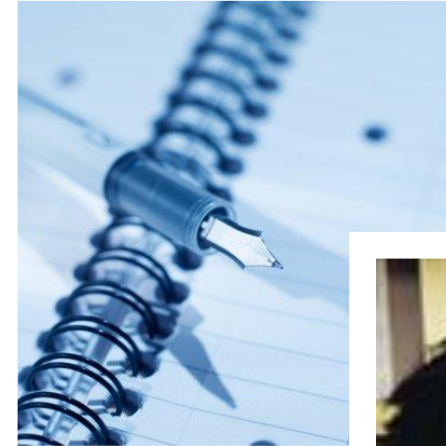
Why is claims management so important?

- Poor claims management increases the cost of claims. Therefore...
- Proper claims management helps lower the cost of claims.

Introduction

Proper claims management includes:

- Submitting the Claim
- Taking the Lead
- Keeping Control
- Follow-Up & Follow-Through
- Acquiring Knowledge
- Managing Fraudulent and Malingering Claims



Submit the Claim

Create an in-house claim file that includes:

- Accident & Injury Reports
- Accident Investigation Forms
- State specific First Report of Injury
- Ongoing information



Submit the Claim

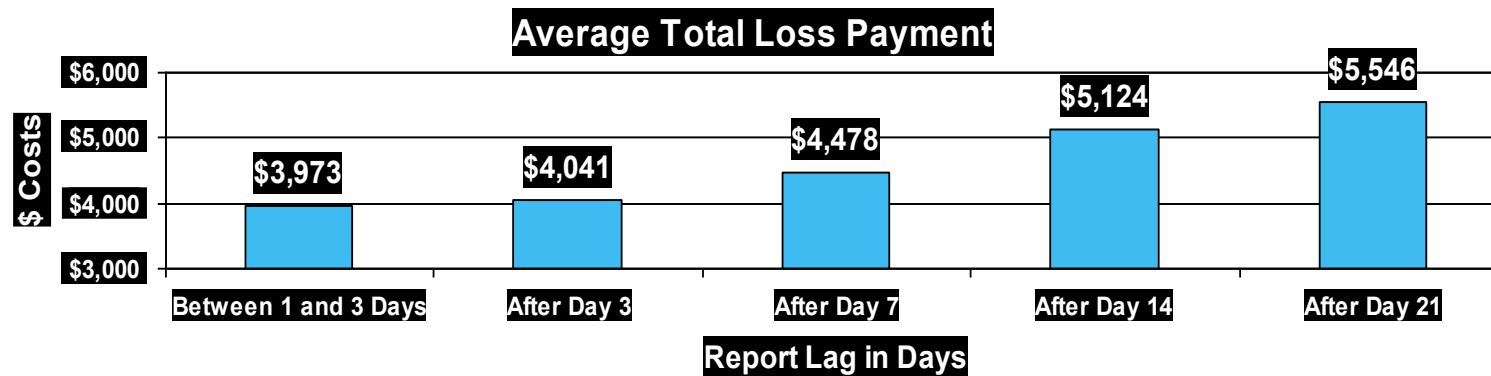


Report the claim to the carrier.

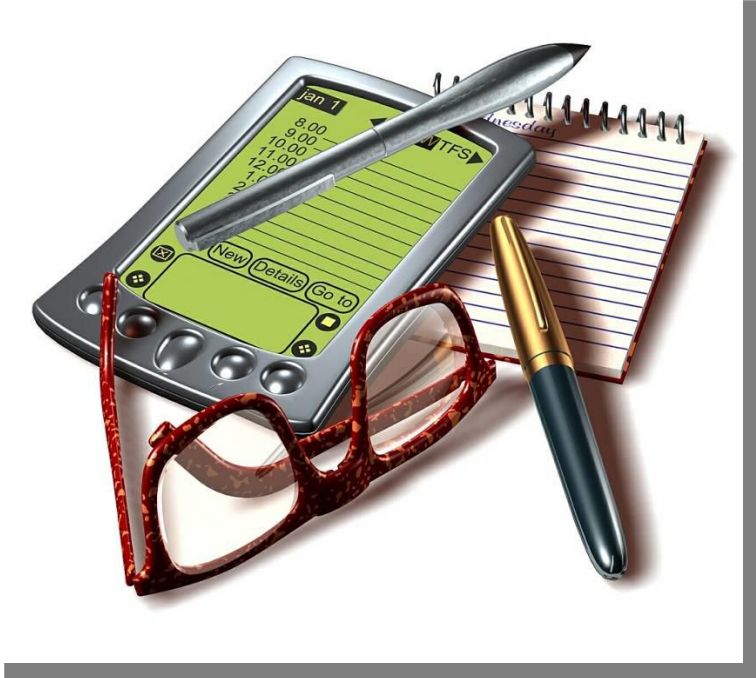
- Usually can be done via phone, fax or email.
- We recommend reporting claims within twenty-four to forty-eight hours.
- Lag Time = \$\$\$\$

Submit the Claim

- A lag time study was conducted that included 18,000 claims from insurance programs. Here are the results:
- Average cost of claims reported between 1 and 3 days = \$3,973
 - If reported after 3 days = \$4,041 (+ 2%)
 - If reported after one week = \$4,478 (+ 13%)
 - If reported after two weeks = \$5,124 (+ 29%)
 - If reported after three weeks = \$5,546 (+ 40%)



Take the Lead



- Establish a relationship with the adjuster.
- Adjusters handle hundreds of claims at one time.
- Adjusters may view claims as series of transactions and not individually.
- Carriers may look at the “bottom-line” and not the “bigger picture.”
- Stay in touch. “The squeaky wheel gets the grease.”

