

Get It Right the First Time- Quality Management in Life Claims



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Agenda

- ▶ The very nature of life claims require a high degree of sensitivity and accuracy. This session will cover the quality program elements, from sample size selection to data field parameters, and from remedial programs to rewards for a job well done.

Why QR At all?

- Record of the “as is” process
- Provides data for trending analysis and process improvement
 - Analysis of root causes of errors , establish controls to prevent repetition of the error.
- Customer requirements
- Gauge for the leakage present within the process

Leakage

- ▶ Leakage can be categorized a “hard”, “soft”, or subjective.
 - ▶ Hard leakage are incorrect payments, or payments to incorrect persons
 - ▶ Soft leakage items are incorrect spelling, coding
 - ▶ Subjective leakage are errors where judgment calls have been made, and there is a difference in the consistency of the decision made.

I've Identified My Leakage Risk

Now What?

Action Planning

- Aggregate key drivers of the errors into common themes
- Perform root cause analysis on the themes
 - ✦ Business tool inefficiency?
 - ✦ Process inhibitors
 - ✦ Training , knowledge or skill level of examiner
- Prioritize solutions

Group Question

- Which processes are in scope for a robust QR Program?
 - Claims Adjudication
 - Performance Guarantee Audits
 - Annual SAS-70
 - Sarbanes Oxley
 - Internal Audit Controls

Determine the Parameters of Your Program

- ✦ Determine the parameters of the program What to measure
 - ✦ Life claims: Correct person, correct amount
 - ✦ System coding
 - ✦ Customer satisfaction drivers, such as name and address spellings
 - ✦ Regulatory data, such as SSN for tax reporting
 - ✦ Letters – are they illustrative of the message?
 - ✦ Turn around time – variable products via regulation, and internal measures

How to Measure the Parameters

- ✦ Consistency
- ✦ Values Driven Scoring Mechanism
- ✦ Sample Size
- ✦ Dedicated time in cycle where QR is performed
- ✦ Quality Objective targets
 - ✦ Benchmarking

Inclusive

- Build a program with your team
- Allow for an appeal process – informal and formal
- Avoid being the “Claim Police”
- Provide positive as well as negative feedback
- Set up a protocol to integrate error resolution into standard operating procedures

Reporting of Results

- ✦ Evaluation of results
- ✦ % Error Free
- ✦ Feedback to individual examiners
- ✦ Celebration of quality success
- ✦ Programs to keep quality top of mind

Aristotle

- ✦ We are what we repeatedly do- excellence, then is not an act, but a habit.