

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

April 15, 2020

2. Department

State Compensation Insurance Fund

3. Organizational Placement (Division/Branch/Office Name)

Claims, Claims Processing Center

4. CEA Position Title

Senior Vice President of Claims Processing Center

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

State Fund's purpose is to provide fairly priced workers' compensation insurance, make workplaces safe, and restore injured workers. The Claims Processing Center plays a vital role in protecting and preserving the integrity of the California workers' compensation system by ensuring timely routing, processing, review and receipt of claims.

6. Reports to: (Class Title/Level)

Executive Vice President of Corporate Claims (exempt)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Regularly reports to Executive Committee on claims processing times, bill volume, accuracy rate, and penalties incurred due to the severe financial impact to State Fund they imply.

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The CEA will serve as an expert level advisor to the Chief Executive Officer, Chief Claims Operations Officer, Executive Vice President of Corporate Claims, Executive Vice Presidents of Claims and Claims Vice Presidents on policy issues related to State Fund Claims Processing Center operations and will oversee a program consisting of two Program Manager I's that manages all Claims Processing Center units including the Claims Customer Service Center, MRAU, and Technical Bill Review.

The SVP of the Claims Processing Center will oversee the management team and staff in creating and implementing policies, creating and executing strategies, procedures and recommendations aimed at reducing penalties, ensuring all documents are received routed and reviewed timely and appropriately. The SVP will develop the goals and policy of the program with oversight from the Executive Vice President of Corporate Claims. The SVP insures State Fund is in compliance with California insurance regulations, as well as creates an environment where staff are able to develop skills and meet performance objectives.

In the performance of the job, the SVP will:

- Initiate and recommend strategic changes and policies impacting the program and the organization in response to legislative, regulatory and industry changes to meet competitive demands and corporate objectives and values.
- Oversee/monitor the measurement and effectiveness of a program's performance according to corporate and program objectives.
- Provide oversight in the development of program objectives, measurements and budgets that align with State Fund's strategic objectives and the corporate mission, values, policies, and procedures
 - Ensure development of key initiatives that will improve program outcomes
 - Identify strategies which are cost effective and support the State Fund organizational objectives
 - Provide guidance to develop metrics to measure performance results
 - Drive mitigation of all internal/external audits
- Develop and promote the flow of information across the organization and upward to senior and executive management.
- Serve as chair or participate on special projects, committees and task forces to
 - 1) Evaluate business challenges
 - 2) Develop and recommend solutions and strategies
 - 3) Oversee the development and administration of organizational programs, policies, procedures and measurements
- Provide technical/professional advice to State Fund management on program specific issues
- Ensure that the program operates within budget. Monitor expenditures to ensure sound fiscal control
- Measure and ensure effective and efficient use of budgeted funds, personnel, materials, facilities, technology/ systems, and time
- Measure program initiative effectiveness by comparing performance to established metrics

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The State Compensation Insurance Fund (State Fund) is a provider of workers' compensation insurance in the California marketplace. State Fund's purpose is to provide fairly priced workers' compensation insurance, make workplaces safe, and restore injured workers. One of the key differentiators that sets State Fund aside from its competitors is quality claims services including medical benefit delivery.

Claims Mission:

"To deliver superior outcomes for injured employees and the employers we serve through focused strategies in: Provision of quality care; Prompt return to normal life and independence; Managed claims costs; Efficiency and service; Prevention and fight against fraud and abuse".

Claims Processing Center's Mission:

"The Claims Processing Center provides support to our Claims and Legal partners by scanning and indexing documents and processing medical payments timely and accurately. The Medical Reimbursement Analysis Unit supports our workforce and partners with our SmartAdvisor software vendor to ensure medical reimbursement policies efficiently support bill review functionality and the work performed by our business partners."

