

If you have followed my blog in the past you know that I believe that workers compensation insurance is a different animal in the insurance world and that your best course of action when shopping for workers compensation insurance is to choose an insurance company that specializes in this type of insurance coverage. One reason for this is that with their expertise and understanding of this insurance product they can reduce claims costs, get you employees back to work sooner and usually provide you with a lower rate, all at the same time. These features all work together and the synergy of this arrangement manifests itself in lower rates for you in the short run and in the long run. In this blog I want to get into a bit more detail about what these extra services are and why they will cut your claims costs and save you money on your workers compensation insurance rates. That way, if you are considering one of these insurance companies for your business, you will know which questions to ask as not all of these specialty companies are created equally.

Let's start by talking about the in depth medical bill review process that many of the specialty insurance carriers have adopted. Many have found that there are huge savings to be found simply by reviewing and challenging the medical billing process. Applying national guidelines for coding edits can often reveal huge savings by stopping some of the catch all codes that have inaccurate billing items included in them. One insurance company recently reported that unbundling overcharges found by in house bill reviews saved 49.8% on the medical costs of injuries. Applying medical limits and rulings to fees generated savings of 38.46% on fee schedules. Verifying the diagnosis according to medical records and examining medical records to ensure bill coding accuracy saved additional money on the medical portion of claims.

But what are some other techniques that have been successful in reducing the costs of workers compensation claims? Online notice of injury and fast claims reporting has also reduced the severity of claims significantly. Individually assigned claims adjusters for each employer has not only helped to reduce the costs of ongoing claims but has been beneficial in helping the employer prevent accidents and injuries. Also, proactive return to work programs that get the employee back to work in some kind of capacity sooner have proven to save the employer money both in terms of claims costs but in down time and replacement worker costs and this leads to the injured employee returning to work full time much more quickly. Last of all, many of the workers compensation only insurance companies have highly trained and very experienced special investigation units. These units investigate possible fraudulent claims to control unnecessary expenses associated with these kinds of claims.

Many employers who stumble on to a mono-line workers compensation insurance company to protect their business may only see the lower price on the front end. But the true value of these types of insurance companies to an employer is in the techniques and training that they have to

help reduce the frequency and severity of claims as well as to reduce the costs of a claim once it happens. If you would like help with your workers compensation insurance policy, please feel free to call us, toll free, at 877-687-7557. We look forward to hearing from you!