



Focus on Claims Managers: Three Key Challenges, Three Solutions

One Call Medical, the national leader in diagnostic management, recently hosted a series of focus groups with the nation's leading claims managers to identify and discuss their top concerns. The three issues on their collective list included: 1) controlling workers compensation medical costs, 2) empowering staff with education and tools to enhance their caseload efficiency, and 3) increased accountability to clients. This bulletin delves into these challenges and looks at available solutions to help address them.

Claims managers in the workers' compensation industry face many ongoing challenges. Although the number and frequency of claims have decreased, they must find ways to make the claims cycle more efficient and effective in order to drive bottom-line results for clients and to gain a competitive advantage in the market.

Recently, One Call Medical, the national leader in diagnostic management, held a series of focus groups with the nation's leading claims managers. These meetings revealed three issues that are "top of mind" for these management professionals:

- **Workers Compensation Medical Claims Costs.** Across the board, claims managers experienced a decrease in claims frequency—this was in line with the 2008 NCCI study that reported claims frequency had fallen by four percent. According to the focus groups, this decrease was due in part to difficult economic conditions that have led to business closures and layoffs. Although the number of claims has decreased, costs are still a key issue—particularly in regards to increasing indemnity and medical severity costs. Within the workers' compensation industry, healthcare providers are now delivering more services. As a result, medical expenses, which are rising at twice the rate of general inflation, are still the biggest cost-containment challenge. In fact, according to the NCCI data, workers compensation has seen a 30 percent increase in medical costs between 2005 and 2007.
- **Caseload Efficiency.** Caseloads vary from organization to organization. At some companies, adjusters have left and were not replaced. When work was transferred to remaining staff, caseloads increased. For other companies, caseloads decreased by as much as 25 percent. With a constantly shifting volume of work, claims managers are striving to achieve optimal efficiency by empowering staff with training and productivity tools. As a result, claims managers need cost-effective education to increase staff expertise, as well as tools and services that help to offload certain claims management tasks—so staff members can function optimally.

- **Accountability to a High Level of Performance.** Today, customers of claims management services are now demanding audits to measure performance, savings, and results. A claims manager's success depends on performing well in this type of analysis, which review many different metrics, including claims reserves, appropriate channeling of employees to in-network providers, and early return-to-work outcomes. Often it's the clients who define audit criteria, and in most cases, accuracy and efficiency must be "spot on." Claims managers, along with client account managers, are under tremendous pressure to demonstrate a high level of value to their clients.

In response to these claims manager needs, One Call Medical has identified and helped to develop the following key strategies:

- **A Specialty Network to Control Fast Rising Medical Costs.** Continued medical inflation has made it necessary to expand medical management to integrate "specialty networks" that deliver cost-containment and quality-driven programs in expensive "specialized" areas of medicine. For example, diagnostic radiology costs are projected to increase 20 percent annually—growing more rapidly than hospital services and prescription drug costs. As a result, radiology represents a new frontier that needs a managed solution. By partnering with a specialty diagnostic network, claims managers can leverage rates that are approximately 45 percent below state fees and usual and customary rates (UCR), nationally on average.
- **Education & Outsourcing to Empower Staff.** Today, an online university can provide claims managers and their staff with web-based courses that meet the requirements for state-certified continuing education units (CEUs). An online university supplements in-house training and enables claims managers to reach a national team of claims professionals in a cost-effective manner. At the same time, outsourced services and web-based tools enable claims managers to improve the efficiency and productivity of staff. By handing off and streamlining specific functions, staff members can focus their time on the claimants that require their personalized service.
- **Analytic, Consultative Approach to Improve Performance.** Claims managers can partner with specialized experts to improve performance in specific areas. For example, a proprietary assessment can be performed to analyze diagnostic spending, and to determine the percentage of claims that are managed and channeled through provider networks to ensure maximum savings and quality. Using this information, claims managers can identify and implement appropriate changes with an eye towards "stopping the leaks" to ensure the best rates and results. This performance is also easily quantified in reports that managers can share with clients.

Part II:

Focus on Claims Managers: Three Challenges, Three Solutions

Many claims managers strive to achieve a highly effective claims management service that delivers cost-effective administration, total medical management, innovative loss control, and personalized customer service. They continually attempt to “raise the bar” by offering improved results, unmatched best practices, and customer-focused service and flexibility.

As part of its dedication to excellence, One Call Medical recently held focus groups with claims managers, identifying three “top of mind” concerns for claims managers, including the ability to:

1. Control workers’ compensation medical costs.
2. Empower staff with the training and tools to drive efficiency and effectiveness.
3. Document savings and performance to clients.

To help address these needs, One Call Medical offers the following solutions:

Solution #1

Specialty Network as Turnkey Solution to Control Diagnostic Radiology Costs

The Facts: According to a report by the Association of Health Insurance Plans (AHIP), almost \$100 billion a year is spent on diagnostic imaging in the U.S., and these costs are expected to double in just four years.

Medical inflation has always been a concern for workers’ compensation claims managers, but with today’s tough economic climate, the need to control medical spending is even more urgent. When costs for prescription drugs and hospital services escalated, claims managers employed management strategies to control spending in these areas.