Keep Control

- The key to keeping control is an aggressive return to work program.
- Modified duty helps satisfy three critical goals of companies:
 - Prevents W/C insurance abuse.
 - Helps employees retain gainful employment, heal faster and return to work quicker.
 - Reduces the cost of temporary disability benefits and/or indemnity payments.
- Modified duty is the number one deterrent to the employee predators who sustain or allege work-related injuries.

Keep Control

Modified duty offers should include:



- Date of release for modified duty by doctor.
- Date and time of available modified duty by the staffing service.
- Location for employee to report for assignment.
- Consequences of failure to report for modified duty.
- Acceptance or declination indication by employee.
- Signature with date of completion by employee.

Keep Control

- Maintain contact with injured employees.
 - Employees must report their status, via phone or in person, immediately after each doctor visit.
 - If allowed by state law, employees must come into the office to pick up their indemnity check.
 - If not on modified duty, have a staffing rep either phone or visit the injured employee weekly.
- Communicate with the physician regarding:
 - treatment plan.
 - recovery status of the claimant.



Follow-Up and Follow-Through

Follow-up with:

- Locations where accidents have occurred to determine progress of corrective measures
- Current claims status by communicating with the claims adjuster and reviewing carrier/TPA loss runs.

Follow-through with:

- An office accident/injury log
- A claims activity log or computer database to catalog communication with claimant, doctor, adjuster, etc.
- Claims management by requesting regular claim reviews with the carrier/TPA

Knowledge of State Regulations and Carrier Requirements

- Necessary to effectively deal with claims adjusters.
- Increases awareness of available risk management techniques.
- Accumulated through various organizations (AICPCU) and government entities (OSHA).
- Internet is a resource for information on organizations, government entities, laws, credentials, ongoing education, etc.



Manage Fraudulent and Malingering Claims

What is workers compensation fraud

- A claim is made by an employee for a non-existent injury.
- The extent of the injury is exaggerated.
- Benefits are collected while working another job (double dipping).
- A nonwork-related injury is filed as if it occurred on-the-job or in the course of employment.



Manage Fraudulent and Malingering Claims

Possible indicators of W/C fraud:

- Employee delayed reporting the accident/injury.
- Employee is disgruntled (denied time off, layoffs, termination, etc.).
- Alleged accident is questionable (no witnesses or possibly staged).
- Employee provides vague and/or inconsistent accident/injury details.
- Subjective injuries (soft tissue, headaches, etc.).
- Attorney letter is first notice of claim.
- Alleged injury after time off (Monday morning or after vacation).
- Claimant is a new hire.
- Claimant refuses accommodating modified duty.

Manage Fraudulent and Malingering Claims



Manage fraudulent claims:

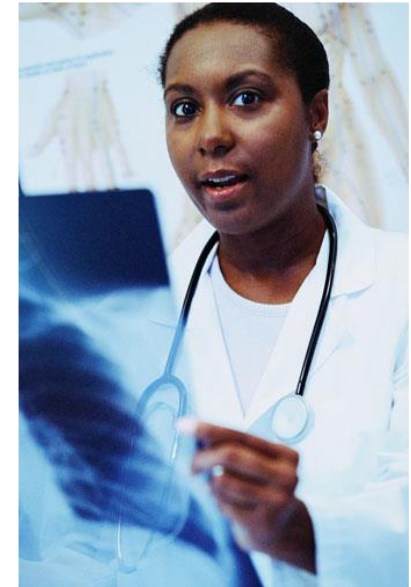
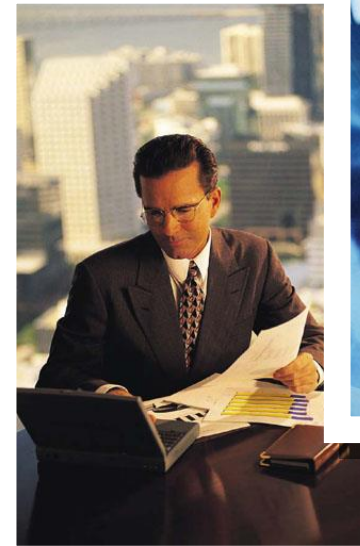
- Alert the Carrier/TPA.
- Gather all prior medical records.
- Closely monitor ongoing medical treatment.
- Maintain contact with the claimant.

Manage Fraudulent and Malingering Claims

- What are malingering claims?
 - When an employee attempts to manipulate an injury or illness into additional time off, pay, or a higher disability payment.
- Possible identifiers of malingering claims:
 - Employee refuses modified duty.
 - Employee has a poor attendance record.
 - Claimant frequently misses or reschedules doctor appointments.
 - Injury lingers for longer than normal.

Manage Fraudulent and Malingering Claims

- Managing malingering claims:
 - Maintain close contact with both the employee and the treating physician.
 - Create a strong return to work program.
- Deters employees who find their disposable income is relatively unchanged when receiving weekly workers compensation benefits.



Conclusion

- Proper claims management helps reduce the cost of claims.
- Proper claims management includes:
 - Submit the claim.
 - Take the lead.
 - Keep control of the claim.
 - Follow-up and follow-through.
 - Knowledge
 - Manage fraudulent and malingering claims.
- Documentation and Communication.