

The Claims Process

Lesson objectives

By the end of this lesson, you should be able to:

- Describe the stages of claims processing from a business perspective
- Describe the stages of claims processing from a functional perspective

This lesson uses the notes section for additional explanation and information.
To view the notes in PowerPoint, choose View→Normal or View→Notes Page.
If you choose to print the notes for the lesson, be sure to select “Print hidden slides.”

Lesson Outline

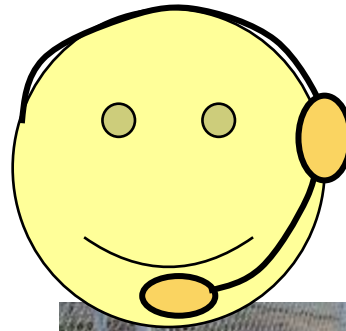
- ▶ The business perspective
- ▶ The functional perspective

The claims process: two perspectives

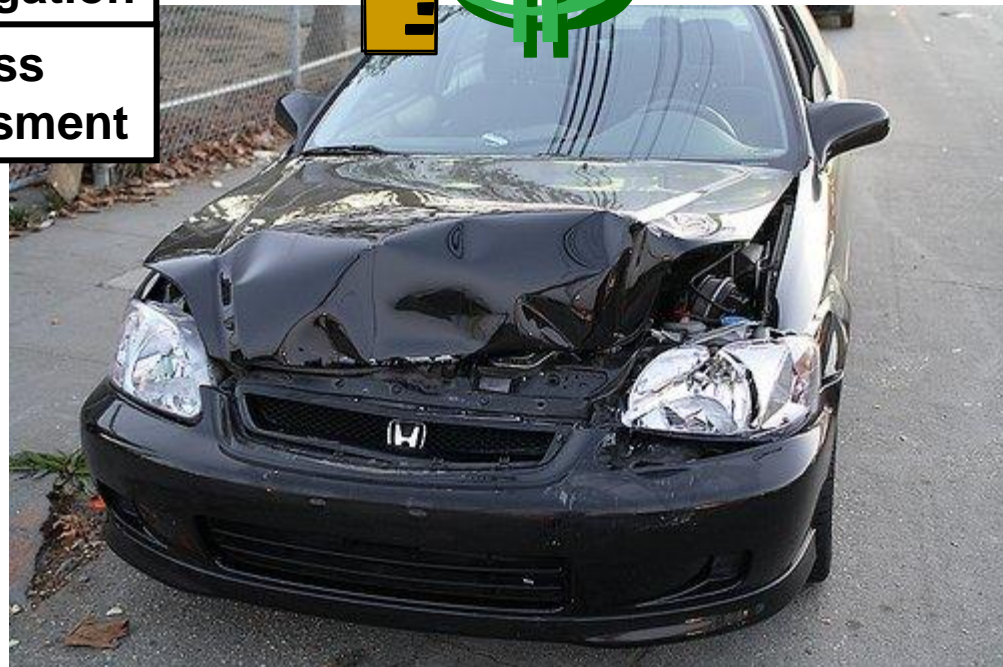
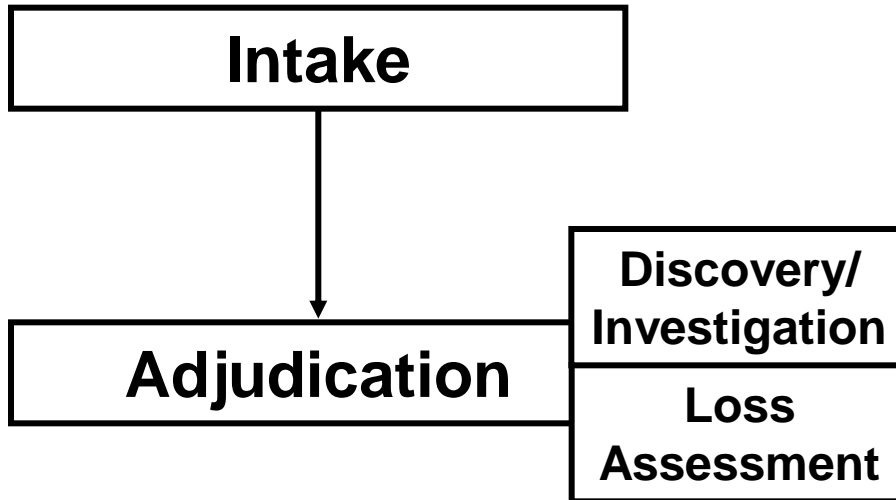
- ▶ Two ways to describe the claims process
 - "Business perspective" - focusing on how the carrier as a whole views claim processing
 - This is unlike the "functional perspective", which focuses on how claims are processed within ClaimCenter

Phase 1: Intake

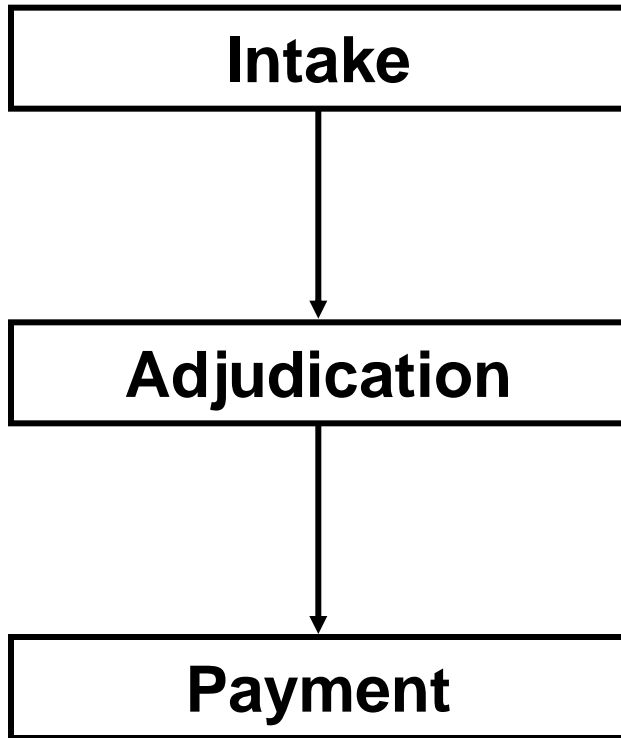
Intake



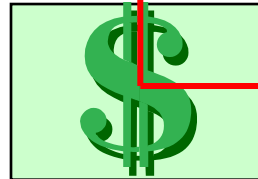
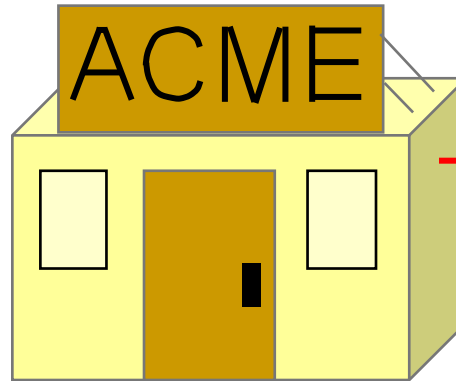
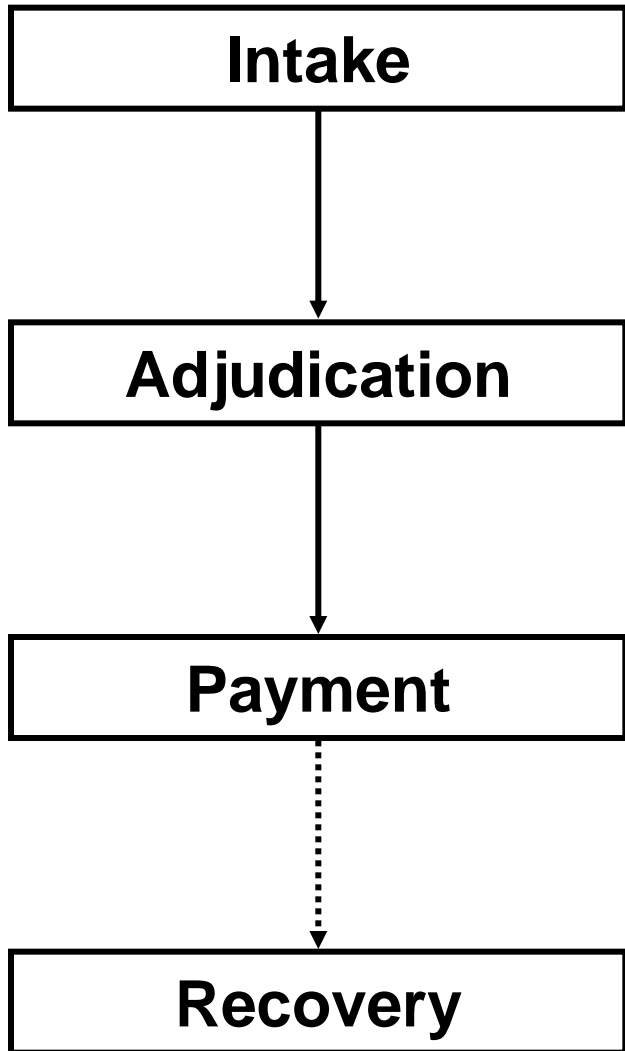
Phase 2: Adjudication



