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# Underwriting and Claims: From the Outside Looking In

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At the 2012 ILTCI Conference in Las Vegas, a group of long-term care (LTC) industry professionals decided we wanted to do something a little bit different. We wanted the audience of our session, “Underwriting and Claims: From the Outside Looking In,” to hear from the people who matter most to the LTC industry ... our constituents. The constituents represented included providers, consumers, LTC insurance sales specialists and mature market insurance brokers. As the audience entered the room, each person was handed a playing card and chocolate (this was particularly critical as we were the last session of the day ... in Vegas). Based on the playing card received, audience members were asked to sit with their card suit. This ensured the audience was evenly split among the four constituent groups.

After a few brief words of instruction by Jacqueline Carreno of CHCS Services, the audience picked up their chairs and formed four circles around their assigned constituent. Then the real fun began. The constituents each presented a number of issues they saw from their perspective when dealing with LTC carriers during underwriting and/or claims episodes.

Gary Boldizar of Maxim Healthcare, representing the providers' perspective, discussed the difficulty he encounters when trying to help policyholders navigate through the initiation of care and understanding policy benefits. Many companies will not work directly with the provider because of HIPAA concerns. He believes, as far as the policyholder is concerned, at claim time, the provider is by default an extension of the insurance carrier (something for us to think about).

Kay Huth, a family caregiver representing the consumers' perspective, discussed the fact that consumers don't really understand what they bought (they may have when they bought it but because claims usually happen many years after the policy was purchased, they no longer remember how the policy works) and don't really draw the clear lines of distinction between the financing of care and the care delivery that we in the industry understand too

well. To the consumer it is about their actual experience.

Lisa McAree, president of The McAree Company, representing the LTC specialists' perspective, discussed process simplification and standardization. She outlined how we should work as an industry to make our processes simpler and more consistent across carriers to make working with us easier for agents and their clients, our policyholders.

Angela Palo of Pinnacle Financial Services, representing the insurance brokers' perspective, discussed the use of technology in underwriting and claims processes. To drive process efficiency, life, health and annuity carriers utilize electronic data transmission, from application submission through underwriting and policy issue and at claims time. This enables the agent to be a better advocate for both the applicant/policyholder and the carrier. A win-win situation for everyone.

Following their opening comments, the constituents then asked for input from their groups. As we listened to the ideas being shared, it became very clear that these conversations should happen more often.

Following the group discussions, each constituent representative was asked to summarize the ideas generated by their group. The following is a summary of the key themes:

- 1. Simplicity:** Make our processes simpler and consistent through the use of standardized forms and tools. What takeaways can we learn from other insurance industries? Can we push regulators for more consistency in regulations across the different provider types?
- 2. Constituent Education:** Do a better job of explaining policy and process to our policyholders, especially at claim time. Set clear expectations for all constituents. Prepare packets of information for the family (when involved) to help them understand the processes and how to navigate the LTC delivery system. Perhaps think about providing this educa-

tion prior to claim time. Provide better education for our agents/brokers, especially around the claims process so they can explain this clearly to their clients. Educate providers as well.

**3. Technology:** Use technology to make dealing with us as easy as possible. Make forms available online for online completion and submission to eliminate errors and missing information. Make benefit information available online for policyholders/providers (similar to health plan benefit processes).

**4. Help Us Help You:** How can our stakeholders in the process help? Is there a role for providers to assist carriers at start of care? Can we set clear expectations and guidelines with providers that will allow us to work with them to assist our policyholders? What about the agents/brokers who originally sold the policy? How can they be involved in assisting (where appropriate and requested)? What about

the field assessors? Can they do more to assist the policyholder with the claims process when they are in the home to complete an assessment?

**5. Industry-Level Resources:** What resources can we share across the industry? Provider networks? Community-resource networks? Industry-wide consumer education? Wellness initiatives? Fraud detection tools? Standardized invoice submission processes? Social networks?

We, as an industry, should be listening to each other and to our stakeholders. Our policies and processes need to change so that, within the constraints of the policy language we must live by, we do whatever we can to make working with us a positive, productive experience for our constituents.

After all, we are all working toward a common goal and that is to help our policyholders handle the eldercare issues they are facing. ■



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