The Claims Processing Center is the program responsible for:

- accurate and timely processing of 1.3M medical bills on State Fund claims. Without proper and timely review of these bills penalties will be charged to State Fund and will impact the ability of State Fund to succeed in its mission by increasing claims and policy costs, thus affecting employers and injured workers all over the State of CA. Over the past seven years penalties have been reduced from over 20+million per year, to just under \$200,000 in 2019. This is due in large part to efficiencies enacted in CPC, proper training and ongoing skills building of staff, leadership development and allocating resources where they are needed when they are needed.
- a claims call center which answers over 150,000 claims and medical provider inquiries annually
- document intake of 2.8M claims documents while ensuring that all privacy requirements are met
- managing our bill review vendor relationships which ensure that we are have the systems, policies and processes in place to accurately price workers' compensation medical bills
- implementing new initiatives and policies to ensure a continuous improvement in the bill review, claims document intake and claims call center functions at State Fund

*Direct review of medical needs and bills in order to ensure that each injured worker has access to the medical specialists and that adjusters are in agreement with the medical provider chosen.

Through the efforts of the Claim Processing Center, State Fund is able to appropriately provide medical benefits to its injured workers while saving unnecessary medical costs for its almost 110,000 policyholders. This helps to fulfill the State Fund's purpose of restoring injured workers and providing fairly priced workers compensation insurance.

The proposed CEA is critical to the department's mission to provide continuity, using industry expertise to enable Claims to drive change and to tackle the most complex business challenges by measuring and understanding best practices and by staying abreast of changing laws, rules, regulations, industry trends, and emerging issues. This is critical in order to support State Fund's purpose to provide fairly priced workers' compensation insurance, help make California workplaces safe, and restore injured workers. To accomplish this mission, we need an expert knowledgeable in a broad range of technical, highly specialized knowledge of all CPC operations and the Workers' Compensation Claims industry, and have demonstrated expertise in delivering superior performance in this specialty area.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Over the last 5 years the Claims Processing Center has taken on larger roles and responsibilities in the State Fund. Initially, the program was designed to intake claims documents and process medical bills on a specific group of claims. Since inception the program has expanded to assume responsibility for:

- all medical bill review and processing
- a call group focused on medical provider calls
- the claims call center who responds to all claims inquiries
- corporate team focused on medical reimbursement policies, procedures and systems
- vendor management of our bill review and e-billing clearinghouses

Responsibility has moved from a narrow focus of document intake and medical bill processing to one which is broader with call centers and corporate medical reimbursement work.

The CEA position is critical in developing and implementing best practices, strategic planning, quality audits and in the development and training of all CPC staff to meet the department needs as an enterprise. This is as a result of evolving Federal and State Regulatory requirements, and in an effort to provide quality outcomes to succeed in our mission: "to deliver superior outcomes for injured employees and the employers we serve through focused strategies in: provision of quality care; prompt return to normal life and independence; managed claims costs; efficiency and service; prevention and fight against fraud and abuse".

In an effort of being proactive, the State Fund Claims department has identified the need for more technical expertise of existing workers' compensation laws through regulations, legal rulings and audit findings as they pertain to medical reimbursement policies and procedures. As a result, this requires highly specialized knowledge and skill sets of all Claims Operations and the Workers' Compensation Claims industry, and have demonstrated expertise in delivering superior performance in this specialty area, to interact with various internal and external stakeholders, provide detailed explanations to Executive, Claims Senior Leadership and the organization to support overall proposed actions. The CEA position is critical to advise management on the most efficient and effective Claims Processing Center Operations policies, processes, procedures and best practices for immediate implementation.

In addition, they will be responsible for the creation and implementation of the business continuity plan for the Claims Processing Center. This includes determining essential and non essential functions, positions necessary in a variety of scenarios and rapid response plans for the whole of the Claims Processing Center.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

There are a wide range of subject matters within this umbrella for which the Claims Processing Center (CPC) CEA will assume responsibility for in a variety of regulatory policies and procedures.

1. Interpretation of the federal and state workers' compensation laws:

Create and implement policy or change current policies based on changes in the federal and state laws as it impacts the Claims Processing Center. This will require that the incumbent stay current on federal and other state workers' compensation laws, new and proposed legislation at the federal or state levels, and current audit policies. The CEA will work in consultation with our Corporate and Work Comp Legal programs to ensure policies are compliant and effective. This CEA will drive the policy implementation across functional units to ensure continuity in business production.

