Workers' compensation and rehabilitation agency builds foundation for the future

IBM Cúram Solution helps facilitate best practices for rehabilitation and return to work

Overview

The challenge
Hindered by existing systems that were outdated, expensive to maintain and difficult to enhance, a mature workers compensation agency needed a flexible, intelligent and integrated system that would support their current and future business needs. .

The solution
IBM Cúram Solution for Workers' Compensation was chosen to replace earlier applications that supported claims management, scheme compliance, employer registration and premium collection.

The results
- Built-in controls that can help support consistent decision making and claims management

- Increased understanding of the claims lifecycle, which enables more granular control of the claims process

- Streamlined service planning and account payments

- A service-oriented architecture that can provide more flexibility for future programs.

The challenge: protection for workers
Funded by employers and tasked with both preventing and remunerating occupational accidents and diseases, the government agency works to manage a financially sound system while focusing on returning injured workers to safe workplaces and the community.

The agency is responsible for administering programs for a large number of employers and employees in accordance with local regulations concerning rehabilitation and compensation.

With a vision of best possible recovery and faster return to work, the agency and its claims agents are committed to delivering effective rehabilitation and compensation for injured workers while maintaining the financial integrity of the legislation.

Time for change
The agency's claims agents manage more than 20,000 new claims annually, have more than 9,000 open claims on any given day and process nearly USD 500 million in claims payments annually in accordance with regulatory requirements. In addition, the agency must efficiently collect and manage workers' compensation premiums from employers in the state. To meet these objectives, the agency requires a robust and scalable enterprise IT infrastructure to support its operations and provide the claims management systems used by its claims agents.
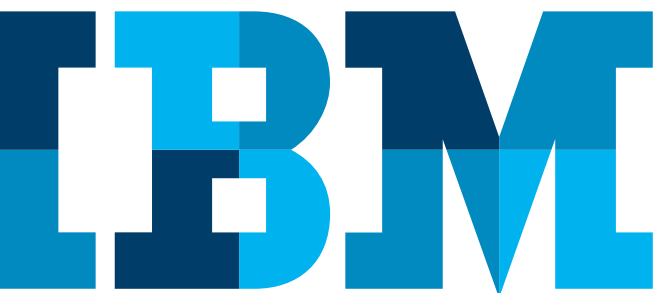
In the early 1990s, the agency developed multiple proprietary applications to manage its distinct business processes, such as claims management and premium collections. By mid 2000, these systems were nearing their scalability and functionality limits and had a number of limitations that were impacting day-to-day operations.

"Our legacy systems were increasingly customised to the point that they were no longer efficient to operate and maintain," said the agency's Chief Information Officer (CIO). "And, over the years, we were losing our specialised knowledge base as the individuals who built and worked on the systems retired or left the organisation for other posts. Our rigid IT systems also made it increasingly difficult to keep up with changing legislative and business mandates."

The solution

Fully understanding the limits of a solution developed in-house, the agency embarked on an IT transformation and decided to replace the proprietary applications supporting its core business processes with a commercial off-the-shelf (COTS) integrated enterprise solution suitable for claims management, employer registration and premium collection. The agency wanted a solution that could deliver both transparency and granular control. At the same time, they were looking for a solution that had the capability and flexibility to limit customisation and the agility to meet changing business and regulatory requirements.

"Previously, what we had was, in essence, a financial payments system that wasn't geared to support case management outcomes. Our vision was to create a system that was flexible and adaptable and would provide services to improve outcomes for injured workers," said the agency's Executive Director. "The new solution also had to support our organisation well into the future, regardless of claims volume or new legislative requirements."

The agency conducted a rigorous and extensive search for a new solution and ultimately selected the IBM® Cúram solution.

The agency's CIO noted that, "IBM Cúram Solution for Workers' Compensation provides the best fit for our business. The IBM Cúram solution suits our business model and provides a service-oriented architecture and foundation on which we can build. It also provides the comprehensive claims and case management capabilities that will enable us to manage the complete claims lifecycle. IBM is also a leader in the social enterprise management software space, so its solutions are built on real-world experience—including an implementation at a another agency with an environment very similar to our own."

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— Agency's Chief Information Officer

Newfound flexibility

The IBM Cúram solution helps the agency facilitate best practices for rehabilitation and return to work, and includes built-in controls that help ensure more consistent decision making and claims management. It is designed to increase the information available about each phase of the claims lifecycle and enable more granular control of the process. The agency anticipates that the system will help to identify high-risk claims early in the process, which will facilitate appropriate management of these claims as well as improved outcomes for all parties.

"With the IBM Cúram solution, we have been able to rapidly adapt to changing legislative and business requirements," said the CIO. "We altered our employer payment model and also changed the number of claims providers. These significant strategic initiatives were successfully deployed using the flexibility of the framework."

In the future, the agency wants to provide further improvements for employers and injured workers, and the IBM Cúram solution is expected to be a key part of that plan.

IBM Cúram Solution for Workers' Compensation met many of the agency's requirements "out-of-the-box" (that is, without system changes) and provided the flexibility to extend the solution to cover the remaining highly specialised processes.

