

A Lean Approach to Disability Income Plan Appeals

For clients of 3sHealth's Disability Income Plans (DIP), a Lean exercise created a significant change in the way appeals in the DIP department are handled.

3sHealth administers several disability income plans for health care employer, maintaining comprehensive and accurate member records, processing disability claims, calculating and paying short and long-term disability income benefits, administering rehabilitation programs, and communicating with plan members. DIP staff members are available to respond to inquiries from employers and plan members, and to provide information about coverage and benefits. DIP staff members are also available to guide you through the application and claims process. In the beginning of August, there were 1,693 active disability claims being managed by the department.

The DIP department is able to adjudicate 90% of all new claims in 5 business days or less. Unfortunately, some applications for disability benefits are complex or incomplete and can initially result in a denial of benefits. When a denial occurs, the claimant will often appeal the decision. Currently the DIP department is targeting that 90% of all appeals are resolved within 6 weeks. This goal, and the strategy to achieve it, was set as a result of a case study exercise during a Lean training event.

"Resolving appeals and managing the process has always been a challenge," says Joe Jaworski, Manager of the Disability Income Plan. "Some of us from the Employee Benefits area were at a Lean training event and had the chance to work on a challenging work situation that could be resolved using a Lean tool called Visual Daily Management. Resolving appeals was important to all of us. We took the work we did at the training and applied it to our work back at the office."

Resolving appeals provides many challenges. Appealed claims are usually complex and often require outside medical expertise to evaluate. The adjudicators are aware of the need to resolve the claim for clients, but because the cases are complex, they are often the ones that take longest to conclude. Three strategies were developed to assist adjudicators in achieving the new goal.

- The creation of a Visual Daily Management wall that tracks weekly and monthly progress in the resolution of appeals, as well as other targets for the department. The focal point of the wall is the number of claims that are currently being managed. Posting the progress and discussing it at regular meetings has created an increased sense of accountability among co-workers. The board uses colour coding (red, yellow, and green) to highlight progress and areas that need work.
- One of two "load-leveling" strategies is to reassign new appeals to other workers if one worker is behind in resolving cases.

- The second “load-leveling” strategy is to remove other work away from a co-worker for a day or two to give them time to resolve outstanding appeals.



“The staff have really embraced the process and made it work,” says Joe. “At first it was stressful because it was a significant change and we had a daily, visual reminder of all the work we had yet to do. But the wall helped us track our progress as well. Since we have been tracking it on the wall, talking about it regularly, with staff supporting each other with “load-leveling” strategies, we are resolving appeals in a more timely fashion. In time, I hope this helps staff to feel better about how we manage appeals.”

Tracking began in April, 2013. At that time appeal resolution took an average of 6.3 weeks. In just four months, the average time has decreased to 4.8 weeks. While there is still work to do, the progress is apparent. The most positive outcome of the new strategy is that clients are getting the answers they need about their disability claims and appeals in a more timely manner.