



*GE Financial Assurance
Long Term Care Division*

Pros & Cons of the Reimbursement Model

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“Learning” - Drivers of the Model

- The evolution of product lines
- Discovering the “moral hazard”
- Managing cost against affordability
- Making a Difference - ‘Care Coordination’ *and other updated policy features influencing outcomes.*

Delivering Value - A Brief History

Generation “1” - Indemnity - Facility Products

- **Traditional Claims Processing**
 - Claim Adjudication
 - Routine Claim Payment
 - ‘Facility-Check’ Service
- **More Disabled Claimant / Less Direct Communication**
- **“Simpler” health delivery systems**
- **Conducive to “capacity-lift strategies”**

Delivering Value - *A Brief History*

Generation “2” - Comprehensive Products Reimbursement Contracts

- **Unique Claims Processing**
 - “Intake Calls” - claim initiation over the phone
 - Care Coordinator Assignment, Onsite Functional Assessment, Care Services Placement
 - Claim Adjudication & Reimbursement Payment
- **Less Disabled Claimant / Frequent & Direct Communication**

“Running The Shop”

- Dramatic differences:
 - Cycle time variance - product driven vs.. service driven
 - Customer expectations- “re-setting” beliefs
 - Staffing - skills / structure
- Managing Expectations
 - Claimant
 - Vendors
 - Providers

Examples of Staffing Ratios

- **Reimbursement Unit:**
 - 3,700 open claims- 34% of block
 - 29 Analysts - 54% of staff
- **Indemnity Unit:**
 - 7,000 open claims - 66% of block
 - 12 Analysts - 22% of 'core' staff
- **Technical Unit:**
 - 13 Sr. Analysts - 24% of staff

The Claims Process

800-XXX-XXXX

Cost Management

- Indemnity = Little-to-no opportunity for reducing exposure
- Reimbursement-only = significant positive experience difference
- Reimbursement + Care Coordination = hugely reduced exposure and cost containment if product-driven

Future Product Trends

- Continued heavy competitor influence
- Continued migration to “services” as a component of “benefits”
- Recognition that products must educate and provide information even prior to time of claim
- Alternative distribution channels will promote market penetration - e.g. direct and/or web enabled access

-Discussion-
Questions and Answers