The agency put the software's flexibility to the test early in the implementation process. Legislative reform was introduced to align with standard insurance practices and legislation in other jurisdictions. As a result of this reform, the agency had to make nearly 20 changes to its IBM Cúram Solution for Workers' Compensation design concept. Because of the system's flexibility, the agency could accommodate the changes with relative ease. Since deployment, the agency has used the system's flexibility to make additional rules changes to accommodate its distinct processes and environment.

Migrating to a COTS solution has also reduced integration challenges; the solution was implemented with interfaces to many other internal IT applications, including the agency's financial, address management, electronic invoicing and document management systems.

Strategic vision and crucial success factors:

- Support effective rehabilitation, compensation and return to work and the community.
- Maintain the system's financial stability.
- Uphold the integrity of the Rehabilitation and Compensation legislation.
- Improve stakeholder satisfaction.

The road to success

Deploying an IT project of this size is considered challenging even for the most experienced IT professionals.

"After much consideration, it was clear that an all-at-once changeover to the new system was the best option in terms of risk mitigation and cost," explained the agency's CIO. "Careful planning, open communication and a strong team were the foundation for our success. We were not only introducing a new software solution, but a new way of looking at case management."

The CIO continued, "We were fortunate to have a fantastic team and to have received support from senior executives and other stakeholders right from day one. The project, over its lifecycle, involved many people from across all areas of our business. We provided regular updates to our staff and claims agent staff."

The agency's inclusive approach to managing the project included preparing monthly reports for the board of directors as well as creating an executive steering group that met regularly. In addition, the team met weekly with key stakeholders to keep them apprised of progress and to get their input regarding key business processes. During the project, the team also conferred with representatives from the similar agency, gaining insight from their experience and successful implementation.

Another important management step was that the agency initiated staff training very early in the implementation process. There was a significant amount of testing performed before the IBM Cúram solution went live, and from the start of the initiative the agency and its claims agents began introducing staff to the new concepts that the solution would bring to claims management business processes. A number of "dress rehearsals" prior to going live also helped ensure that the whole process was well understood and properly planned.

As a result of thorough planning and effective management, the agency completed the changeover with no significant service interruption.

When implemented in this agency, the IBM Cúram Solution for Workers' Compensation offers the following value proposition:

- Helps enable holistic, multi-level service planning for income replacement, injury management and vocational rehabilitation.
- Facilitates identification and profiling of high-risk claims.
- Achieves no-touch, full-lifecycle claims processing.
- Helps improve outcomes at a lower cost by creating enhanced injury management plans while reducing unnecessary, frivolous and expensive services.
- Encourages transformation from reactive claims processing to proactive case management.
- Supports team-based work allocation strategies, helping ensure the most suitable workers are focusing on the correct cases.

The results

The agency went live with the IBM Cúram solution and met its initial goals for a successful rollout. These included replacing all the previous applications with a functional system so that all injured workers continued to receive payments and services without interruption during the changeover. An important part of the implementation process involved the migration of more than 650 million records, an operation that was completed with only a handful of errors and demonstrated the IBM Cúram solution's ability to accommodate large-scale data extract, transform and load (ETL) requirements.

The new system has helped enable greater transparency and more consistent decisions. In addition, the solution is helping facilitate regulatory compliance, including adherence to taxation authority requirements.

"The IBM Cúram solution provides a service-oriented architecture and framework that enables us to build effective solutions," the agency CIO said. "Cúram has been key in achieving our business outcomes. There's no way we could have achieved this in the legacy environment within the same cost and time."

The agency has also found that the IBM Cúram solution's functionality actually assists them in adopting best practice business processes. For instance, the new system prompts case managers when it is time to complete activities and guides case managers through the workflow for specific processes, further reinforcing best practices and consistency.

"Our team is excited about the potential of the IBM Cúram solution to help the organisation achieve a high standard of service and deliver on the promise of assisting workers to 'recover better at work,' while achieving new levels of efficiency and transparency. There are significant opportunities to build on the foundation that has been implemented…"

— Agency's Chief Information Officer

The solution's automation capabilities have helped improve workers' accuracy and consistency. The solution automatically makes several calculations that case managers previously had to make manually and validates invoices for pre-approved services without intervention, reducing the risk of error. It has also helped the agency improve operational productivity by providing improved online services to support premium collection.

In addition, internal staff productivity has improved, because the employers that pay workers' compensation premiums to the agency are now able to reconcile payments, submit remuneration returns and advise of virtually any change to their registration details online.

The IBM Cúram solution is security-rich and helps the agency meet compliance requirements. A sophisticated security model that includes flexible, role-based provisioning helps to ensure that system users can only access information that is appropriate to their roles. In addition, the system provides accessible information about decision making, enabling managers and auditors to see who made a particular decision and how it was made, without needing to retrieve and review paper files.

"Our team is excited about the potential of the IBM Cúram solution to help the organisation achieve a high standard of service and deliver on the promise of assisting workers to 'recover better at work,' while achieving new levels of efficiency and transparency," said the agency's CIO. "There are significant opportunities to build on the foundation that has been implemented, such as expanding interaction with external parties, initiating portals for providers and integrating document imaging to further reduce our reliance on paper."

For more information

To learn more about the IBM Cúram Solution for Workers' Compensation, please contact your IBM representative, or visit **ibm.com**/software/city-operations/workers-compensation/.

To learn more about all of the IBM Smarter Cities solutions, visit **ibm.com**/smartercities.

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