

Optimizing government and insurance claims management with IBM Case Manager



Apply advanced case management capabilities from IBM to help ensure successful outcomes

Highlights

- Optimize claims service to increase customer and citizen satisfaction and reduce claim processing costs
 - Analyze claims information for effective insight, auditing and fraud detection
 - Help ensure claims integrity and accurate processing
 - Provide a 360-degree view of structured and unstructured claim information in context of each case
 - Capture informal communications to create effective audit trails and enhance decision making
-

Claims and benefits management has evolved from a means of fulfilling basic contractual obligations into a complex ecosystem that requires insight, responsiveness and collaboration to deliver superior outcomes. For insurance companies, claims handling has become a key differentiator to retain and attract customers in increasingly competitive markets. Similarly, government organizations must handle claims as well as administer benefits in ways that better serve their citizens.

At the same time, both public-sector programs and private insurance companies need to curtail operational costs and reduce claim leakage. Timely insight and decision making based on accurate information from sources across the claims and benefits ecosystems are essential for meeting these goals.

Claims and benefits management is an area in which government and insurance organizations can benefit from using fresh approaches and tools. With the right resources to properly manage the processes and content related to claims or benefits, government and insurance organizations can improve outcomes, increase customer satisfaction and cut handling costs.

Recognizing opportunities and challenges in claims and benefits 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 shared file systems across an organization. Insurance and government organizations must be able to find, access and analyze large volumes of this content, regardless of where it resides. This content must be integrated with existing transactional systems, such as enterprise resource planning (ERP), human resource management system (HRMS) and customer relationship management (CRM) applications. Fragmented customer, claims, benefits and transactional data must be coordinated to allow an account-level view of claims and benefits activity.





Incompatible technology systems and conflicting policies can cause information-sharing errors and silos that produce potentially inaccurate and unreliable results. Poorly enforced policies and manual, paper-based processes and operations also reduce effectiveness, while shortfalls in staff training further aggravate the situation. When government and insurance organizations focus on empowering knowledge workers and creating an adaptable, flexible work environment, processes become more efficient, decisions deliver better results and the customer experience improves.

Organizations need to embrace the value of their skilled knowledge workers to optimize claims and benefits management. This means enhancing process tools, collaboration and analytics, especially for complex situations. Cases such as workers' compensation, family services or disability claims typically involve parallel processes to address multiple claim dimensions—for example, payment for medical treatments, physical therapy and income replacement, along with possible

job retraining. These claims often have extended life cycles, which require collaboration between skilled workers and delivery of information to the right people throughout the restoration period. Effective resolution requires orchestrating activities that include investigation and validation; determination of benefits; settlement negotiations; service authorization; escalations to higher decision-making authorities; consultations with expert case workers or knowledge teams; and management of third-party suppliers.

Benefits administration and claims processing are key functional areas where government organizations need to lower transaction costs while providing excellent service to citizens. Given the increased use of new communication modes, such as social media, the underlying claims and benefits processes must be automated. To serve both an aging population and a technically savvy younger demographic, government programs must be innovative yet operate under reduced budgets.



For insurance providers in all lines of business, claims service is the single greatest opportunity 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 a claim.

Consolidating siloed and separate product-related claims operations is another imperative for insurance organizations. For example, some insurance companies developed custom solutions tailored to the products sold, only to find that the numerous resulting solutions are difficult to manage, costly to change and in a constant state of resource-consuming rework. These organizations may benefit from consolidating multiple point solutions into a single environment with broad out-of-the-box capabilities and a highly configurable design.

Providing a comprehensive approach in a single manageable platform

To keep pace with today's demands, many government and insurance organizations are looking into advanced case management strategies. Advanced case management enables organizations to increase their efficiency by providing workers with access to structured and unstructured information while consistently enforcing complex business rules. It embraces the decision-making processes inherent in knowledge-based work, focusing on the outcomes by allowing case workers to orchestrate the appropriate tasks instead of following rigorous, inflexible sequences. Advanced case management supports a collaborative environment to help organizations capture ad hoc and formal communications. It provides sophisticated analytics that assist knowledge-based decision making, enabling organizations to detect and investigate fraud, understand customer sentiment and optimize their business operations in real time.

An advanced case management strategy incorporates many of the decision-making aspects of claims and benefits processing. The strategy gives supervisors or auditors the ability to answer questions such as:

- Who made the decision?
- What policies did they base the decision on?
- Why did they make the decision?
- When did they make the decision?

Advanced case management as a strategy can be implemented with IBM® Case Manager, which simplifies the delivery of case-based solutions. The offering provides 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 is designed to lower the barriers to coordination and knowledge sharing. It goes beyond providing claims and benefits administration and simple recording of decisions to actually helping workers make good decisions.