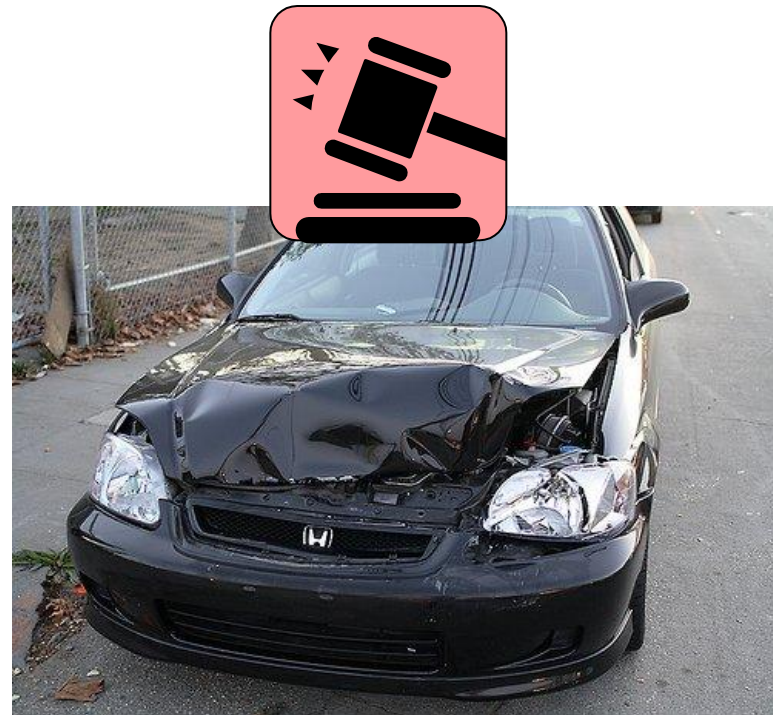
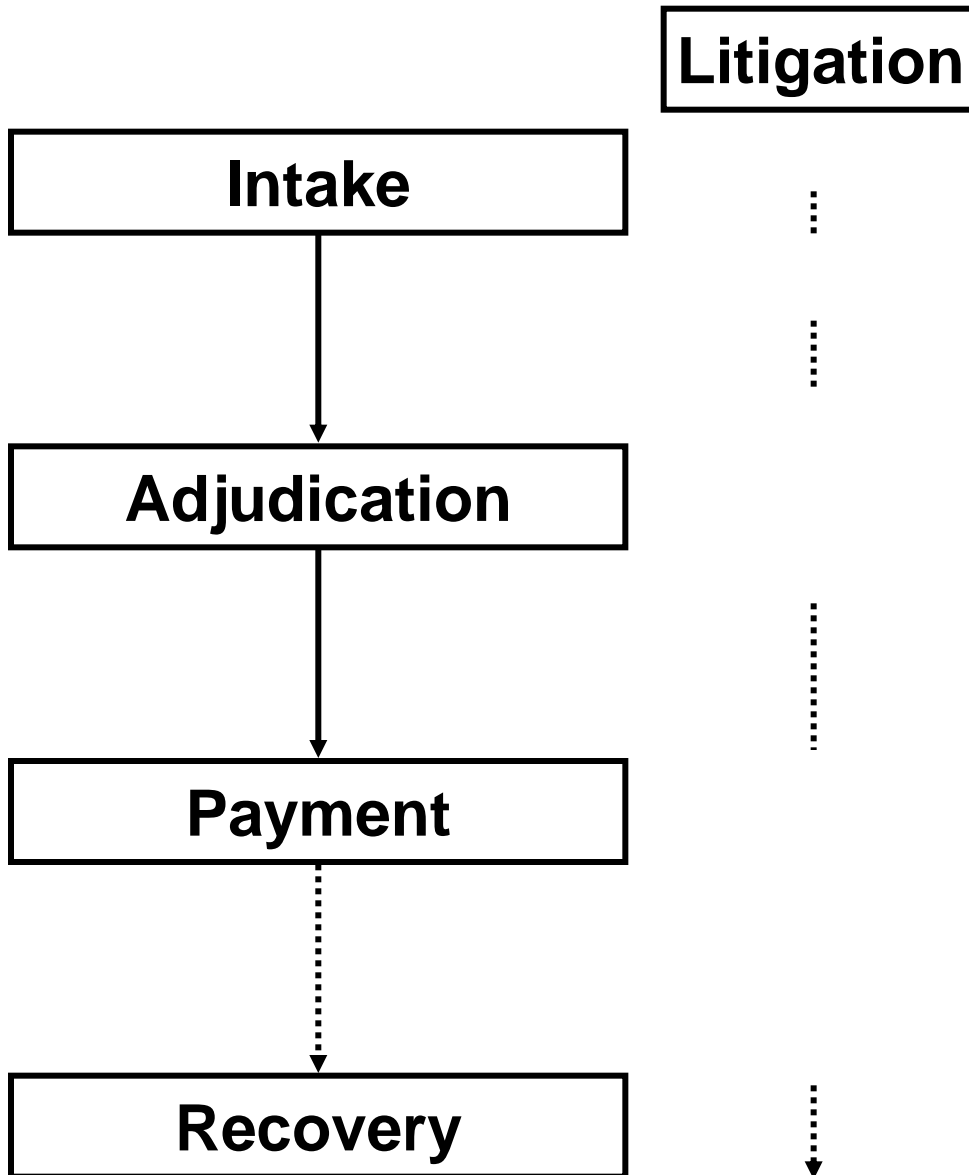
Phase 3: Payment



