**How to Execute A Meaningful Workers’ Comp Claim Audit**

**Introduction:**

* Welcome to WC Mastery training
  + What you will get from today’s session is TIME used effectively and efficiently
  + RIMS 2009 Benchmark survey, 90% of companies had reviewed or audited some or all of their claims in the last 6 months.
  + Just because doing it, doesn’t mean doing it well.
  + Toby Soboleski, Senior Field Adjuster- Strategic Comp
  + Single Greatest Challenge Results:
    - Documentation
    - Communication – Same Page
    - Meaningful Action – Doing it Right
    - They’re not doing their job
    - I’m new
* Introduce 3 Major Points
  + Plan & Prepare
  + Execute
  + What Now – Making it Meaningful

**Main Point #1: Plan & Prepare**

* Difference between Audit & Review:
  + Audit – Less frequent, often done by outside party, beginning of a relationship, or beginning of a reform project
  + Review – Done more regularly with claims staff, employer, and often insurance broker
* Goals of Review/Audit:
  + Designed to get everyone on same page
    - Review trends/metrics
  + Open up lines of communication
    - Gets people talking about the claims;
  + Not trying to indict the claims staff
    - What want to do is realize that everything is done timely on both ends
    - Most often find problem not with the claims department
      * ER needs a self-audit of claims reporting, RTW, medical
      * ER is upset with TPA, find out reporting everything 6 days after the accident.
      * Need to be willing to look in mirror
      * Be open to learning from claims staff
  + Systematic and structured communication
    - Consistency of best practices, accountability
  + Leverage broker relationship, account executive relationship
* **Avoid Wasting Time**
  + Decision makers need to be a part of the process
    - “If there is no corporate executive, then it’s a waste of time” – Toby Soboleski
  + Doesn’t work if not talking to the right audience
  + Open communication needs to be actionable
* Timing of Review:
  + Quarterly most common
  + Weekly claims roundtable
  + What makes most sense for the employer
* Timing of Audit
  + Unistat date:
    - December, March starting review for July unit, will affect your mod starting in January;
    - Important for all: high deductible, self-insured still important
    - Loss reviews at end of year not as important
    - 6 months prior to renewal
    - 1/1 renewal, 4/1 is when you want to start audit
  + Recommend every 90 days after policy renews; renewing for the next year; review for mods, then reviewing for the following January;
* Selecting the Right Claims
  + Basic criteria:
    - Claims > $25K
    - Out of bounds medical only
    - The more frequent the review, the more claims can review
  + Tips:
    - No use reviewing closed claims
      * If doing closed claims, open claims, or a mix; if want to do finger point that’s fine; usually the open claims to review.
    - Claims w/ large amount of reserves more than a year;
    - Medical only that had been open < 6 months;
    - Any claim that has spent amount of $49K; or $24k on total reserve; (reserve authority)
    - Claims re-open to pay a bill and forgotten;
    - Open a long time, but nothing has spent on it for at > 6 months;
    - Settled claim that remains open claim sitting and nothing happening; if file has been settled,
    - Large medical only

**Main Point #2: Execute (20 minutes)**

* Review best practices:
  + Adjuster should have end game laid out
    - When will be back to work
    - Specific timeline
      * Tight vs broad
      * If do generalize, ask specific questions
        + “that is a nice broad scope, do you have a tighter timeline?”
        + Take conversation offline
  + WC management systems
    - Lag time/Injury reporting
    - RTW coordination
    - Communication with employees
    - Supervisor response
  + Medical/Ancillary services
    - Physician / Clinic relationships
      * Ask “how is our clinic working?”
    - Ancillary services
      * Get recommendations from Adjuster
    - Medical management
      * Diagnostics
      * IME timing
* Specific Aspects of Claim to Audit
  + 33 Total areas of review
    - 7 most important - 90% of claim done in first 48 hours; doctor has been chosen, first report has been filed; EE out of work
      * Timely reporting
      * Was 3 point contact made w/ 24 hours
      * Was a recorded statement taken
      * Was medical control established
      * Were checks issued timely
      * Were state forms filed timely
      * Did follow up on first doctors appointment
    - When the claim goes along
      * Timing of Reserves
      * Were reserves reviewed for reduction
      * Did review it for closings or reductions?
  + Recommendations:
    - always recommend doing emails; or letters, to make part of file
    - don’t ever call an adjuster
  + Medical Claim File Review
    - Leverage physician advisor to review

**Main Point #3: What Now – Making it Meaningful**

* Summarize findings
  + Specific recommendations for specific individuals
  + Audience of claim review vitally important
  + Incredible opportunity to come together as a claims handling partnership
* Measure and track areas of improvement
  + Lag time
  + RTW ratio
  + Adjuster responsiveness, etc.