Managing Complex Medical Casualty Claims with Pathway Analytics

The Client

A leading workers' compensation carrier

The Challenge

Restoring profitability while fighting fraud and abuse

Premium erosions. Shifts in medical care consumption. Increasingly complex medical codes. Medical claims in the property and casualty market are more complex than ever. And insurers are facing unprecedented threats to their profitability, due to COVID-19 and its aftermath.

This leading workers' compensation carrier was trying to manage the demand to automate, without sacrificing the customer experience—or payment integrity to providers—and it was coming up short. High-risk claims and providers committing abuse were hard to identify with the existing bill-level and claim-level analytics approaches the claims program used.

The carrier needed to solve four different problems that were impacting its profitability:

- Identify undetected fraud and abuse
- Reduce the number of false positives for fraud and abuse
- Improve large loss prediction accuracy
- Reduce errors in actuarial reserving estimates

The Solution

Detecting anomalies, preventing losses, and navigating elusive diagnoses

Managing the complexity of medical claims starts with data—all the data. Sources can include everything from core transactional and third-party data, to unstructured data such as physician notes or phone log transcriptions.

That's why Teradata's approach of bringing analytics to data with Teradata Vantage™, without having to move data across the organizational ecosystem, is necessary.

Strengthening the claims process with claim pathways

Teradata benchmarked against bill-level in-patient, out-patient, and prescription drug data from other leading workers' compensation insurers. The Teradata team also went beyond traditional claims-level aggregation approaches with claim pathways—a sequencing analysis of events over the life of a claim.

Getting better visibility into anomaly detection and large loss prediction

Creating and comparing claim pathways over time provided new insights into what was typical—and what wasn't. These insights helped special investigations units capture both widespread abuse and overall fraud—while reducing the frequency of false positives.

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Managing the reality of elusive diagnoses

The number one predictor of total claim cost is diagnosis. But a typical workers' compensation claim may go from three diagnoses in the first week—to eight diagnoses in the first year. Teradata's analysis of diagnosis movement made it easier to catch high-risk claims early on—and deploy clinical intervention.

Claim pathways help insurers understand the similarities and differences across diagnoses and procedures over time, providing a new level of claims segmentation—and insights.

The Result

Better insights and stronger defenses against fraud and abuse

The claims program now has the resources it needs to keep the insurer protected and profitable. Claim pathways make it easier to detect and prevent fraud and abuse, so costly—and unnecessary—payouts are avoided. High-risk claims can also be identified early on—and clinical intervention deployed—before they turn into more complicated, "large loss" scenarios.

Connecting all claims analytics efforts—across fraud, core operations, and actuarial—ensures every stakeholder has access to the most granular data possible.
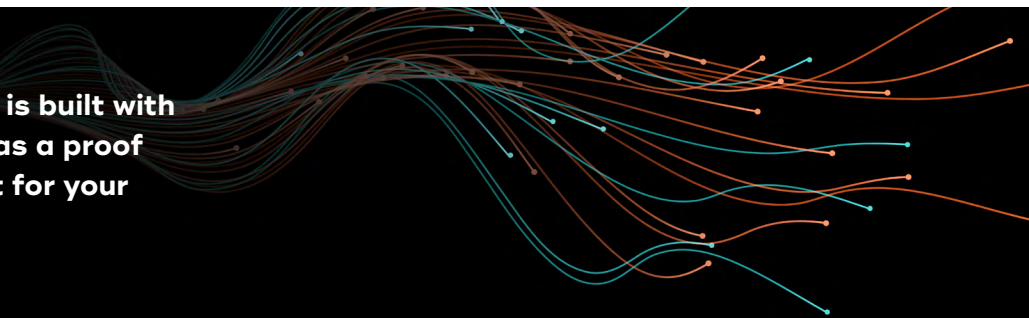
Teradata Vantage's business-friendly user interface also makes analytics accessible to non-technical and technical stakeholders across the organization. Users can generate ad hoc reports, or drill down deeper for advanced data insight.

Customers win, too. Whether it's helping claimants return to work sooner after a workplace injury or recover faster from a car accident, improving the claims process helps improve individuals' quality of life.

About Teradata

Teradata is the connected multi-cloud data platform company. Our enterprise analytics solve business challenges from start to scale. Only Teradata gives you the flexibility to handle the massive and mixed data workloads of the future, today.

The Teradata Vantage architecture is cloud native, delivered as-a-service, and built on an open ecosystem. These design features make Vantage the ideal platform to optimize price performance in a multi-cloud environment. Learn more at **Teradata.com**.

Teradata Vantage for insurance is built with real workers' comp data. Use it as a proof of concept or as a starting point for your analytics efforts.

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