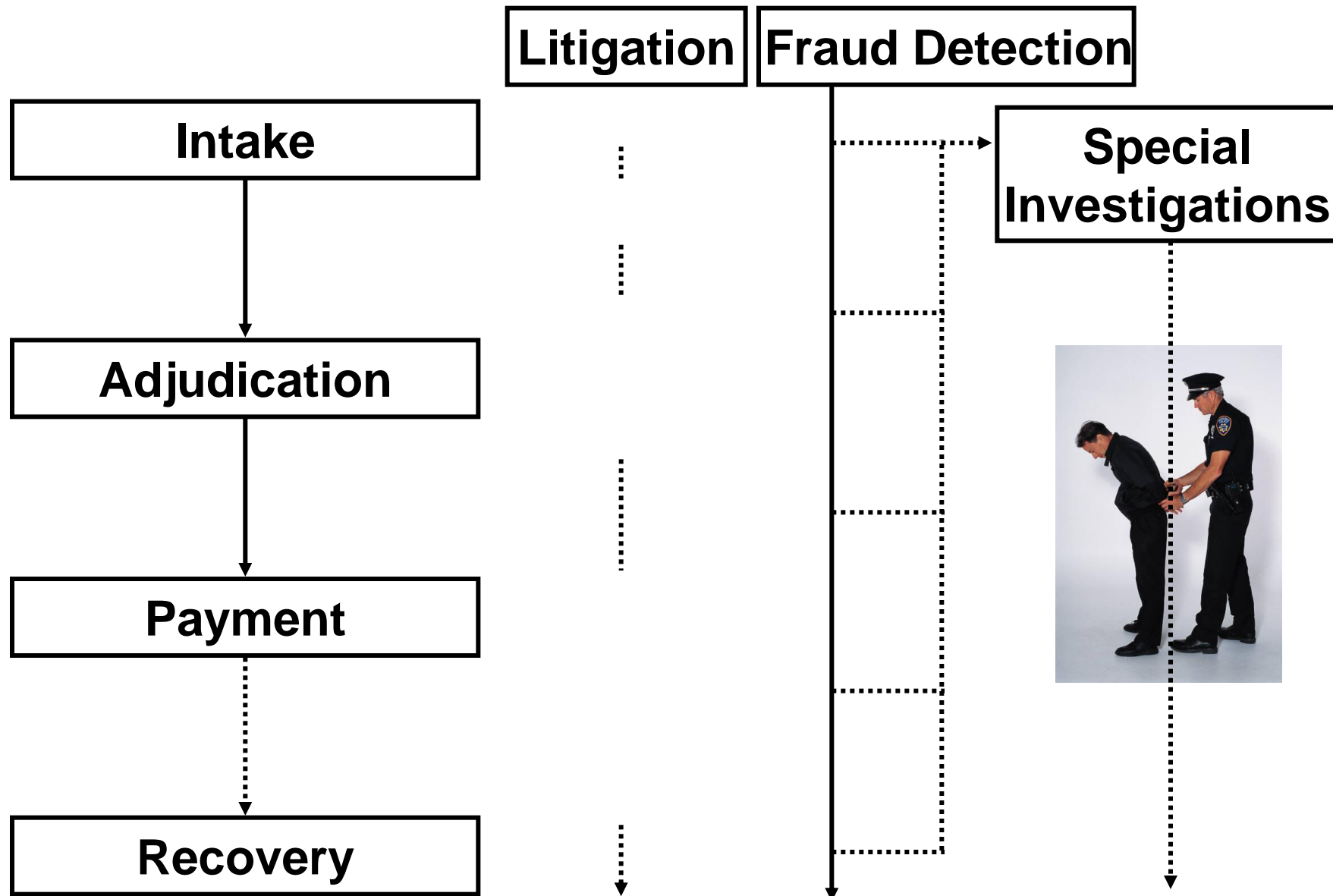
Phase 4: Recovery



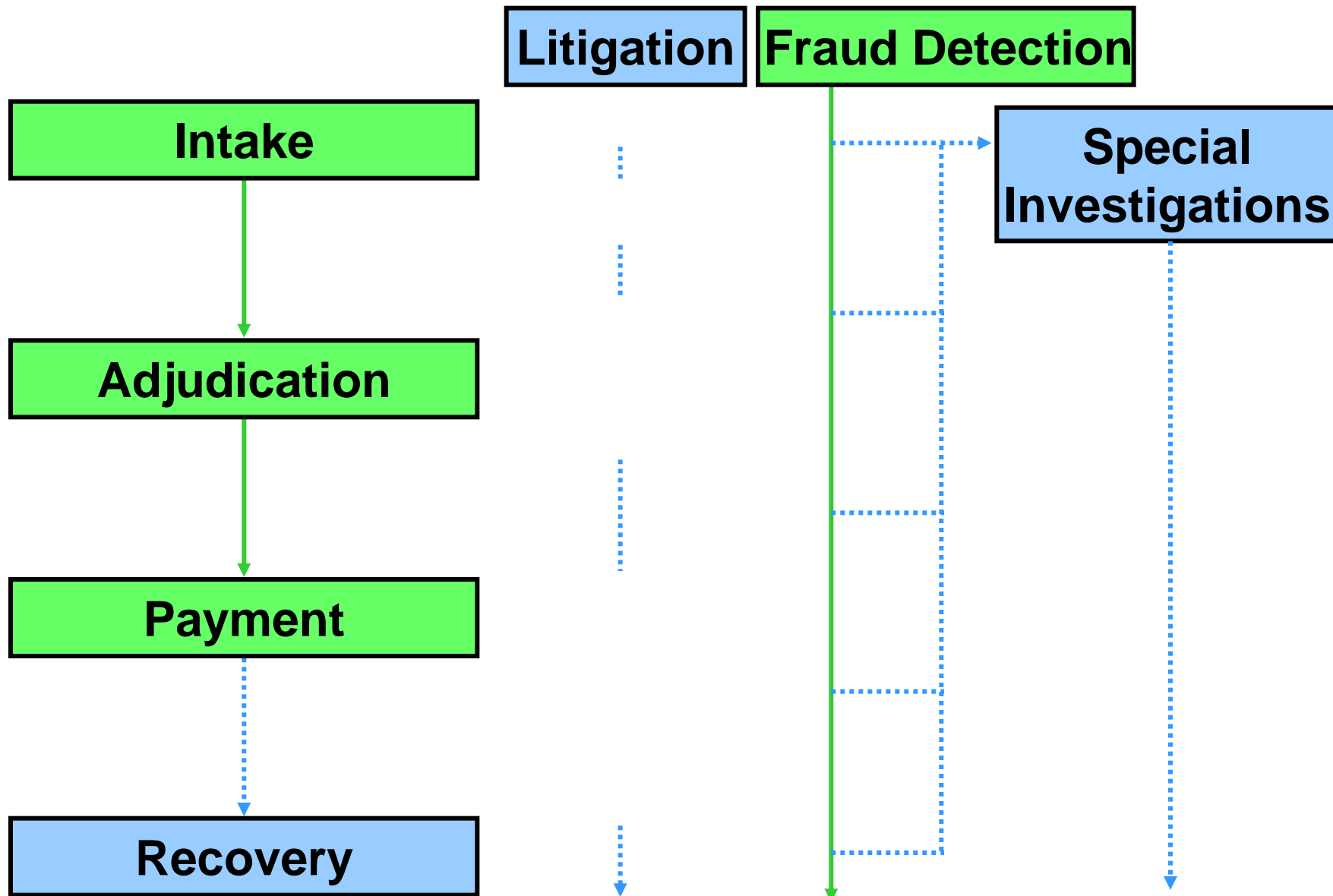
Litigation



Fraud detection and special investigations



Fundamental and specialized processes



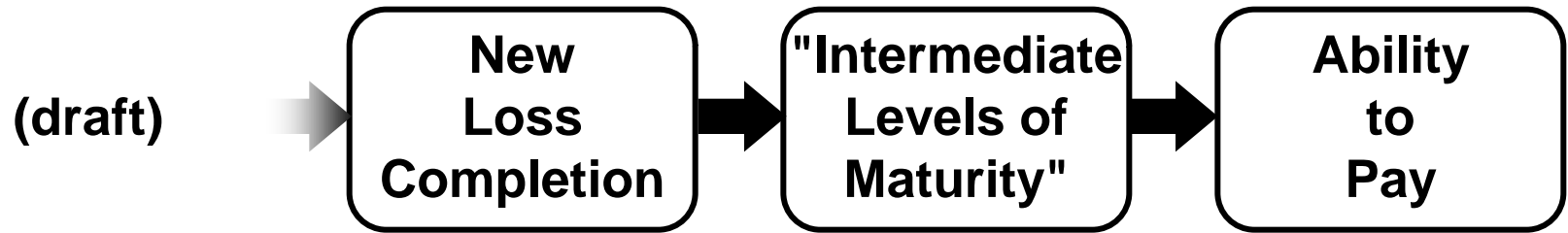
Lesson Outline

- ▶ The business perspective
- ▶ The functional perspective

The functional perspective

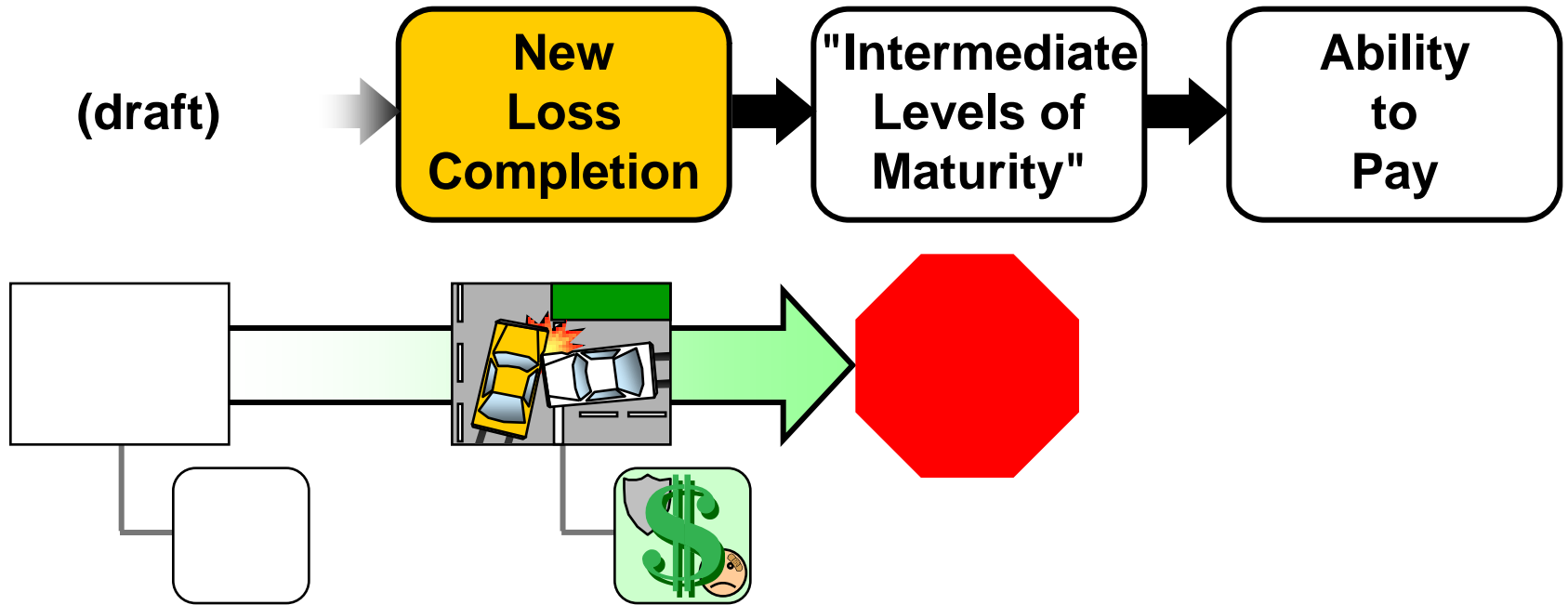
- ▶ Two ways to describe the claims process
 - "Functional perspective" - focusing on how claims are processed within ClaimCenter
 - This is unlike the "business perspective", which focuses on how the carrier as a whole views claim processing

