Optimizing insurance claim management for successful outcomes

Apply advanced case management capabilities from IBM to help ensure the right payment for each claim

Highlights

- Optimize claim handling to build customer loyalty and reduce claim processing costs

- Analyze claims information for better overall insight, auditing and fraud detection

- Help ensure claims integrity and accurate payouts

- Provide a 360-degree view of structured and unstructured claims information in context

- Capture informal communications to create effective audit trails and enhance decision making

Claim handling is the single greatest opportunity for insurance carriers in all lines of business to build customer loyalty and positive word-of-mouth—priceless commodities in the age of social media. In fact, many customers equate claims with insurance, and changes in customer demographics and consumer technology are driving increased service expectations throughout the life of the claim. At the same time, insurers need to curtail operational costs and reduce claim leakage. Insight and decision making based on accurate information from sources across the claims ecosystem are essential for meeting these goals.

Recognizing opportunities and challenges in claims management

More information is available today than ever before, presenting new opportunities for deriving relevant insight. Information is generated from multiple sources inside and outside the firewall—from social media sites and web pages to content repositories and documents residing in a myriad of fileshares across the organization. Insurance organizations need to be able to find, access and analyze large volumes of this content regardless of where it resides. Fragmented customer, claim and transactional data must be coordinated to allow an account-level view of claim activity.

Incompatible technology systems can cause information-sharing errors and siloes that lead to potentially inaccurate and unreliable results. Manual, paper-based processes and business operations and poorly enforced policies also reduce effectiveness, while shortfalls in staff

training aggravate the situation further. As private and public insurance organizations focus more on empowering knowledge workers and creating an adaptable, flexible work environment, processes become more efficient and the customer experience improves.

Insurers need to embrace the value of their skilled knowledge workers to optimize claims management. This means enhancing process tools, collaboration and analytics, especially for complex claims cases such as workers' compensation. Such claims may involve multiple dimensions and parallel claims processes—for example, for medical recuperation, lost wages and job retraining. These claims require collaboration of skilled workers, delivery of information to the right people and steps such as escalations to higher authorities, settlement negotiations and involvement of third-party suppliers to reach a final settlement.

Consolidating siloed and separate claim-related business operations may also be an imperative. For example, many insurance companies have developed custom frameworks to meet their business needs, only to find that the frameworks are painful to manage, costly to change and in a constant state of resource-consuming rework to meet operational imperatives. These organizations can benefit from consolidating into a single environment with broad out-of-the-box capabilities and highly configurable design.

Providing a complete solution in a single manageable platform

To keep pace with today's demands, many insurance organizations are looking at advanced case management strategies. Advanced case management enables organizations to become more efficient by providing workers with access to structured and unstructured information while consistently enforcing complex business rules. Advanced case management supports a collaborative environment to help organizations capture ad hoc and formal communications. Also, it provides sophisticated analytics that allow organizations to detect and investigate fraud, understand customer sentiment and optimize their business operations in real time.

Advanced case management with IBM® Case Manager simplifies the delivery of case-based solutions, providing a flexible platform that can be used across operational departments to promote best practices and help reduce costs. Focused on embracing skilled knowledge workers, IBM Case Manager lowers the barriers to coordination and knowledge sharing. It goes beyond claims administration and simple recording of decisions to actually help skilled workers make better decisions.

IBM Case Manager delivers the following key capabilities:

- **Consolidation:** Claims management consolidation via the creation of master case management customer files for better visibility and decision making
- **Collaboration:** Dynamic task assignment and tracking capabilities for gathering knowledge from experts and specialists for a claim and making their feedback part of the decision trail
- **Process optimization:** Introduction of advanced claims management to ensure optimum case worker productivity and improved resolution cycle times
- **Compliance:** Rules engines to help drive predictable outcomes and provide knowledge workers with consistent options, and content management to comply with corporate and regulatory policies
- **Analysis:** Use of analytics to enhance individual decisions, detect patterns of claim abuse, and aggregate understanding of overall results to highlight what needs to be changed in order to improve future outcomes
- **Real-time support:** Provide call center and knowledge workers with real-time access to claims information, 360-degree views of claims and proactive coaching on ways to resolve claim issues

Helping ensure success today and in the future

By deconstructing the claims process into discrete, flexible components ranging from intake and adjustment to shared services such as litigation management and fraud management, IBM Case Manager enables an insurer to optimize claim handling today and continue refining it in the future. Highly configurable, it simplifies implementation and change, allowing business analysts to alter solution components to meet an organization's changing business needs.

