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# Francis Claims Services

## Case Study: iVOS Claims Software & Bill Review Services

How a browser-based “one-system” solution provided Francis Claims Services with enhanced claims capabilities and an integrated bill review process that saved 55% of medical costs

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Since 1988, Francis Claims Services (Francis) has provided companies with a comprehensive package of risk management solutions, including claims consulting, claims administration, and loss-control expertise. These services have enabled Francis clients to lower their risk profiles, take control of premium costs, keep claims costs lean, and strengthen safety and accident prevention programs.

In 2001, Francis branched off from its parent company and became an independent consulting firm and bona fide claims administrator in workers’ compensation and general liability. “As a result, one of the first things we needed was our own claims system,” said Linda Leichty, Claims Manager at Francis Claims Services.

### **Portal to iVOS®: Migrating to a Browser-based, “One-System” Solution**

When Francis Claims Services started, the company wasn't tied to a legacy application or traditional paper-based operations. “We wanted state-of-the-art technology that would sustain our superior claims-handling capabilities as a competitive differentiator in the market,” said Linda Leichty. “We selected Valley Oak Systems as our vendor. Their VOS Portal product was the leading-edge claims system at the time, offering a wealth of features and functionality.”

In 2004, the company recognized that the Internet’s role in claims management had increased. Their claims managers needed remote system access and clients wanted more online services and Web-based capabilities. At that time, Francis was also using a third-party bill review company, and was dissatisfied with the disjointed process, wanting to incorporate bill review more tightly into claims management.

As a result of these two needs – Internet capabilities and integrated bill review – Francis upgraded from VOS Portal to iVOS, Valley Oak’s browser-based “one-system” solution; and they transferred their outsourced bill review process to iVOS Review Service, Valley Oak’s bill review department.

## **The Result: A Collaborative Platform to Improve Claims-handling, Loss Control, and Risk Management Services**

The company's primary business goal was to optimize operational efficiency with an integrated Internet solution that would also allow for improved client services. iVOS was implemented in June 2004, and the system has since provided Francis and its clients with four main benefits and enhanced capabilities:

### ***1. Freedom and Flexibility of a Browser-based Environment***

The iVOS browser-based platform streamlined many of the organization's infrastructure, maintenance, and security issues. Since iVOS utilized the same database architecture as VOS Portal, Francis didn't have to undergo an extensive data conversion typical of new system implementations. The transition from VOS Portal to iVOS was seamless. Implementation occurred at the server level, hassle-free to users, and ongoing maintenance and upgrades continue to be transparent. With a system native to the Internet, Francis did not require middleware, such as Citrix, in order to run the application over the Web. The only thing end users needed was an Internet browser.

The browser-based platform allowed Francis to capitalize on remote operations that increased its scope of business, staffing and service opportunities. Currently, Francis allows its claims supervisors and adjusters to access the system remotely, providing it with greater freedom and mobility. Francis staff can connect to the system at anytime, from anywhere, as long as they have an Internet connection.

Francis configured iVOS to allow specific customers to access the system directly. "We previously provided client information manually, and it took time away from priority tasks. Now, with larger insurer clients, as well as large self-insured clients and brokers, we allow them to directly access this information. Real-time access provides clients with superior service, and improves their ability to communicate and collaborate with our claims staff," said Leichy.

In the future, Francis will grant remote-access capabilities to external investigators and nurse case managers. Since Francis employees, external specialists, and clients are dispersed in various locations, iVOS builds a collaborative platform that bridges the geographic distance and allows parties to communicate and share information online. "What's great is that we have the capability to customize access and security levels for each party, enabling them to see only the appropriate claims information," said Leichy.

### ***2. Efficient and Proactive Claims Management***

"At Francis, we continually strive to meet and exceed client expectations in terms of claims-handling efficiency, cost-savings, outcomes, and service," said Leichy.

There are several ways iVOS has helped Francis accomplish this goal. "When we went live, our adjusters were the first ones to experience efficiency gains. The intuitive interface and usability of the system gave a significant boost to productivity. Adjusters felt the software was designed with the features and functions consistent with the way they actually manage claims.

For instance, two factors our adjusters constantly monitor are claim payments and reserves; the system's screen views make it easy and convenient to track these two statistics."

Clients can now report claims online, allowing Francis staff to start proactive management sooner from the first report of injury to the final payment, all while performing cost-saving best practices at each step of the process. For instance, adjusters can initiate the three-points-of-contact with the employer, employee, and physician within 24 hours, and ensure injured employees seek prompt medical attention at appropriate healthcare facilities.

"Performing best practices is a challenge if you have high caseloads, but at Francis, our claims adjusters have among the lowest caseloads in the industry," said Leichty. "We maintain effective caseloads because we equip our adjusters with sophisticated tools that focus their time, knowledge, and compassion where they're needed most in the claims process," said Leichty.

Francis uses the diary system to automate previous manual, labor-intensive tasks. Adjusters can enter multiple diaries per claim, allowing them to keep claims up-to-date and prioritize their "things-to-do." Francis also leverages business rules to ensure consistent claims-handling quality. The company has configured smart-monitoring rules that automatically send a "review required" notification to claims supervisors in regards to large-loss notices or claims that require oversight.