Managing claim and exposure maturity



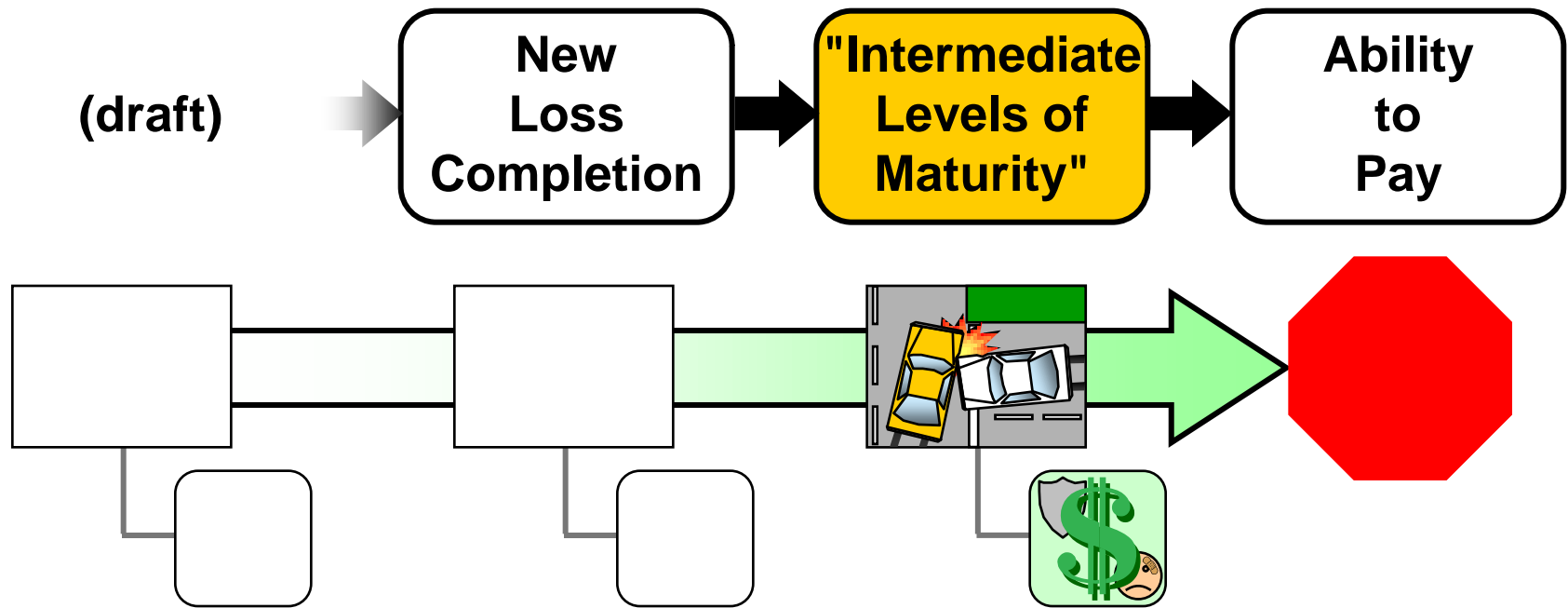
- ▶ ClaimCenter uses "validation levels" to measure how mature a claim and its exposures are
 - Every level has a series of conditions that a claim or exposure must meet in order to reach that level

New loss completion



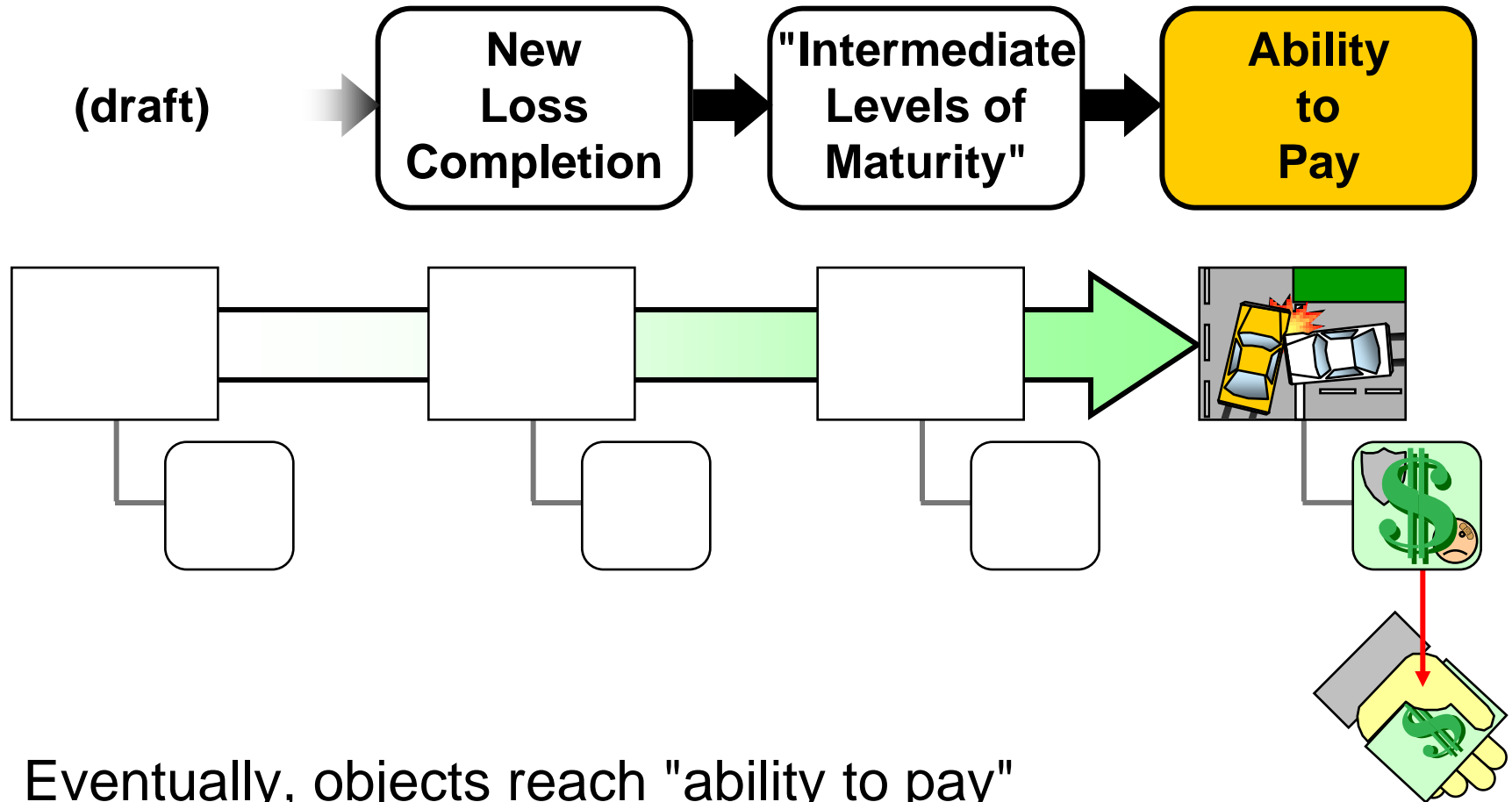
- ▶ To be saved as a new claim or exposure, the object must meet all conditions at "new loss completion"
 - If a draft claim or exposure does not meet any condition at this level, the save fails and the user is told which condition(s) the object does not yet meet