2. Expert consultation and advise:

Create and implement policy that relates to medical cost containment based on data analysis work of existing rules and regulations. These policies will ensure we are compliant with established rules and regulations, provide fiduciary responsibility over expenses, as it impacts our policyholders' rates, and provide fair compensation to the medical provider community.

3. Collaboration with stakeholders:

Develop the CPC's strategic communication plans and policies that support our internal and external stakeholders. The CPC's policies have a broad impact across our organization, including but not limited to, Claims (adjusting), Legal (liens/ adjudication), Finance (reserves), Actuarial Analytics (projections and risks). The CEA will share and exchange information, ideas, strategies, and best practices with impacted stakeholders to promote transparency, quality and compliance.

4. Educate and ensure proper training of Claims Leadership and staff on emerging issues, trends and law changes with medical reimbursement:

Establish and implement policies that address the critical need for training for CPC's leadership and professional staff on complex laws, the interpretation thereof, and in the identification and reporting of industry trends. As laws change and become increasingly complex, our intermediate and advanced level of professional staff require a consistent interpretation of the laws to ensure consistency, compliance with operational impact. The incumbent will flush out areas open to a wide variety of interpretation and work with internal business partners to ensure impacted policies, procedures and operations are updated accordingly.

5. CCSC is responsible for all claims calls, new claim intake and all medical provider calls. Creation and execution of policies and procedures is an ongoing responsibility of the CPC head to include the Claims Processing Center Program Manager. Specifically:

- ChatBot: Responsible for making any policy and direction decisions for the implementation of ChatBot functionality within the CPC/CCSC. The CPC is currently the only program at the State Fund with chat functionality so development of policy, procedures, communication and all analysis is crucial under this leadership.
- Business Continuity: Responsible for developing business continuity plans that ensure we continue to serve our injured workers and policy holders. These plans include the identification of the work that must continue in all circumstances, which programs under the CPC/CCSC umbrella need to continue to operate and what adjustments need to be made to policies and procedures. The CCSC is considered a critical function within the State Fund.
- Quality Assurance: The CPC is responsible for its own QA program and had to develop the policies and procedures to ensure the work product meets all regulatory and legislative requirements as well as provide excellent customer experience.
- New Claim Intake: Work in conjunction with the CPC/CCSC business partners in Claims and Corporate Claims to develop policies that meet all regulatory and legislative requirements with new claims.
- New MPN: The CCSC is assuming responsibility for the medical access assistant (MAA) process at State Fund. Part of this responsibility is the development and implementation of policies which ensure State Fund is compliant with all regulatory requirements and have a program that will best serve the needs of our injured workers.

Further, the Claims Processing Center is responsible for identifying and implementing programs to assist with the management of the medical benefits, specifically those which are cost containment measures. Examples of this include:

- process improvements and policy changes which resulted in millions of dollars saved annually by timely processing of medical bills
- creation and implementation of a technical bill review function which realizes a savings in medical costs of over \$9M annually
- implementation of the first chat functionality in the organization which is realizing a reduction of 50% in calls from medical providers, while still providing a good customer experience during the inquiry process
- streamlining the document intake process which resulted in a significant reduction in time for document delivery to claims. Document delivery went from over 4 days to less than 1 day. The outcome allows for claims to address injured worker concerns in a timelier basis
- responsibility for working with bill review vendors on fee schedule related policies. This effort results in savings on claims costs.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA will have functional responsibility over the Claims Processing Center, the Claims Call Center, medical provider call center, vendor management over our e-billing clearinghouse as well as various projects that will directly affect the processing of State Fund Claims. They will be responsible for the day-to-day operations through subordinate managerial leaders. This leader will also be responsible for policy creation and revisions, as changes in legislation or case law demand or when complications of servicing arise and impact our workers' compensation community (medical providers, injured workers, or policyholders) and/ or our internal partners within Claims, Corporate Claims, et al. This position will receive guidance and direction from the Chief Claims Operations Officer, the EVP of Corporate Claims, as well as the Executive Committee.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will develop and implement new policy as described in question 26, as well as review and revise existing policy for the Claims Processing Center. Efforts for timely review, processing and routing are ongoing. The CEA will ensure that policies remain current and relevant.