WORKERS' COMPENSATION IN-HOUSE CLAIMS ASSESSMENT

There are multiple advantages of managing our own workers' compensation claims. First of all it gives Trindel more control to provide quicker medical treatment for our injured employees and in turn, get them back to work sooner. We will be able to communicate with providers one-on-one, and negotiate cost savings easier for medical treatment. Our claims staff will have greater ownership in the claims process and this will show positive results in the outcome of our claims over time.

CLAIM VOLUME:

Open claims as of September 30, 2011 excluding CSAC claims.

MEMBER	FIRST AID	MEDICAL ONLY	INDEMNITY	FUTURE MEDICAL	TOTAL
Alpine County	0	0	10	0	10
Colusa County	0	2	14	1	17
Del Norte County	1	4	28	0	33
Lassen County	0	4	37	4	45
Modoc County	0	3	22	0	25
Mono County	0	6	16	17	39
Plumas County	0	4	44	29	77
San Benito County	1	1	17	0	19
Sierra County	0	0	8	0	8
Trinity County	0	4	14	1	19
Grand Total	**2**	**28**	**210**	**52**	**292**

As of September 30, 2011, Trindel members had a combined open claim inventory of 294 claims. Of these claims, one is an Employers' Liability claim, two are First Aid claims, 210 are Indemnity/Lost Time claims, 281 are Medical Only and 52 are Future Medical claims. In addition to the claims listed above, there is one No Coverage claim, and one Employers Liability claim.

There is a total of 3,137 closed paper file claims housed at York beginning with a date of injury of July 1, 2008. Trindel will need to have easy access to these old claims, in addition to the open claims that have paper files. None of our closed files meet the criteria for file destruction as they are not yet five years old. Because of space constraints we will need to scan certain types of claims into our new system.

STRUCTURE OF CLAIMS DIVISION:

POSITION	SALARY RANGE	BENEFITS	TOTAL
DIRECTOR	$72,000-85,000	$26,725	$111,725
CLAIMS ADJUSTER	55,000-71,000	23,323	94,323
CLAIMS TECHNICIAN	37,000-50,000	18,220	68,220
TOTAL			$274,268

CLAIMS PROGRAM PROJECTED START-UP AND ANNUAL COSTS

BUDGET ITEM	TOTAL	START UP	ANNUAL
COMMUNICATIONS	5,400	2,600	2,800
DUES & SUBSCRIPTIONS	1,500		1,500
MAINTENANCE OF EQUIP	6,000		6,000
OFFICE EXPENSE	19,000	15,000	4,000
RENT	9,600		9,600
UTILITIES	1,500		1,500
SOFTWARE ANNUAL FEE	57,958		57,958
SOFTWARE IMPLEMENTATION			
IT SUPPORT	30,000	20,000	10,000
TRAINING	5,000		5,000
TRAVEL	10,000		10,000
CONTINGENCIES	10,000	7,000	3,000
TOTAL	**155,958**	**44,600**	**111,358**

CLAIMS MANAGEMENT SOFTWARE PRICE COMPARISON

SYSTEM→ / FEATURE↓	CSAC/EIA	JDI DATA	MICRONICHE	SIMS	YORK
WEB-BASED	Yes	Yes	Yes	Yes	Yes
# OF USERS	5	3	3	4	3
# OF ACCESS ONLY USERS	?	Unlimited	450	None	Unlimited
IMPLEMENTATION	**	10,000**	5,995	39,779*	0
ANNUAL SOFTWARE FEE	15,000	30,000*	800*	27,457**	57,958*
CONVERSION COST	35,000**	15,000	2,000	11,960	0
TRAINING COST	3,000	**Included	2,500	* Included	* Included
MAINTENANCE COST	* Included	* Included	*	** Included	
ENHANCEMENT COST	?	* Included	*	Per Hour	
ADDITIONAL MODULES				21,449	

TIME LINE FOR CLAIMS PROGRAM – Revised 10/17/11

October

- Selection of claims management software
- Data conversion costs

November

- SIP Certification for claims handling
- Obtain approval for purchase of claims management software and phone system
- Recruitment of Claims Specialist & Technician/screen applicants
- Interview Bill Review and Utilization Review Vendors
- Selection of scanner/copier

December

- Interviews for Claims Specialist & Technician
- Order work stations for Claims Specialist & Technician
- Choose Bill Review and Utilization Review Vendors
- Interview and selection of defense attorney

January

- Start date for Claims Specialist & Technician
- Completion of Claims Policies and Procedures
- Conversion of data from York so closed files can be scanned into system
- Begin scanning of closed files-start with medical only claims
- Installation of new phone system
- Determine process for notifying DIR of change of administration of claims

February

- Training
- Development of work flow for Bill Review and Utilization Review
- Finish scanning closed files
- Development of medical provider and medical management contact list
- Benefit Notice Letter Generation
- Attend PARMA

March

- Training for new software
- Attend annual Dept. of Workers' Compensation Conference
- Completion of Benefit Notice Letters
- Notification to employees of change in workers' comp administrator

April

- Go Live with Trindel claims