Comparing and Implementing Claims Systems

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Session Goals

- Provide attendees with key points in the design, selection, and implementation of a claims system.
- Discuss problems and opportunities experienced by two pools during the selection to implementation process.
- Identify important best practices for a successful selection and implementation.
- Provide a current update on state of the claims system marketplace.

Overview of the Process

- What is driving the need for a system?
- Conduct Needs Assessment and Business Process review
- Request for Proposal and Requirements documents
- Selection of likely vendor candidates to receive RFP
- Vendor/Proposal review
- Pre-Implementation (contract negotiation, resources allocation)
- Implementation
Trust formed in July 1986
- 35 of 39 Municipalities
- 34 of 36 School Departments/Districts
- 59 Special Purpose Districts
- Property/Liability Pool
- Workers’ Compensation Pool
- Health Pool and Dental Pool
- Public Safety Injured-on-Duty Program
- Life Insurance Program
- OPEB Funding Program

- $170 Million Member contributions
- $240 Million in assets
- TIV in excess of $6.5B
- In-House Claims
- Former RMIS wasn’t even a system – no integration
- Began our new RMIS search in late 2014

Property and Liability Pool
- Formed in 1991
- 70 of the 105 Kansas Counties
- 22 other municipalities
- $8 Million member contributions
- $25 Million in assets
- In-House Claims
- RMIS purchased in 2002. No significant changes or enhancements over the years.
Opportunities and Issues - RI
(Conduct Needs Assessment and Business Review Process)

- Don’t be myopic – Can you involve all aspects of your operations?
  - Expandability of features
  - Other necessary interfaces (i.e. bill review, check processing, etc.)
- Look at your prior and existing costs and then develop a budget.
- Make sure the budget is realistic FOR ALL PHASES.
- Engage a consultant (?)
  - Experience
  - Knowledge of markets
  - Cover!
- Have the necessary resources available.
- Have adequate time.

Opportunities and Issues - KCAMP
(Conduct Needs Assessment and Business Process Review)

- Involve Key Stakeholders
  - Adjusting staff
  - Risk management
  - Underwriting
  - Accounting
  - Actuary
  - Members
- Ask them to re-think current processes
- Develop a “wish list”
- Think BIG – can always scale it back

Opportunities and Issues - RI
(Request for Proposal and Requirements Document)

- There are no “wrong answers” when looking at business needs.
- Look for help – don’t reinvent the wheel.
  - Other Pools
  - Other RFPs that your organization has done
  - Use a consultant
- Make sure it matches the needs assessment.
- Have language that everyone understands.
- Be as specific as possible.

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Opportunities and Issues - KCAMP
(Request for Proposal and Requirements Document)

- Why we need to upgrade
  - Legacy system
  - Deteriorating support/service
  - Seeking:
    - Increased functionality;
    - Easier report-writing;
    - Documentation of risk management activities;
    - Connectivity between claims, risk management, and underwriting;
    - Improved data quality; and
    - Improved organization of electronic claim file - paperless.

Opportunities and Issues - KCAMP
(Selection of Likely Vendor Candidates to Receive RFP)

- Meet key business objectives identified in business review process
- Customizable system
- Rely on expertise of our consultant

Opportunities and Issues - RI
(Selection of Likely Vendor Candidates to Receive RFP)

- Understand the marketplace
- Know some history – prior experience
- Consider vendor size and their aspirations
- Ability to respond
  - Can they just do some of the work, but really well?
  - Can they partner?
  - One stop shop?
- Are there demos available to view?
Opportunities and Issues
(Vendor/Proposal Review)

- Select the Review Team
  - Consultant
  - Internal Staff
  - Management (?)
- Does it match the RFP?
- How do you address variances?
- Demos
- Resources committed by the vendor
- References!!

Opportunities and Issues
(Pre-Implementation - Contract Negotiation)

- Who develops the contract? Vendor?
- Consultant review
- Internal legal review (or outside counsel)
- “Must Haves”
- Term and Termination
- Dispute Resolution
- Confidentiality and Non-Compete
- Other issues (i.e. liquidated damages, offsets)

Opportunities and Issues
(Pre-Implementation – Resource Allocation)

- Who are the best internal resources (SMEs)?
- Who can you spare from your organization?
- What resources can/will the vendor provide?
- Outside consultants (i.e. project managers)?
- End users?
Opportunities and Issues - RI

(Implementation)

- Staff “buy in”
- Project manager!!!
- Data integrity review
- QA! QA! QA!
- User training
- “Sand Box”
- Appropriate time for “go live”
- Redundancy during roll-out

Opportunities and Issues - KCAMP

(Results of Implementation)

- Implementing claims system first, underwriting to follow
- Truly Customizable
  - Implementation specialist empowered with tools to modify fields and screens
  - Little to no push back and not adding to cost
  - Designing our ideal system as we go
- Better customer support model
  - U.S.-based support
  - Implementation specialist and support specialist one and the same
- Greatly improved organization of electronic claim file
- Developed internal electronic routing of tasks to eliminate need for paper files
- Identified improvements to data quality and reports to key stakeholders

Best Practices

Panel
Market Information

- Current state of the market
- Available vendors
- The RMIS Report (www.rmisreport.com)
  - 2018
  - 2019

Available Claims Solutions

- CHSI
- CrossMark Solutions
- DAVID Corp.
- Riskonnect* (pending approval of Clearsight acquisition)
- Origami Risk
- FCIS
- Ventiv Technologies

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