

INTERACTIVE

by Brenda Rusnak

The need for insurance carriers to reduce the number and cost of claims is not a new concept. What is relatively new, however, is the need for insurers to differentiate themselves.

With modern technology, consumers expect a certain level of convenience in purchasing goods and services. Soon insurance consumers will come to expect the same level of efficiency and service in the claims handling process. Today's insurers must look beyond improving internal administrative efficiency and bring value-added services to customers.

Technology can offer solutions to challenges faced by insurance companies. Insurers need better ways to support their claimants. This goal can be achieved by automating and simplifying time-consuming tasks such as determining eligibility, enrolling for health benefits, managing a referral, processing a claim, reimbursing for a claim, finding quality health care providers and determining the best health care options for claimants. For automation of these processes to work, solutions must be inexpensive, provide flexibility and offer some guarantee of security.

A clear challenge is the fact that insurers' information systems are often supported by inflexible legacy systems that are costly to integrate, difficult to obtain information from and lack the functionality for managing and tracking the results of health care initiatives. This results in redundant data entry and an inability to collect and use historical information to determine trends, track results and predict outcomes.

The solution is not to replace the existing system, but instead to find a way of linking to more advanced technology. Web technology has created easy solutions to this very problem. Insurance companies who have access to the Internet have many inexpensive or free options available to them. The Web also provides maximum flexibility, and security is not an issue if dealing with a reputable company that uses advanced encryption technology.

ACTIVE Health Management (www.activehealth.ca) has created a uniquely Canadian integrated health and disability claims repository containing over 50,000 patient/claimant files. These files contain demographic, health care encounter and outcome data, and are now available to insurers and health care providers under secure codes over the Internet.

This technology offers users several benefits. Insurers and health-care providers have the ability to view common patient/claimant files online. This guarantees that both parties are always looking at the same set of information in its most current form.

In addition, users are able to extract valuable predictive informa-



tion based on historical patient/claimant files. For example, an insurer or health care provider can choose a number of variables common to a particular claimant and come up with the average cost, duration and outcome of various rehabilitation approaches. This information assists insurers in setting the necessary reserves and in determining whether a treatment plan is reasonable and necessary.

Health care providers, on the other hand, use this information to identify high risk therapies, so that patients can experience better clinical outcomes more quickly, while reducing or eliminating waste from ineffective treatment options and unnecessary treatment. This technology has already proven to be effective in eliminating the problem often faced by third-party payers of having less information about the value of the service being suggested, than the healthcare provider making the suggestion.

Another benefit of this unique technology is that it enables health care providers and insurers to compare provider outcomes with peer groups for similar patient populations. This allows treatment pattern and outcome analysis to be conducted with the ultimate goal of improving treatment successes.

ACTIVE is also using this medium to bring credible health care information to insurance claimants. The Internet is fast becoming a standard information source in many Canadian households. And yet we all know information appearing on the Internet is not always reliable. Insurers need to assist their claimants by pointing out credible sites or creating links to credible sites via their own Claimant Information sites. Through ACTIVE's site, claimants will soon be

HEALTH CARE

Billing, treatment schedules, rehab programs — health care represents a paper-intensive part of insurance. The Web may offer some solutions.

able to access information on common injuries such as whiplash, repetitive strain injuries, back pain, etc. This may help claimants understand the nature of their injury and how they can get back on track.

In addition, a list of credible providers and health care product vendors will be available to both insurers and their claimants in the near future. ACTIVE Health Management has already had several requests, by insurers and plan sponsors, to link its Web site to Claimant Information sites.


Health care information relating to an insurance claim is typically stored in several different files at several different locations. Technology now exists which allows this information to be shared, blended and analysed, without any risk of violating patient confidentiality. All participants involved in an insurance claim — the adjuster, case manager and health care professionals — can effectively work together on the same file. Enabling all participants to communicate, exchange information and perform transactions simplifies claims management, reduces costs and enhances accessibility and service to claimants. The end result is a higher claimant satisfaction rate and lower costs associated with claims.

Another challenge that insurance companies face is the simplification and streamlining of health care billing. Typically, billing practices vary from provider to provider. While some providers bill for service every week, others may wait months to issue an invoice. Adjusters are often unaware of the treatment provided until weeks or even months after the service is actually rendered. This effects several management processes, from setting appropriate reserves to ensuring that the claimant is getting appropriate treatment within appropriate time frames, at a reasonable cost.

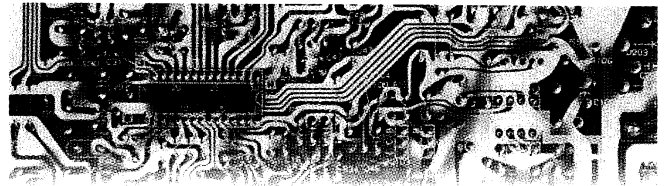
Technology has allowed us to ensure adjusters receive information about the health care services their claimants are receiving at regular intervals and streamlines this information, thus freeing them from the immense number of paper invoices they normally receive. The normal two step process of authorizing payment and producing a cheque is reduced to one step. In addition, bill audit technology reduces the number of errors such as duplicate billing and billing of unauthorized services. In ACTIVE Health Management's experience, the cost savings of conducting bill

audits alone is at least five per cent of total health care costs.

Another core administrative function that technology is just beginning to address is the problem of multiple payers. Any system adapted by an insurance company (in particular motor vehicle carriers) must be able to deal with multiple payers. If a system or service can effectively eliminate or reduce this administrative chore for an insurance company, significant cost savings could be realised.

Insurers do not have to look toward building expensive, proprietary systems to get the most out of advanced technology. Web technology provides inexpensive, flexible and secure solutions. 

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