IBM Case Manager helps speed claim processing—and drive improved customer loyalty—by providing a single view of the customer as knowledge workers require it. All of the specifics of a claim and related tasks are simple to address. The offering's extended set of easy-to-use, pre-integrated capabilities include content management, process management, business rules, sophisticated analytics, instant messaging and collaboration. In addition, built-in templates provide the ability to capture and repurpose best practices, saving time and reducing costs. Organizations can leverage template-based solutions across departments to expand service delivery and speed claims resolution.

Extracting value from large and growing volumes of information

IBM Case Manager enables insurance organizations to access the large volume of information trapped in content and extract what is meaningful. Organizations can use it to perform multiple forms of analytics, including analyzing policy contracts, forms, email and diagrams, to derive greater insight from their information and look for patterns of fraud that warrant additional investigation.

With IBM Case Manager, organizations can monitor internal and external sources of information including content from social networks. For example, video taken at the scene of an accident by a bystander with a smartphone camera might provide key evidence that would not be available otherwise. By analyzing customer information in real time to support customer-facing personnel, organizations can strengthen fraud interdiction. Analytics provided by IBM Case Manager also enable organizations to evaluate and understand claims performance and identify patterns and trends to support optimizing business operations.

Further, content analytics can provide the insight to help remediate specific cases or determine why specific types of claims are happening and identify potential solutions. Content analytics capabilities in IBM Case Manager look across content within documents, web pages or other sources based on user-set parameters—for example, by culling social media sites for anything that might have to do with a particular insured. The solution can examine vast amounts of content and highlight items that a worker might want to review in more depth to gain greater insight into a claim file.

While claims information originates in numerous content and sources, with IBM Case Manager the exact location of content becomes less important; workers can be confident that it is available, trusted, complete and accurate. Decision steps and actions taken are recorded and auditable, making it easy to track decisions that occur through email, personal conversations and other formats that are not easily recorded.

How insurance organizations are benefitting from IBM Case Manager

Public and private insurance organizations are already benefitting from deploying IBM advanced claim management capabilities in their offices:

- A large US insurance company with over 11,000 knowledge workers achieved targeted savings of USD 2.6 million annually through replacement of legacy custom frameworks and consolidation of disparate systems, along with USD 4 million in risk mitigation. IBM Case Manager met the company's goal of faster cycles to develop and edit applications by providing a development environment with 80 percent configuration and only 20 percent customization to meet the company's needs.
- A US state government's Department of Industrial Relations boosted response time for workers' compensation claims and increased visibility. IBM Case Manager enabled the agency to streamline tasks for creating files, setting hearings and serving decisions, providing cost and time savings to parties involved with cases and to the state. The solution also improved access to case records while preserving confidentiality, eliminated duplication and helped support enforcement against uninsured employers.

These organizations and others are using claim management solutions from IBM to help reduce operational costs, while simultaneously increasing their staff members' insight, collaboration and efficiency.

Making claims management intelligent, predictive and proactive

Intelligent information gathering, improved usage of expertise and predictive analytics provide a variety of business benefits. IBM Case Manager helps identify risk, resulting in improved fact-based decision making and increased business insight into the risk exposure and the value of case loads. This information can be used to optimize processes, helping to resolve claims more quickly and reduce administrative delays or errors. Skilled workers handling specific cases gain access to a complete view of a claim interaction and audit trail, enabling them to proactively manage the interaction over time.

The benefits are tangible. Improved financial results are a natural outcome of improved claims decision making. Insurance organizations are better able to avoid loss of revenue and costly compliance violations. Claim file information is entered once and shared as appropriate, eliminating the chance for duplicative data entry and further reducing costs. Better claims turnaround and more accurate settlements may also lead to higher revenues due to positive brand equity and the resulting channel preference.

IBM Case Manager helps drive more successful, optimized claims outcomes. By paying out the right amount for each claim, organizations can ensure claimants are satisfied while delivering the financial results necessary to support the underwriting of risk.

For more information

To learn more about advanced case management solutions and IBM Case Manager, please contact your IBM marketing representative or IBM Business Partner, or visit:
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