"Most of our cost savings are achieved through proactive claims management, which iVOS helps to facilitate throughout the life of the claim," said Leichty. Another advantage of early, proactive management is a decreased chance of litigation. The faster a claim is brought into the adjustment and settlement process and the sooner a claimant is served, the less likely that claimant is to find a lawyer and litigate.

### ***3. An Integrated Bill Review Solution and Cost-Savings***

Controlling healthcare costs is a key challenge in claims management. In workers' compensation, healthcare costs now account for more than 50 percent of the average claim.

To help clients get their arms around this high-cost area, Francis offers an extensive medical cost-containment program, and a key component of this program is effective medical bill review to ensure maximum savings. In June 2004, rather than continue to deal with a disjointed process and cumbersome data interfaces with its third-party vendor, Francis transferred its bill review to iVOS Review Service, and as a result, reaped significant cost-savings.

The iVOS "one-system" solution seamlessly brought together Francis' bill review and claims management processes, affording Francis additional opportunities to streamline workflow and increase efficiencies. The new process begins with Valley Oak staff scanning medical bills directly into iVOS and saving them to the appropriate claim files. The integrated "one-system" platform eliminates the need for system interfaces and data transfers, while document-imaging significantly reduces data entry, paper shuffling, and storage.

Once the bills are scanned, iVOS automatically calculates the appropriate fees and PPO discounts. Business rules are applied so each line of every bill is repriced accurately, ensuring consistent savings. Bills are processed in real-time, avoiding traditional delays and bottlenecks. When the payments are generated, the Explanation of Review (EOR) for each provider is printed on the check stub, another workflow innovation. Adjusters can easily access and review prior payments—along with the EOR and original image of the bill—through the claim's payment record.

“The overall benefit is faster turnaround on bills, and a total savings package that includes medical, administrative, and operations cost-reductions that resulted in a 55% savings in medical billing costs, since we transferred services,” said Leichthy.

#### ***4. Extensive Risk Management Reports for Improved Loss Control***

“At Francis, we consider ourselves the ‘watchdogs’ over our clients’ claims, ensuring that we maximize client savings, reduce future losses, and lower their overall risk profile,” said Leichthy.

One tool in performing this “watchdog,” or oversight function, is the iVOS risk management reports. iVOS captures and collects all data in one centralized location, and provides superior data tracking and analysis capabilities. Francis claims supervisors can leverage reports and audits to fine-tune internal operations, achieve a tighter claims lifecycle, and make certain that cost-containment best practices are consistently performed.

“Although our clients have outsourced their claims process to us, they still want periodic performance reports, such as loss runs and payment reports. With larger clients, we allow them to log on and run their own reports, but for our smaller clients, we usually run the reports for them,” said Leichthy.

Francis also offers clients interpretation of claims data and claims auditing services. “Our loss-control and risk management experts use the system’s reporting feature to drill-down to the specific information that pinpoints clients’ problem areas, such as high-cost, high-risk, or high-injury trends. We use this information to suggest timely, expense-focused interventions that save clients money and reduce their losses. For instance in workers compensation, reports have identified injury-prone areas that benefit from injury prevention and safety training, and uncovered the need for improved return-to-work programs to reduce indemnity costs for clients,” said Leichthy.

### **Superior Service into the Future**

Increasing competition among TPAs has created a newfound urgency to utilize sophisticated claims technology that improves service, contains costs, focuses claims expertise, and optimizes efficiency. By leveraging the power of the Internet and browser-based technology with the iVOS solution, Francis Claims Services is ahead of the game.

“The iVOS claims system has enabled us to respond to client needs, and empowered our claims staff to focus their attention on service and savings. As a result, we have exceeded client expectations and built deeper relationships,” said Leichy.

As an early adopter of tech-savvy strategies, Francis has a competitive advantage. The company’s strength in customer service favors continued growth, and with the iVOS “one-system” solution in place, the company has the robust claims-handling platform to handle increased volume and business. “In addition, the one-system design is a comprehensive solution that wraps its arms around the entire claims process, and the software has the agility to adapt to changing client and market needs far into the future,” said Leichy.

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### **About Valley Oak Systems, Inc.**

Valley Oak Systems, Inc. is a privately held corporation with headquarters in San Ramon, California. Founded in 1994, Valley Oak Systems has relied on the industry experience of its founders to provide high-quality, cost-effective solutions for the claims administration industry. Its flagship product iVOS® is the leading browser-based, “one-system” solution that integrates claims management, risk management, medical bill review, policy underwriting, case management, billing, and event management capabilities for multiple lines of insurance. Valley Oak Systems is dedicated to providing the highest quality software, services, and support to enable their clients to meet their goals. As a tribute to the sophistication of its iVOS solution, Valley Oak Systems won the IASA Technology Achievement Award, which recognizes an outstanding IT project for its measurable business impact in the insurance industry. For more information, go to [www.valleyoak.com](http://www.valleyoak.com), or call (925) 242-4600.

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