

WORKERS' COMPENSATION BENCHMARKING STUDY

Claims Management
Operational Study

INSIGHTS
FROM THE
FIELD

Crisis in Talent: Industry Reacts to Pioneering Claims Management Study

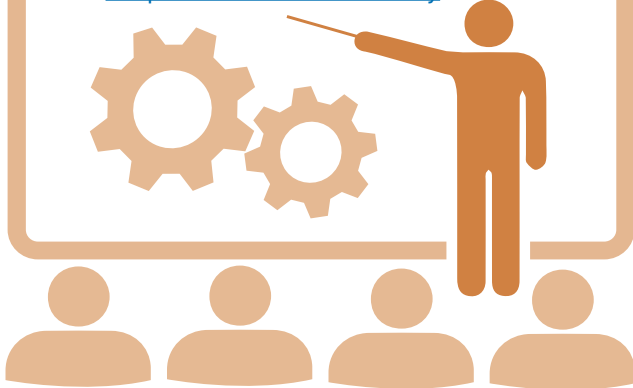
Insights by: Peter Rousmaniere

Expert Comments by:

- **Patrick Walsh** - VP & Chief Claims Officer - Corporate Claims, Accident Fund Holdings
- **Laura Crowe** - Risk Management Director, Presbyterian Healthcare Services
- **Raymond Jacobsen** - Managing Director, Aon Benfield

Respected industry author and consultant **Peter Rousmaniere** talked with survey respondents and readers of Rising Medical Solutions' 2013 Workers' Compensation Benchmarking Study. He determined that talent scarcity may be the most vexing issue in claims management today. He presents his conclusions here.

» [Request the full 2013 Study](#)



Rising's 2014 Study, to be released this fall, will continue to uncover pressing industry issues.

Introduction

Many complex forces deeply affect claims management in workers' compensation today. But there has never been a published study of their impact. Rising Medical Solutions worked with an independent researcher and select industry experts to design a survey asking workers' compensation claims leaders about their daily operational challenges. The resulting Benchmarking Study, issued September 2013, gained wide recognition. Thousands ordered the 107-page Study. It's one of the most thought-provoking studies of workers' compensation in recent years.

Wanted: proficient adjusters

Some of the survey's most striking findings related to claims staff development. Less than half of respondents provided training to senior level claims staff and a smaller percentage invest in training new hires (see Table). Some readers pointed to a strategic shift in staff development when aggressive computerization started in the 1990s. Many payers placed bets that computers could increase adjusters' productivity and lighten training needs. But adjuster savvy is needed even more today, in light of increasingly complex compliance and medical issues.

Laura Crowe, Risk Management Director for Presbyterian Healthcare Services, explains the cost of limited adjuster experience and training.

“ They would have a hard time understanding how litigation has changed claims adjudication, what interventions or medications are called for. Their tool set would be limited, affecting their ability to manage and pay claims properly. ”

Raymond Jacobsen, Managing Director at Aon Benfield, points to the common misperception that two or three years' experience makes a good adjuster. He notes,

“ Soft tissue, high cost cases will overwhelm the poorly trained adjuster with only a few years' experience. ”

Survey respondents said it takes upwards of five years for investment in new employee training to pay off. And to develop the truly proficient adjuster, with full reserving discretion on complicated cases may take even longer – some say ten years.

System integration: adjusters' multi-screen challenge

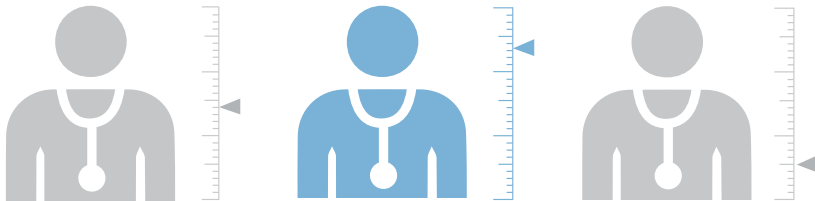
Readers emphasized the value of data integration to adjusters. Yet a third of respondents reported no linkage between their core claims systems and ancillary systems such as pharmacy and utilization review (see Table). And many who said they are “integrated” are, in fact, doing copy-and-paste work-arounds. Adjusters might use three computer screens to access multiple systems throughout the day as they manage streams of phone calls and emails.

As an example of effective integration, adjusters should be able to view, on one screen, a claimant’s medication regime and the popularity and risks associated with each medication.

Adjusters grapple with performance measures

The top three managed care initiatives that impact claims outcomes, as ranked by respondents, are case management, return to work services, and nurse triage. Only a minority of respondents report using performance measures for these and other programs such as bill review and utilization review. With many of these services typically outsourced, adjusters depend on performance standards against which their vendor partners are likely not being measured (see Table).

Several reviewers commented on how infrequently physician performance is carefully analyzed (see Table). Without this data, adjusters may too often have to guess who the higher quality providers are. Said one reviewer, “Adjusters with limited training may not know that a month of bed rest for back pain is bad medicine.”



Industry executive Patrick Walsh, VP & Chief Claims Officer - Corporate Claims, Accident Fund Holdings, built a small in-house analytical unit. It is staffed with analysts with no prior exposure to workers’ compensation. He says,

“ We as an industry need to invest in the kinds of people and resources to understand the data sufficiently. Even really good claims people often do not have the training or resources to know how to get data analysis to move the claims outcome needle. ”

Making talent a top priority

The value of talent resounds repeatedly in the Study. With so many interdependencies that affect claims performance, it’s apparent that arming the right talent with the right training, tools, incentives and road maps is mission critical.

The upcoming 2014 Study will deliver additional insights.



“ Extremely informative...a comprehensive snapshot of an industry struggling with several key areas at a time of tremendously disruptive trends. ”

- Bob Wilson, President & CEO
WorkersCompensation.com
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“ Reveals a workers’ compensation claims industry that, as busy as it is, has a lot more work to do. ”

- Dan Reynolds, Editor-in-Chief
Risk & Insurance®
» [Read article](#)

Selected Study Findings

Question - Does your organization:	% “Yes”
Provide technical training and development for senior level claims adjusters?	49%
Provide formal training for new hire claims staff with little or no experience?	42%
Integrate Utilization Review software with your claims system?	28%
Use performance strategies to incentivize or hold medical management vendor partners accountable?	17%
Use medical provider outcomes/performance metrics?	26%