



## **Internet Technology Improves Workers' Compensation Results**

by Randy Wheeler

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For public entities, the main goal of workers' compensation has always been to respond to workplace injuries with the most appropriate medical care at a reasonable cost, and to return employees back to work as soon as medically possible.

In the last three years, however, workers' compensation costs have risen dramatically, driven in part by significant increases in medical costs and indemnity expenses.

Public entities share the same objectives regarding workers' compensation: reduce injuries, medical costs, indemnity costs and litigation; increase the efficiency of the claims process; and improve quality of care for injured workers. To achieve these business objectives, many public risk managers and claims professionals are now leveraging the Internet for its cost and efficiency benefits to streamline workers' compensation best practices.

### **Claims Management Challenges**

For many organizations, claims processing has changed little over the years—often involving manual data entry, inconsistent claims review, inefficient workflow, fragmented communication and frequent mistakes. Thus, claims handlers may spend half their day on routine administrative tasks.

The main challenge of claims management is automating and streamlining routine administrative tasks and labor-intensive manual functions, focusing specialized resources where they are needed most. Experienced adjusters and claims managers believe technology is an enabler of these objectives.

### **Risk Management Needs**

From a risk management perspective, the biggest problem in workers' compensation is not knowing where losses are coming from and not being able to pinpoint areas that would benefit from loss-control programs. Under pressure to control costs, risk managers are demanding a higher level of customization in their risk management reports and performing ad hoc reporting that enables analysis from different angles. With today's technology, these risk management reports combined with an increased focus on benchmarking initiatives will enable organizations to implement timely interventions that reduce costs and improve outcomes.

## **Solution: Advantage of Internet Technology**

The Internet represents the most dramatic change in the modern claims operation. Public risk managers are beginning to implement Internet tools in their programs, providing connectivity, transparency, and real-time benefits.

Connectivity is the main advantage of the Internet, allowing individuals to share information as it develops and to access it at anytime, from anywhere. This is a convenient, cost-effective solution for public entities, which frequently have team members distributed across large regions.

Internet technology also allows busy claims and risk managers to retrieve information from one location, without having to access multiple applications or Web sites. The transfer and management of this information remain transparent to the user, which is a key benefit as the claims process becomes increasingly automated and paperless.

An added impact of the Internet is its ability to provide real-time business intelligence, enabling stakeholders to manage claims for optimal costs and outcomes.

The following items are internet technology benefits that support business objectives and best practices:

- \* **An electronic claims process** - It is the primary goal of today's Internet systems to achieve an end-to-end automated and electronic claims administration process. Scanning and document imaging can increase the volume of claims handled and properly document claims activity without increasing overhead.
- \* **Web sites that enable prompt electronic reporting** - If injuries are promptly reported, public entities can better focus on early and appropriate interventions. Frontline managers can easily report incidents on a secure Web site, where the report is saved directly into the claims system.
- \* **Integrated EDI to meet state-mandated electronic claims filing and reporting** - Many states have some form of electronic claims filing and reporting requirement. Internet technology provides the instant and electronic connectivity to comply with these mandates.
- \* **Verifying claims information to reduce errors** - The connectivity and transparency of Internet technology allows real-time validation of information to occur seamlessly.
- \* **Avoid statutory penalties with business rules** - If organizations do not meet workers' compensation statutory timelines, they face stiff penalties. Internet-based business rules automatically track these timelines and notify adjusters and risk managers when specific actions must be taken.
- \* **Business rules notify appropriate resources of urgent activity** - Business rules automatically notify the appropriate resource to review the claim and automatically assign the case to the appropriate adjuster, who then performs the initial three-points of contact. External parties, such as return-to-work coordinators and nurse case managers are also notified to begin their part of the claims process. Notifications can be made via email, pager, and mobile phone for added convenience.

\* **Claims email integrates communication and documentation** - If adjusters send email, it should automatically be documented within the claim file, along with any replies or related documents. Integrated claims email allows email to be sent within the claims system, so that external applications are unnecessary.

\* **Managing return-to-work programs** - One of the biggest factors that can impact claims costs is the establishment of a formalized return-to-work (RTW) program. Modified duty assignments can be sent in a timely manner between claims adjusters, nurse case managers and providers using Internet-based tools.

\* **Enterprise risk management reports** - loss control and injury prevention - Internet-based technology effectively captures the full range of workers' compensation claims data, enabling risk managers to view loss runs online with a high degree of customization. By using these reports to identify a program's true cost drivers, appropriate loss control programs can be designed for high-risk areas.

### **The Future of Internet Technology**

With the use of Internet technology, adjusters' and claims managers' tasks can be automated so their resources can focus on the client and the claim, not the back office. Risk managers can carefully monitor loss control programs and implement solutions to reduce costs. As the use of technology is more prevalent, more best practices will be revealed and implemented with the same goal-to get the employee back to work as soon as medically possible.

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