IBM Case Manager delivers the following key capabilities:

- **Consolidation:** Claims and benefits management consolidation through the creation of master case management customer files, which enables excellent visibility and decision making to all team members
- **Collaboration:** Dynamic task assignment and tracking capabilities for gathering knowledge for a claim from experts and specialists and making their feedback part of the decision trail
- **Process optimization:** Introduction of advanced claims and benefits management to help ensure optimum case worker productivity and improve 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:** Analytics to enhance individual decisions, detect patterns of claim abuse and aggregate understanding of overall results to highlight what needs to be changed to improve future outcomes
- **Real-time support:** Call center and knowledge workers provided with real-time access to claims information, 360-degree views of claims and proactive coaching on ways to resolve claim issues

Optimizing processes to help ensure success today and in the future

By organizing claims or benefits processes into discrete, flexible components ranging from intake and adjustment to shared services such as litigation management and fraud management, IBM Case Manager enables organizations to optimize claim handling today and continue to refine it in the future. Highly configurable, it is designed to simplify implementation and change, allowing business analysts to alter solution components to meet an organization's changing needs. Consequently, if policies or guidelines change, the underlying business processes can be adapted to enforce the new rules, regulations or compliance requirements without affecting the end user's application.



IBM Case Manager helps speed claims and benefits processing—and drive high customer and citizen satisfaction—by providing a single view of the customer when knowledge workers require it. Specifics of a claim or benefit and related tasks are simple to address. IBM Case Manager offers an extended set of easy-to-use, pre-integrated technical capabilities that includes 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, helping save time and reduce costs to develop and deploy applications to end users. Organizations can leverage template-based solutions across departments to expand service delivery and speed claims resolution.

How government and insurance organizations are benefitting from IBM Case Manager

Many government organizations and insurance companies benefit from deploying IBM advanced claim management capabilities in their offices:

- The Department of Industrial Relations for a state government in the US expects to boost response time for workers' compensation claims and increase visibility. IBM Case Manager enables the department to streamline tasks for creating files, setting hearings and serving decisions, which provides cost and time savings to parties involved in the cases and to the state. IBM Case Manager is also targeted to improve access to case records while preserving confidentiality, eliminating duplication and helping support enforcement against uninsured employers.
- A large US insurance company with more than 11,000 knowledge workers is targeting to achieve savings of USD2.6 million annually by replacing legacy custom frameworks and consolidating disparate systems, along with USD4 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 that required only 20 percent customization to meet the company's needs.

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



Extracting value from large, growing volumes of information

IBM Case Manager enables claims and benefit management 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 documents, forms, email and diagrams; to derive great insight from their information; to look for patterns of fraud that warrant additional investigation; and to adapt processes and policies for effective claims and benefits processing.

With IBM Case Manager, organizations can monitor internal and external sources of information, including content from social networks, and integrate them into formal business processes. 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. And a

government agency could capture and analyze social media reaction to changing social benefits guidelines, allowing the agency to quickly adapt and communicate with citizens. Analyzing customer and citizen information in real time to support personnel helps organizations strengthen fraud interdiction by minimizing weak internal controls. Analytics provided by IBM Case Manager also enable organizations to evaluate and understand claims performance and identify patterns and trends to support business operations.

Further, content analytics provide the insight to help remediate specific cases or determine why certain types of claims or benefits are happening at a specific time 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. 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 and benefits information originates from numerous content and sources, with IBM Case Manager the exact location of content becomes less important. IBM Case Manager enables workers to feel confident that the information 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 documented.

Making claims management intelligent, predictive and proactive

Intelligent information-gathering, improved use of expertise and predictive analytics provide a variety of business benefits. IBM Case Manager helps identify risk, which can lead to 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 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 management and decision making. Government and insurance organizations are better able to avoid loss of revenue and costly compliance violations. Claim file information is entered once and shared as appropriate, helping eliminate the chance for duplicative data entry and further reducing costs. Quick claims turnaround and accurate settlements may also lead to higher revenues because of positive brand equity and the resulting channel preference.

IBM Case Manager enables organizations to drive successful, optimized claims outcomes. By paying out the right amount for each claim, organizations help 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:

ibm.com/software/data/advanced-case-management



© Copyright IBM Corporation 2012

IBM Corporation
Software Group
Route 100
Somers, NY 10589

Produced in the United States of America
August 2012

IBM, the IBM logo and ibm.com are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

Each IBM customer is responsible for ensuring its own compliance with legal requirements. It is the customer's sole responsibility to obtain advice of competent legal counsel as to the identification and interpretation of any relevant laws and regulatory requirements that may affect the customer's business and any actions the customer may need to take to comply with such laws. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the customer is in compliance with any law. Statements regarding IBM's future direction and intent are subject to change or withdrawal without notice, and represent goals and objectives only.



Please Recycle