The maturing claim/exposure



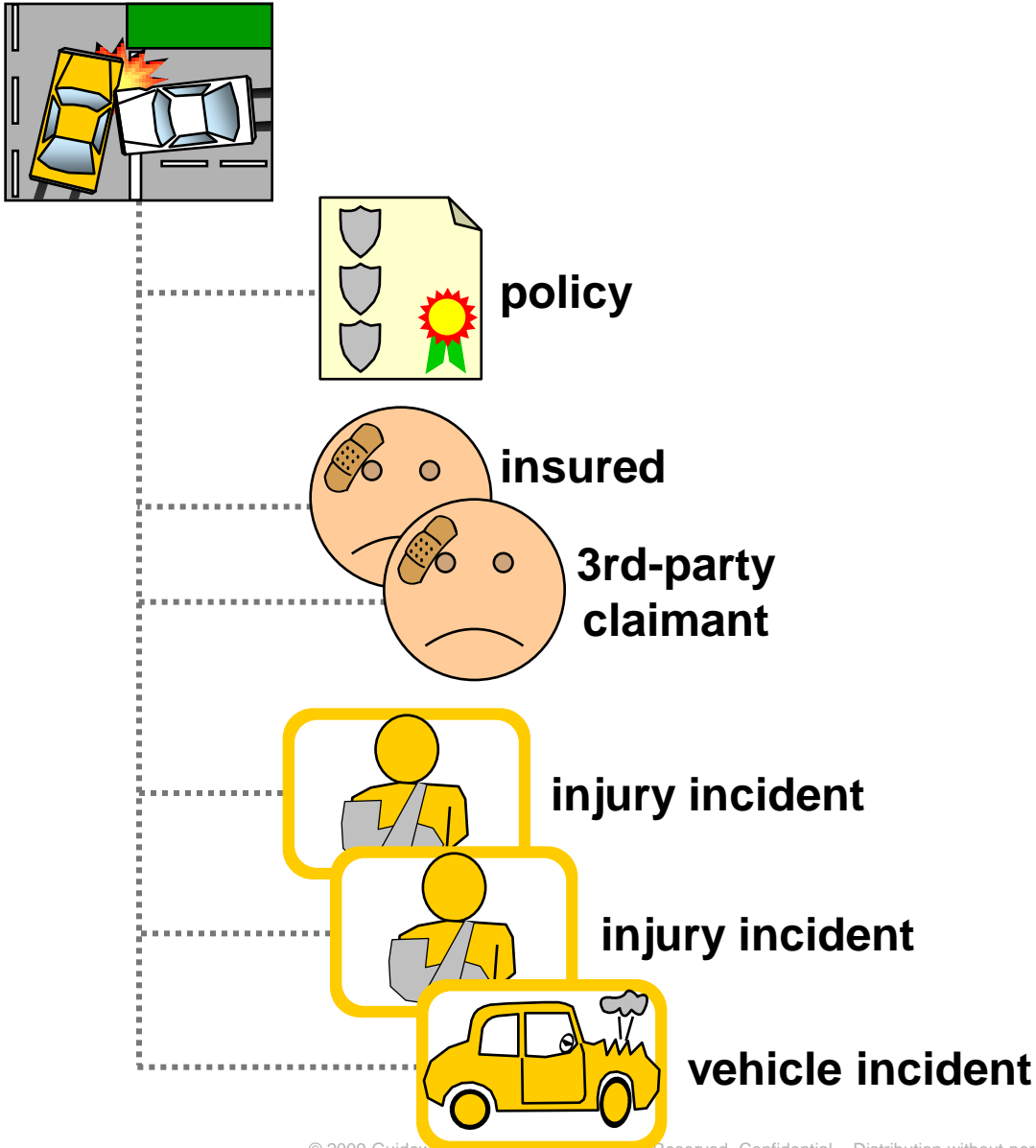
- ▶ As claims processing continues, object satisfies more conditions
 - Whenever possible, ClaimCenter automatically promotes it to the highest level it satisfies
 - ClaimCenter prevents changes that would force an object to slip backwards

Ability to pay

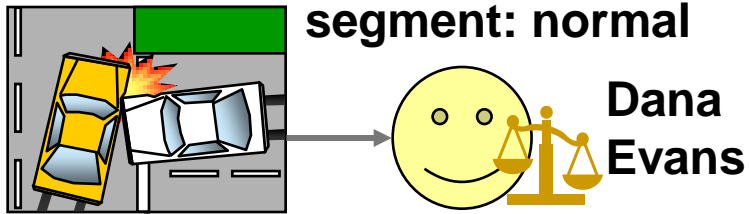


- ▶ Eventually, objects reach "ability to pay"
 - Checks cannot be issued if claim is not at this level
 - Exposure reserve lines cannot be used if exposure is not at this level

