



Institute of Actuaries of Australia

XIth Accident Compensation Seminar 2007

Panel Discussion: Cross Fertilisation Opportunities for CTP, WC and Medical Indemnity Claims Management

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Today's Agenda

- Findings From International Best Practices Research
 - Must Haves
 - Choices
 - Cross-Fertilisation
- Discussion
 - Lessons Learnt
 - Opportunities
 - Obstacles and Challenges

There are some “must haves” in claims management

1

Greater customer focus

- ▶ Balanced focus on client and financials
- ▶ Greater focus on client outcomes, as well as satisfaction with service delivery

2

Proactive claims management

- ▶ Early intervention
- ▶ System-based triggers: event-based, not time-based
- ▶ Dynamic, recognising risk factors associated with each claim

3

People are as important as IT

- ▶ High quality staff focused on most complex, high-risk claims
- ▶ Straight-through processing for simple, low-risk claims

4

More sophisticated use of data

- ▶ Greater use of psychosocial factors
- ▶ Increased sophistication of data and analytics, to support claims decision making and performance management

5

Active provider management

- ▶ Outcomes focus, rather than fee-based negotiations – seek “win-win”
- ▶ Sharing best practices in treatment, encouraging specialist providers
- ▶ Tailored approach for different types of providers

There are also some choices

	Choices			Implications
Claim Pathway	Customised process	← ● →	One-size fits all process	➡ Number/types of segments, number of teams, specialisation within teams
	Single file ownership	← ● →	Multiple ownership with specialisation	➡ Team structure, staff skill sets, systems requirements
Service Delivery	High touch model	← ● →	Low touch model	➡ Portfolio loads, staffing footprint, staff skill sets, triggers
Providers	Full client provider choice	← ● →	Active provider management and direction	➡ Provider management approach, client expectations management
Capabilities and Decision Rights	Decentralised, non-standard decision making	← ● →	Centralised and standardised decision making	➡ Systems requirements, staff roles and responsibilities, use of injury coding and automated triggers
	Reliance on individual staff skill	← ● →	Institutionalised triggers and guidelines	

There are opportunities for cross-fertilisation, but also obstacles

Opportunities

- ▶ Provider management
- ▶ Systems
- ▶ Payments
- ▶ Claims management (for some, but not all types of claims)
- ▶ Data and analysis

Obstacles

- ▶ Different regulatory environment between products and states
- ▶ Different points of leverage in claims management
- ▶ Different stakeholders
- ▶ Different injury mix