Today, there is a new category of escalating medical costs that requires a managed approach. With a 20 percent growth rate, diagnostic radiology is now the fastest rising medical expense, increasing at twice the rate of prescription drugs and overall healthcare spending, which are rising at only 10 percent each year. Today, a specialty network can offer cost-containment and quality programs in expensive “specialized” areas of medicine. For example, a diagnostic specialty network not only provides access to qualified diagnostic providers, but also acts as a complete turnkey solution to manage diagnostic costs and quality.

One Call Medical (OCM) is the nation’s largest specialty network of diagnostic radiology providers, with more than 2,900 imaging centers in locations in all 50 states. OCM’s comprehensive solution for managing diagnostic radiology includes a

stringent credentialing process, prompt scheduling of services, improved patient care, expedited claims processing, and steeply discounted rates.

Clients are able to benefit from prices that are 45 percent below state fees and usual and customary rates (UCRs) nationally on average. These savings are significant, yet they're only part of the OCM success story.

One Call Medical also helps to ensure quality through its stringent provider credentialing process. Currently, 98 percent of OCM radiologists are board certified by the American College of Radiology (ACR), which helps to ensure the highest quality services. For radiology facilities that not ACR accredited, OCM performs a thorough film review as part of its credentialing process.

Because injured employees are referred to One Call Medical's network of top-notch, credentialed providers, their tests are far more likely to result in prompt, accurate diagnoses as well as sound medical decisions - which ultimately lead to more effective treatment plans, speedier recoveries, and improved return-to-work results.

Solution #2

Education, Services, and Tools to Empower Claims Staff

The Facts: Today, 60 percent of training occurs in-house; 40 percent is the adjuster's responsibility. Claims managers look to CEU-based webinars for cost-effective education.

With today's tough economic climate, training and education have experienced significant budget cuts. As a result, many claims managers now rely on vendors to supplement internal educational. Most states require claims adjusters to receive a licensed certification to practice, as well as a certain number of continuing education credits (CEU) each year to maintain this license.

To address the claims industry's educational needs, One Call Medical has launched a series of webinars and continuing education units (CEUs) that help staff members to understand and address complex diagnostic testing issues. These training opportunities are now available online through the new [OCM University](#). To register and view a calendar of events, go to www.onecallmedical.com, enter the [OCM Knowledge Center](#), and select Webinars/CEUs, or simply contact One Call Medical at the information below.

By partnering with One Call Medical, claims departments can also offload the entire diagnostic referral process, medical report, and billing process. They no longer have to worry about identifying the provider, scheduling the appointment, or following up on the medical report or bill. One Call Medical handles the whole process.

At the same time, OCM has recently introduced a newly redesigned online “Customer Center,” which features state-of-the-art web-based tools to automate and streamline routine administrative tasks and labor-intensive manual functions. For example, the OCM Customer Center eliminates the faxes, phone tag, and delays associated with conventional diagnostic referrals, and enables claims staff to focus their attention on other vital services for injured employees.

Solution #3

Analytic & Consultative Approach to Improve Performance

The Facts: A payer may schedule as much as 65 percent of diagnostic exams with “out of network” providers. These tests can cost 30 to 40 percent more than in-network exams.

For claims managers, one of their biggest challenges is not being able to easily identify and reduce claims leakage—the wasteful overpayments that leech funds away from the client’s bottom line. Since managers are held accountable for claims-management performance, they need guidance to help identify specific areas for improvement.

For example, many claims managers are unaware of how much they spend on advanced radiology services. In some cases, an MRI or CT scan may be scheduled directly with an imaging facility—rather than being channeled through a specialty network like One Call Medical. As a result, these claims do not benefit from network savings or quality oversight.

As part of its comprehensive Diagnostic Management Program (DMP), OCM helps clients identify and reduce claims leakage. It performs a proprietary assessment of diagnostic claims activity. Within a typical breakdown, a single payer may schedule as much as 65 percent of its diagnostic exams with “out of network” providers.

These “out of network” claims cost 30 to 40 percent more than they should. In addition, these “unmanaged” claims typically experience a slower response and turnaround time in terms of scheduling, testing, and results - which may have a negative impact on a patient’s treatment plan. There’s also a greater likelihood of poor quality tests, which may result in repeat exams, misdiagnoses, and in some cases, unnecessary surgeries.

Using information from the DMP analysis, OCM works with claims managers to track usage, identify leakage, and implement changes in processes, procedures, and end user behavior. An improvement plan is geared to “stop the leaks” and capture maximum savings by bringing about an overall shift from “out” of network to “in” network exams. OCM also offers an exclusive retrospective savings program designed to help claims managers generate steeper savings. In cases where patients received scans at OCM contracted providers, a payer will receive the same savings they would have obtained through prospective channeling.

Finally, One Call Medical prepares performance reports that document savings, appropriate provider-channeling statistics, and return-on-investment for claims managers and their clients.

A Partner Dedicated to Results

One Call Medical is committed to providing claims managers with measurable diagnostic improvements. As a result, OCM offers the training, services, web-based tools, and consultation that claims managers need to achieve outstanding performance.

This level of partnership is unmatched in today's marketplace, making One Call Medical the provider of choice in diagnostic testing and scheduling for the workers' compensation and group health industries. One Call Medical saves time and money across the entire diagnostic management cycle, and the company continually strives to find new and innovative ways to improve its service, process, and benefits.

To learn more about One Call Medical and its diagnostic radiology management services, please call Bill Colacurcio at 973-316-3718, or email: bill_colacurcio@onecallmedical.com.