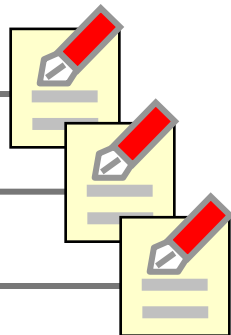
Stage 1: User creates claim



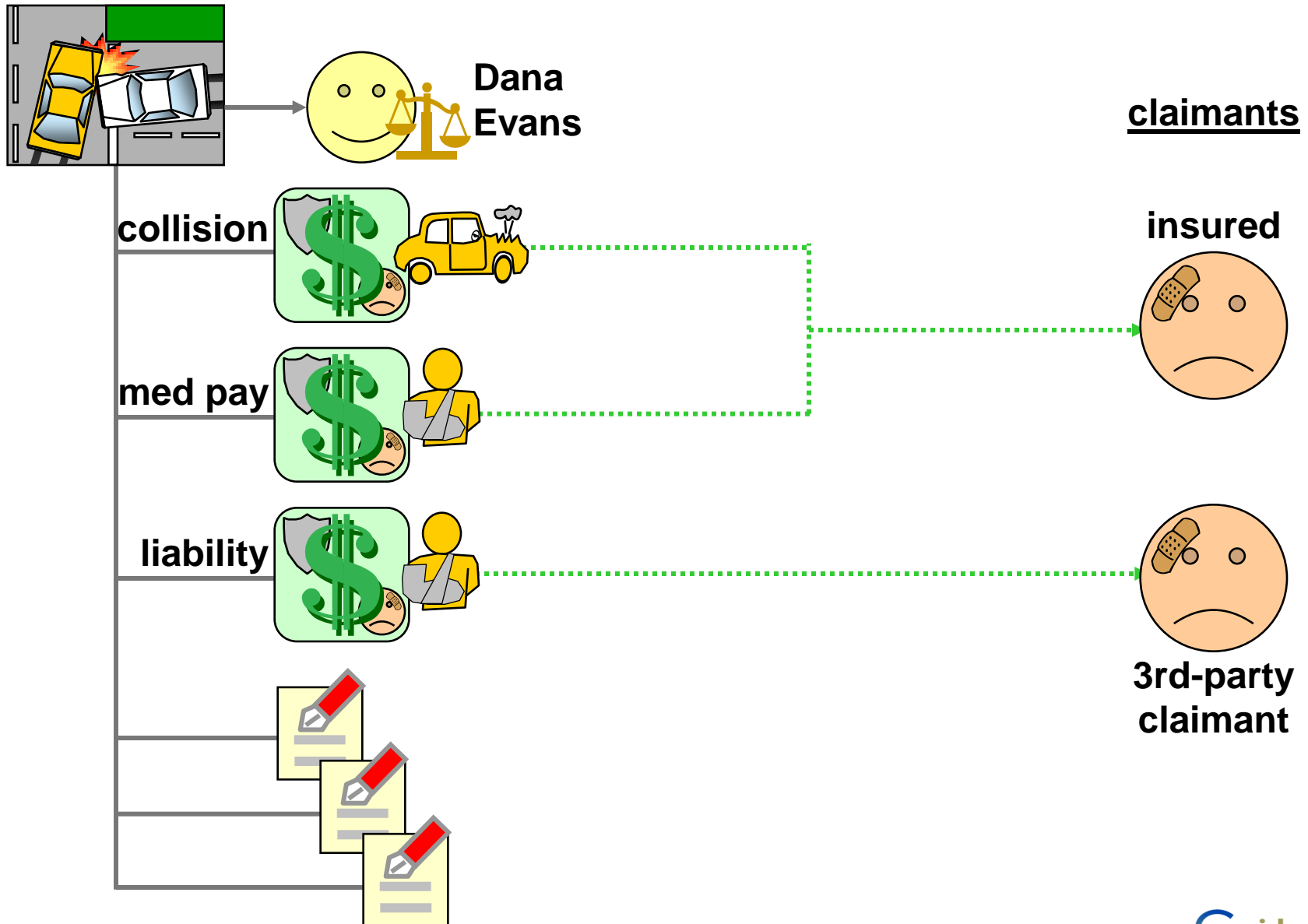
Stage 2: Rules "set up" the claim



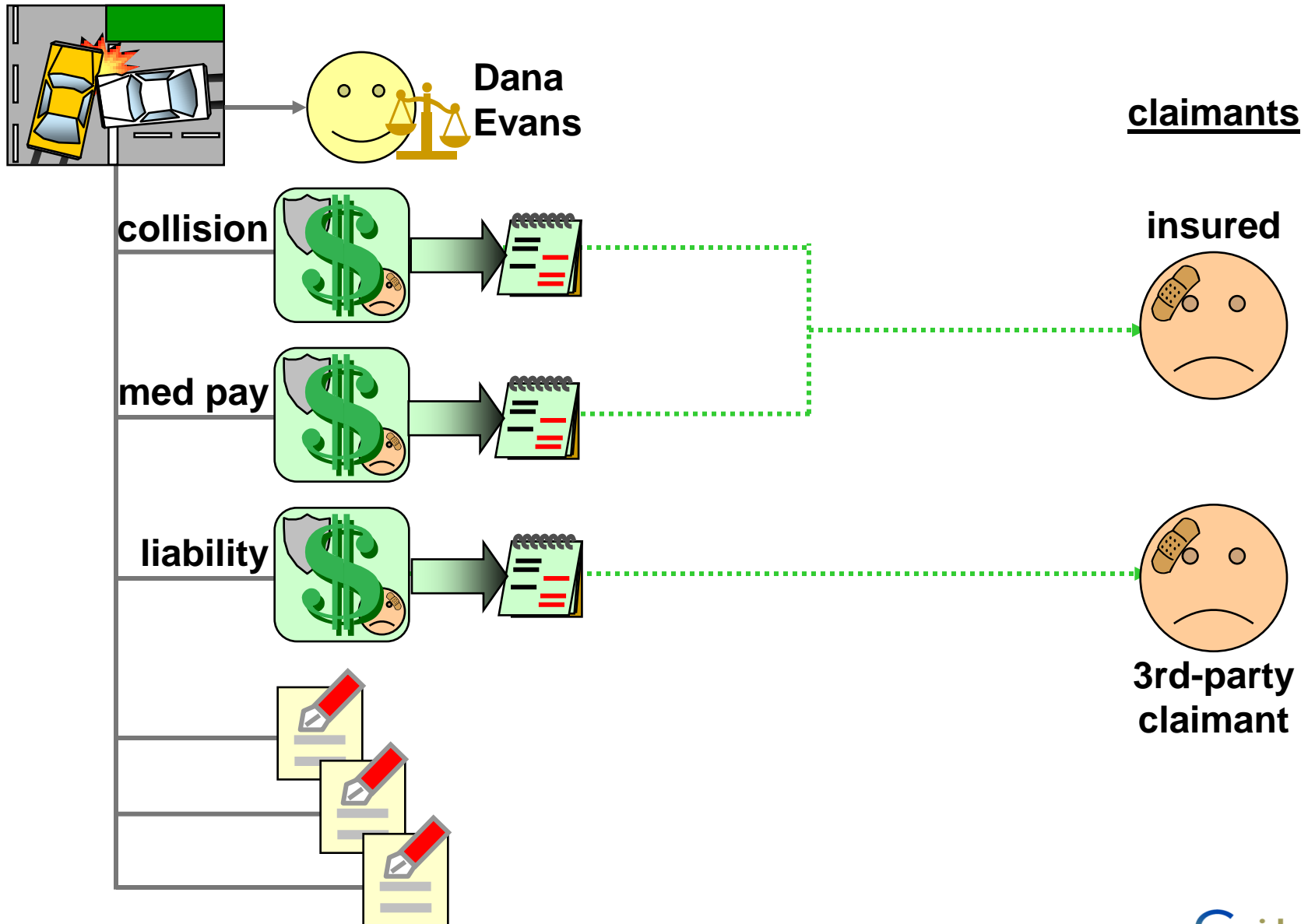
workplan



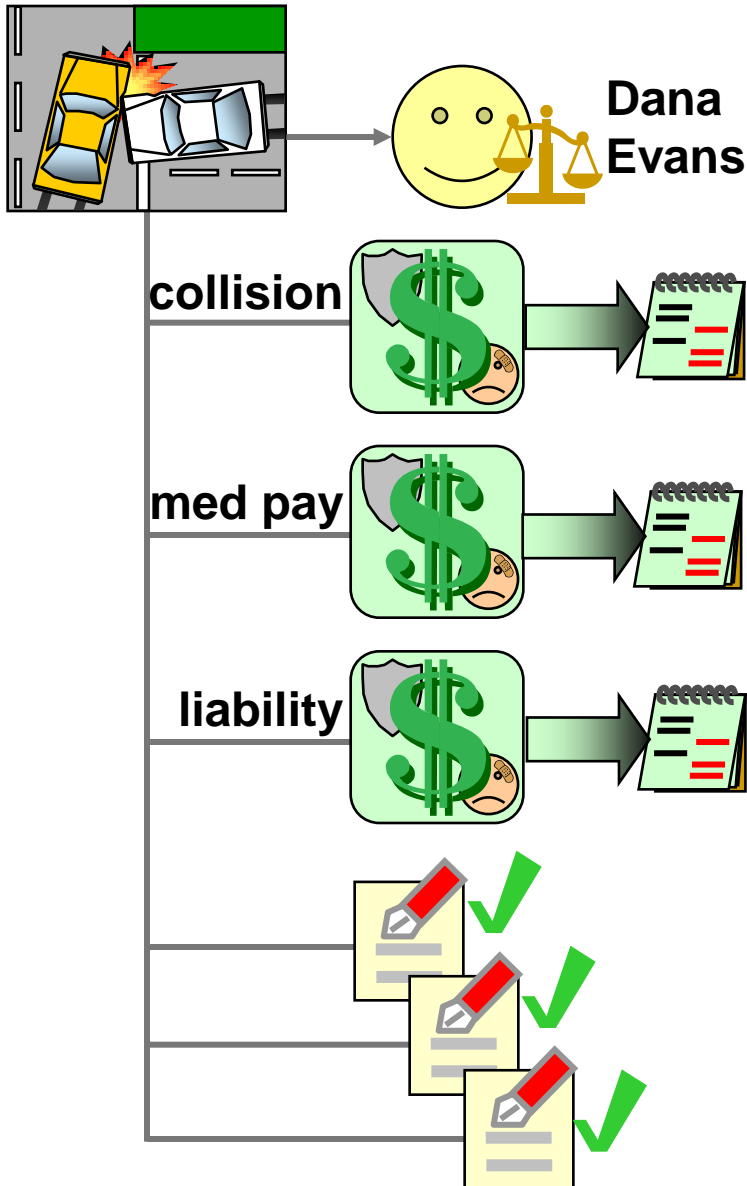
Stage 3: Rules/adjuster creates exposures



