

Insurance Payer: Throughput and Quality

State of client

ABC Insurance Company processes medical claims to determine if a claim should be paid out based on the guidelines of an individual's purchased insurance coverage. This industry is strictly regulated and companies take on a large risk.

ABC Insurance has a claims center where simple claims are automatically adjudicated, and more complex claims are sent to adjudicators. Adjudicators follow guidelines from multiple policies to determine if a claim should be paid out and, based on the dollar amount this is checked by 1 or more auditors, to ensure the correct payout. Even with these checks in place, a claim may be incorrectly paid out, paid out in the wrong amount or not paid when it should be.

Claims routing is currently processed by the first available adjudicator. Due to high variability in claim types, it is difficult to predict the amount of time needed to process different claim types and the throughput for any given claim is erratic.

Approach for impact:

- Create value stream map of full routing process (from receiving to paying/denying claims)
- Analyze claim types, complexity levels, and categorization and payout accuracy
- Observe adjudication and auditing process with front line
- Work with top performers to understand approach

Results

- Identification of claims that have simple adjudication guidelines and auto-adjudicate them resulting in a 2% reduction of claims being paid out incorrectly
- Implement best practice tools to make adjudication more efficient and accurate
- Creation of standard operating procedures to reduce errors in adjudication for quicker auditing
- Route claims to specialized groups trained to handle specific types of difficult claims
- Completion of efforts resulting in a 10% increase in throughput from adjudicators and a 15% reduction in auditing time