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# LTC Claims At A Crossroads

by Maureen Lillis

The 5th Annual Inter-Company LTCI conference was a tremendous opportunity for the thought leaders in our industry to come together and exchange information on current claims practices. This was evidenced by the number of attendees on the claims track. The industry is struggling to find the right balance for optimal claims management.

Faced with the prospect of heightened claims activity, it is critical that carriers understand how to administer benefits while protecting the risk pool. Further complicating matters is the changing landscape of the custodial care delivery system and Medicare reform. Do we truly understand the impact these will have on overall claims exposure?

Our industry is based on a strong commitment to serve policyholders through prudent administration of our products in the marketplace. Establishing a clear distinction between controllable and uncontrollable events in claims management will prove to be essential moving forward. For optimal success, it is imperative that care is not controlled by arbitrary measures, but through application of specific guidelines, created to effectively meet the rehabilitation goals of our claimants. It is our responsibility to foster independence while meeting our claimants' needs

and to ensure they do not become dependent on the delivery system.

Implementation of clinical guidelines and best practices, coordinated with an efficient quality management program, is an approach that may impact overall utilization through improved outcomes for care. This perspective is evidenced by the need for us to recognize the prevalence of key indicators in the management of long-term care. In establishing and applying key indicators, the best claims approach must be coordinated with consistently sound medical practices supported through care management in order to achieve acceptable outcomes in the treatment of chronic care.

Can we quantify a targeted plan of care program resulting in predictable outcomes, improve claimant satisfaction and generate cost savings? Is it time to challenge our current protocols? These questions represent complex issues for the industry. Strong claims controls are necessary, but should not be the only answer.

One possible solution to address this challenge is to take a hard look at innovative techniques that can help manage claims costs. This is best

continued on page 10

Diagram 1

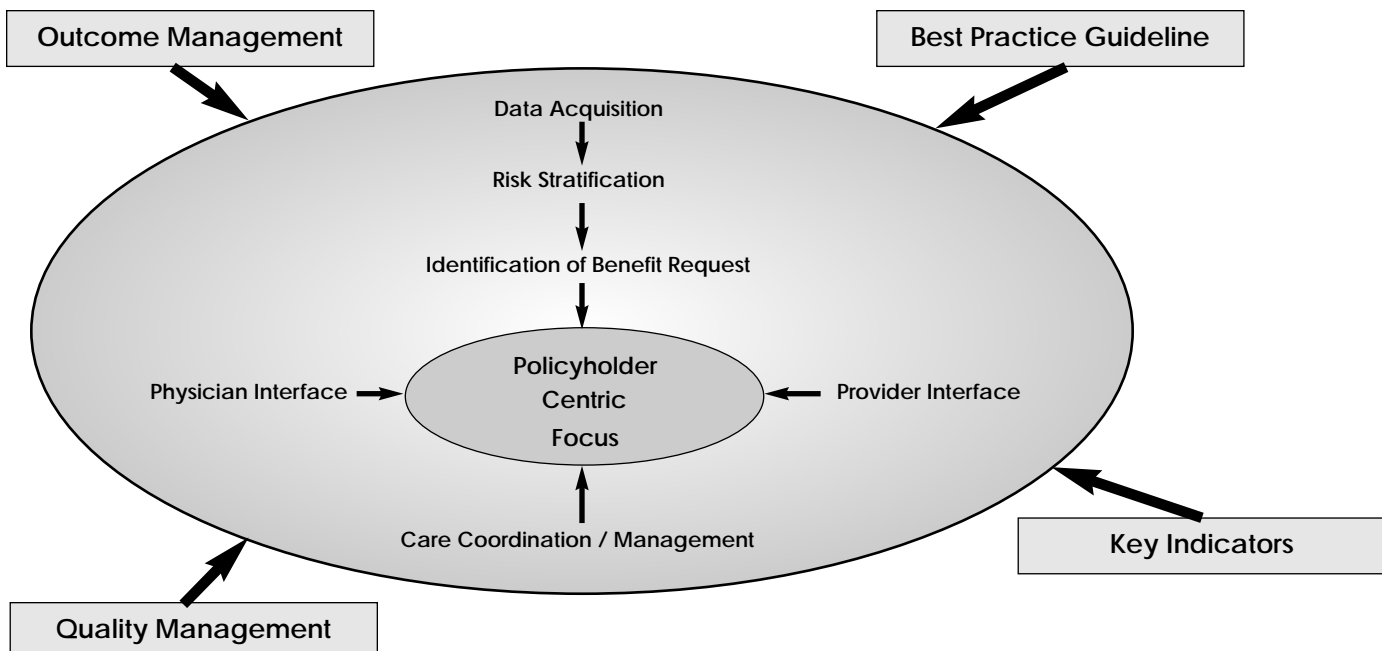


Table 1

Component	Description of Task	Measurable Outcome
Frequency of Access to Services	Efficient benefit eligibility process that includes both claims staff and objective assessment of claimant needs.	Consistent application of benefits through standardized eligibility process.
Intensity of Services	Individualized plan of care based on best practices and standardized guidelines.	Consistent coordination of services through community-based programs and integration with acute payor services, when applicable.
Provider Management	Unit Cost Savings utilizing LTC specialty network management programs with negotiated rates.	Consistent quality of care delivered through credentialing and monitoring of care delivery.
Outcome Management	Durational Savings using clinical benchmarking outcomes to reduce length of stay.	Consistent application of benefits resulting from focus on appropriateness of care.
Quality Management	Performance management protocols that encompass all aspects in the delivery of care and application of benefits.	Consistent application of program goals through satisfaction surveys and measurement of clinical outcomes.



Maureen Lillis, RN, CCM, is senior vice president of LTC Operations with CHCS Services, Inc. She can be reached at millis@chcservices.com.

accomplished by the coordination of care through an integrated, systematic and comprehensive care management process. This proactive and cost effective solution is comprised of identification of benefit requests, data acquisition, risk stratification, physician involvement, claimant monitoring, support and coordination of care. These integrated medical management efforts provide seamless continuity of care thereby improving the quality, access and value of the delivered care. See Diagram 1 on page 9.

By embracing integrated medical management philosophies the actuary can better understand potential risk exposure and predict future claim trends. It is clear that these protocols must be embraced and consistently applied to achieve positive results. This is best accomplished using a sophisticated care management model that demonstrates cost savings resulting from appropriateness of care.

Through early intervention and claimant education, the care manager can direct the prospective care. Using standardized protocols and outcome management guidelines, the beneficiary has their individualized care needs met

throughout the benefit period. The care manager supports the claimant with regular contact to determine if goals have been met. Revisions in the plan of care, accessing additional Medicare services and provider relationship management are key ongoing components to these programs. See Table 1 for description of potential integrated medical management components.

To ensure claimant satisfaction while supporting the contractual requirements of long-term care policies, it is necessary that the integrated medical management program incorporates the appropriate measurement criteria to evaluate effectiveness. State-of-the-art technology is required when implementing these programs in order for the actuary to benchmark results and validate the impact of innovative programs.

What does it take to succeed in long-term care claims? The dilemma can be addressed through a clear commitment to policyholders by assisting when they need benefits. As an industry, we must come together with the experts that have proven track results and implement the protocols that are necessary for our aging population. \*