Stage 4: Rules/adjuster creates reserves

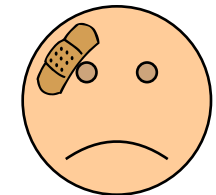


Stage 5: Users complete activities



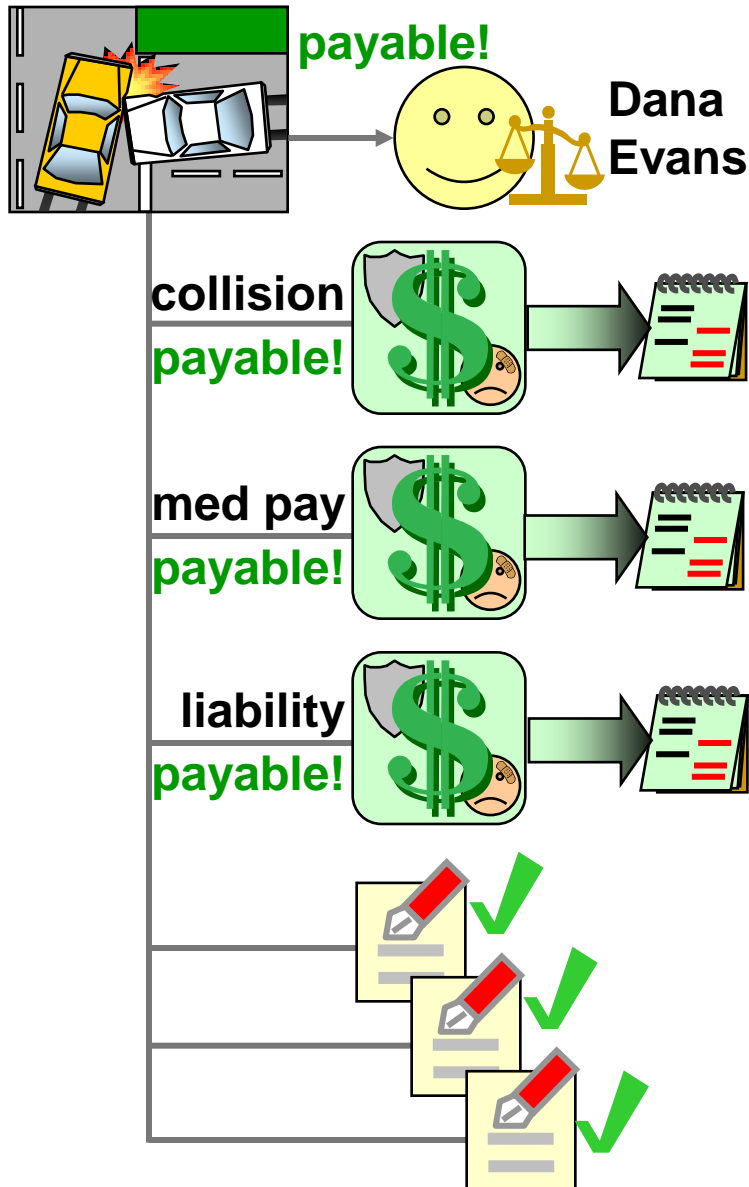
claimants

insured



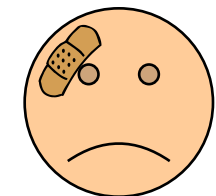
3rd-party
claimant

Stage 6: Claim and exposures become payable



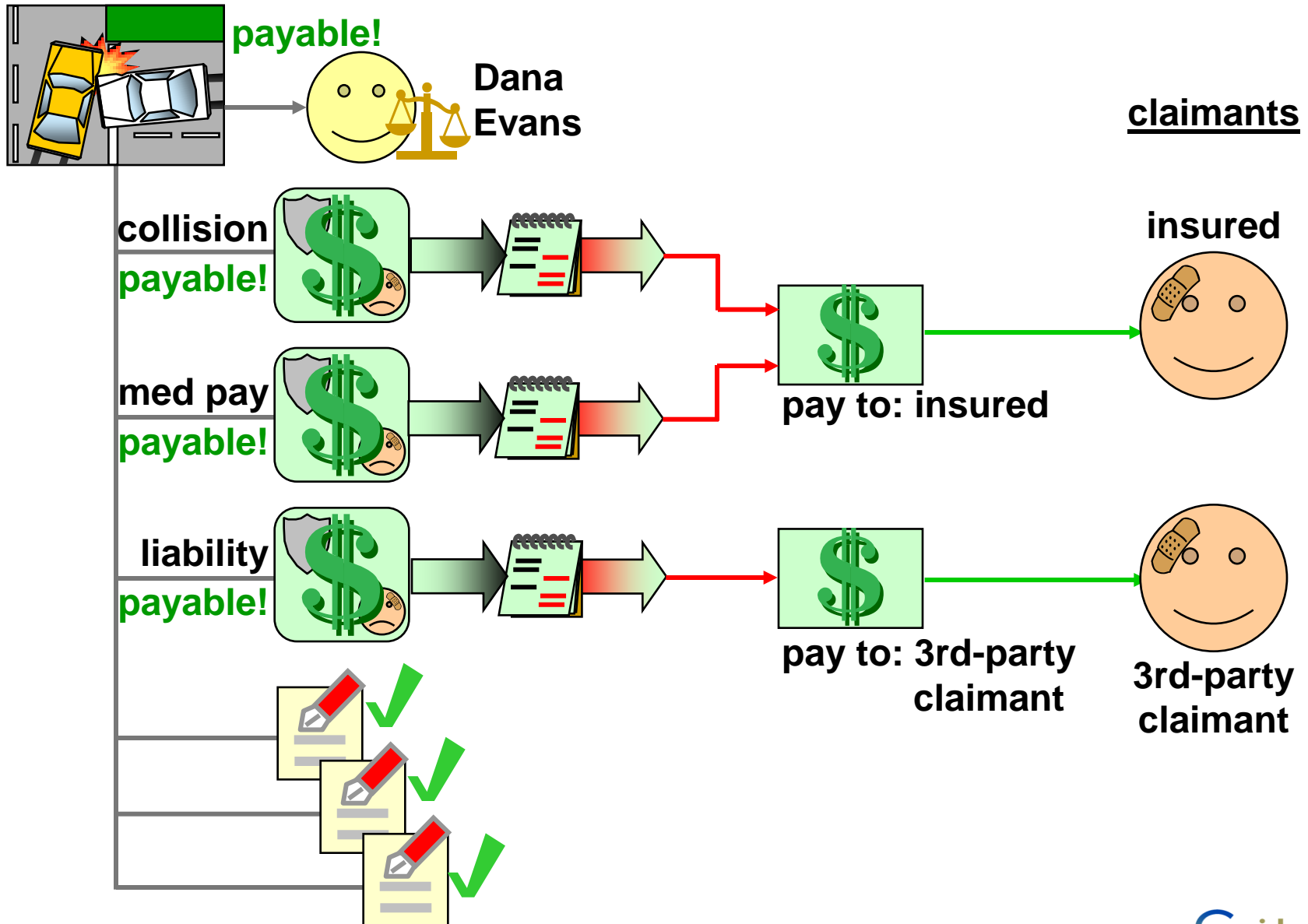
claimants

insured

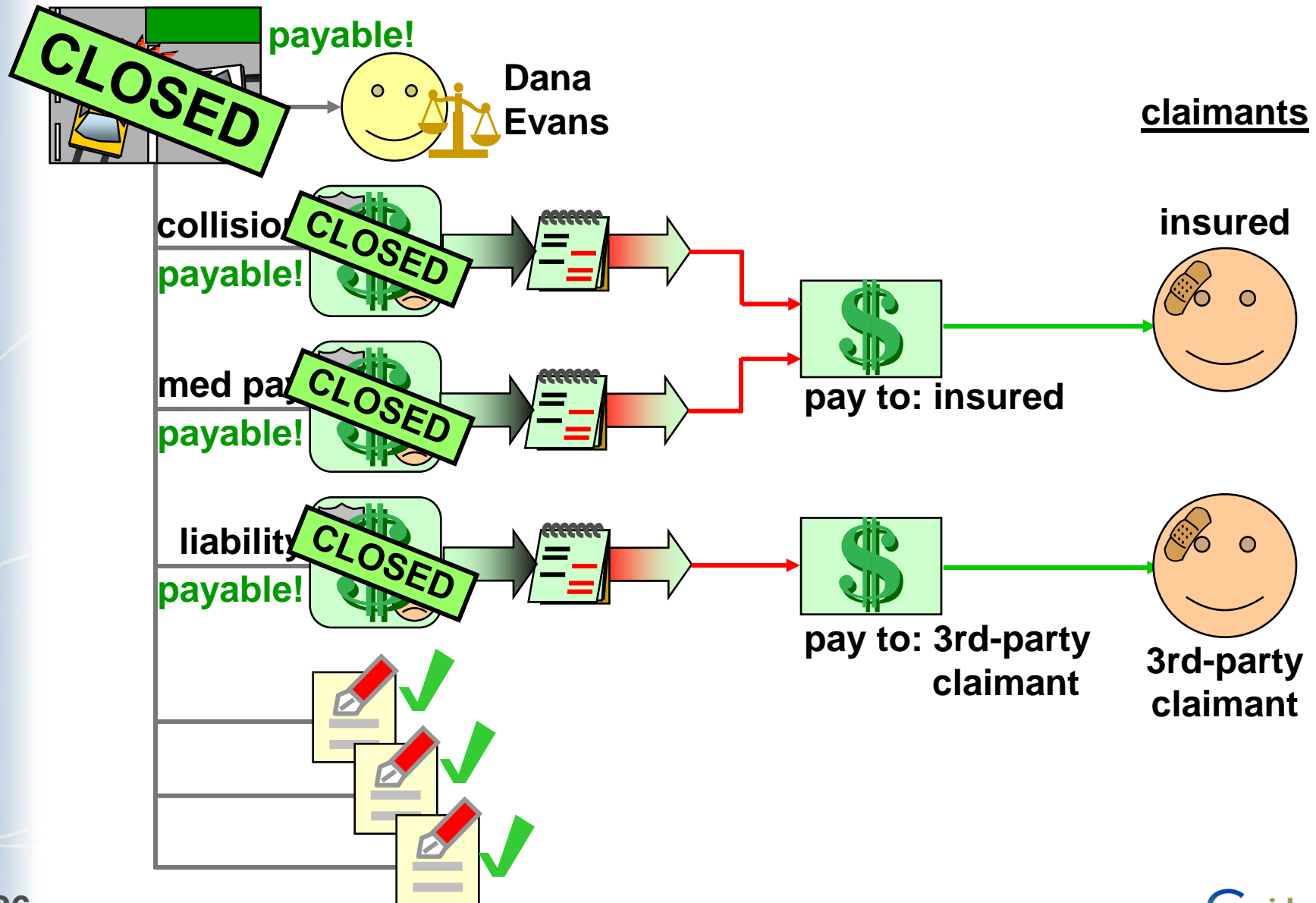


3rd-party
claimant

Stage 7: Checks are issued



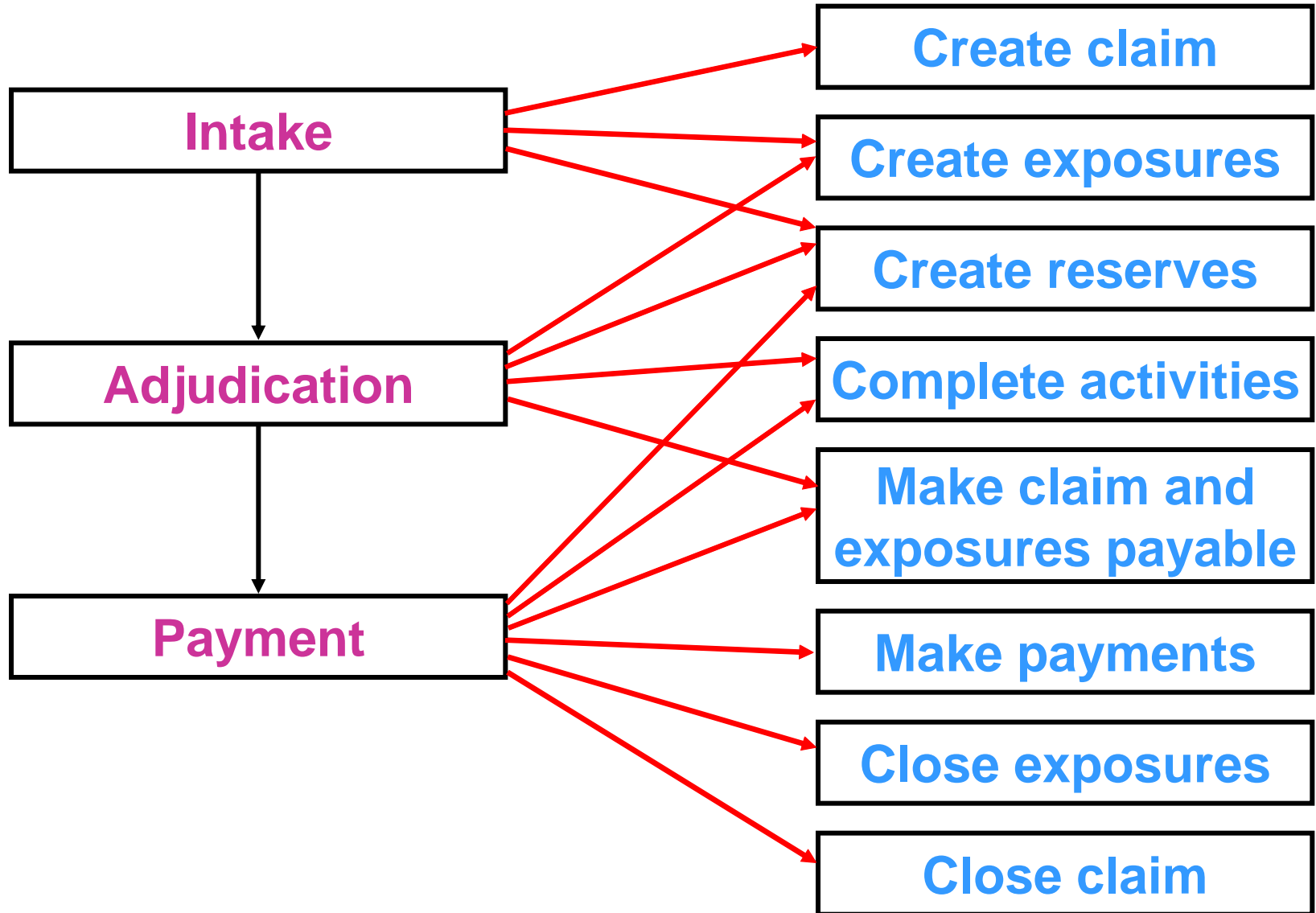
Stage 8: Exposures and claim are closed



No one-to-one correspondence of steps

Business Process

Functional Process



Lesson objectives review

You should now be able to:

- Describe the stages of claims processing from a business perspective
- Describe the stages of claims processing from a functional perspective

Review questions

1. State if the following are true or false.
 - a) Every claim goes through the intake phase.
 - b) Every claim goes through the payment phase.
 - c) Every claim goes through the recovery phase.
 - d) Special investigations is a process that runs parallel to the regular claims process and is ongoing at all times for all claims.
 - e) The carrier typically decides if they are going to pay on a claim (and how much) during the adjudication phase.
2. When is a claim or exposure at the "new loss completion" level?
3. What level do you want to get the claim and each exposure to and why?

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