



Enterprise
Claims Management
at the
Accident
Compensation
Corporation



“The FINEOS solution is a vital step forward in ACC’s efforts to provide high quality services to claimants and providers. The FINEOS Claims solution has enabled the replacement of our legacy claims system with a flexible, forward-looking IT platform.”



- Dr. Jan White, Chief Executive, ACC

EXECUTIVE SUMMARY

The New Zealand government insurer, the Accident Compensation Corporation (ACC), administers over 2 million claims annually for personal injury, work cover and workers’ compensation from 48 locations across New Zealand. In 2003 the ACC identified a requirement to replace its legacy claims system with a more flexible solution to allow it to become more claimant-centric and prepare it for future business improvements. Following extensive global research, ACC chose FINEOS Claims®. One of the largest public sector projects ever undertaken in New Zealand, FINEOS Claims went live in 2006. Today FINEOS Claims provides a multi-line, enterprise claims management platform that is flexible enough to meet ACC’s business objectives now and in the future.

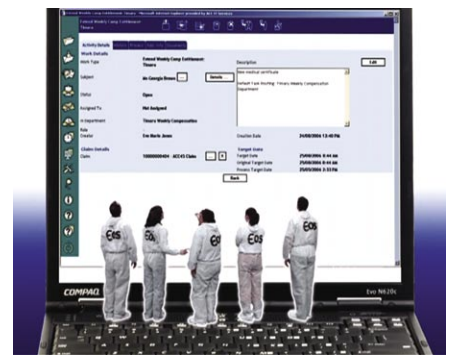
ACC COMPANY BACKGROUND

New Zealand’s Accident Compensation Corporation (ACC) is the statutory body responsible for accident prevention, compensation and rehabilitation. The government of New Zealand provides accident insurance for all citizens, residents and visitors, in return those covered do not have the right to sue for personal injury, except for exemplary damages. ACC exclusively manages claims for cover and entitlements for personal injury, work cover and workers’ compensation in a variety of ways, via branches, service centres, central processing units, call centres and specialist units.

ACC’s chief responsibilities are preventing injury, collecting accident insurance levies, determining whether claims for injury are covered by the scheme and providing rehabilitation management and entitlements to those who are eligible, paying compensation and, buying health and disability support services to treat, care for and rehabilitate injured people.

Table A - Key Drivers and Required Outcomes for ACC

Key Driver	Outcome Required
Rehabilitation	Improve effective rehabilitation outcomes
Staff Satisfaction	Increase staff satisfaction to 80-85%
Claimant Satisfaction	Increase claimant and stakeholder satisfaction to 80-85%
Injury Prevention	Reduce the rate of injuries and claims by at least 10% over the next five years
Fair Levies	Maintain fair levy rates



15,000 hours of formal training was delivered to 2,000 ACC staff using a variety of mechanisms including e-learning and workshops

BUSINESS PROBLEM

ACC is considered a world leader in accident rehabilitation management systems and outperforms many comparable systems¹. To successfully operate the compensation scheme, ACC actively works with, and balances the interests of, a variety of stakeholders with diverse needs and interests, in particular claimants and funders of the scheme. Over the last decade, it has achieved impressive results including reductions in levies overall, reductions in levy rates (56% less than those in Australia and 58% less than those in Canada) and reductions in length of long-term claims. In addition, they have had improvements in stakeholder satisfaction levels and increased staff satisfaction levels.

In 2003, ACC's Executive Leadership Team, comprised of senior management from every department in the organisation, recognised that its core IT systems were struggling to keep pace in supporting quantum improvements in key strategic areas. In particular, they acknowledged that the business management processes were running ahead of the technology. They had also identified and extensively investigated a number of key strategic areas for improvement in terms of feasibility and the availability of proven and essential technical systems support, as detailed in Table A above.

ACC considered that the necessary outcomes could be achieved with the correct technology and flexible systems. The existing system was a basic claims management system that recorded claims, however, as ACC is about people and not just claims, they saw a need to move to a claimant focused management system. Their analysis also concluded that the existing claims management system was constraining their ability to be agile and respond effectively.

CLAIMS MANAGEMENT AT ACC

ACC operated within a complex claims management environment with the claims management process underpinned by the legacy claims system which had been in place for eight years. It was recognised that the system was difficult to modify to support process improvements. The system functionality was not as claimant-centric as desired by ACC, nor was it easily enhanced. In addition, Deloitte Consulting had alerted ACC to the inherent risk around the Corporation's reduced ability to maintain the existing system's architecture. 'Doing nothing' was not considered an appropriate option and with system support becoming more complex, going forward it would result in ACC being unable to effectively discharge its assigned duties and service.

The unique aspect of the Claims Management System (CMS) programme launched by ACC was that many benefits traditionally associated with the implementation of automated claims management systems had already been achieved with the previous system. The benefits included headcount savings, elimination of process clutter and bottlenecks, and reductions in the cost of managing claims. The business case for the investment was premised on business agility and flexibility, continuous process improvement, continued reduction of provider and claimant management costs, and improvement of claimant and staff satisfaction levels.

THE FINEOS CLAIMS SOLUTION

In a global search for suitable software, FINEOS Claims from Ireland-based FINEOS was selected as providing the solution that was the best match for ACC's ambitious requirements.

ACC considered FINEOS Claims more than a claims system and felt that it would support the flexible future they sought and operate well as a key part of the initiative which would transform the way they worked.

A Proof of Concept was completed in September 2004 which clearly demonstrated that FINEOS Claims could deliver the outcomes that ACC required from both a claimant management perspective and the ability to integrate with existing systems.

FINEOS Claims goes beyond traditional claims objectives to deliver a best-in-class solution that offers:

- Fully automated claims and case management for automated electronic transaction handling and workflow
- Integrated customer management for a single view of the customer
- Comprehensive financial management for integrated reserving, payments and billing
- A flexible, modern, rules-driven technology platform that prepares for growth



Michael Kelly, CEO, FINEOS Corporation, Graeme Osborne, CIO, ACC and Mike Brosche, Business Development Director, FINEOS, Australasia

The new system was internally named Eos for "New Beginnings" and work began in 2004. The project plan included replacing manual purchase ordering with system-supported ordering, scanning and electronically storing all claimant files in a document management system, providing dual screens for claims management staff, and creating a new web-based workflow claimant management system. At its peak, the five-stage migration project involved 170 staff and 4.5 million claimant and 25.5 million claim records.

The system initially went live in November 2006 and was fully rolled out and deployed by April 2007. Internally, it was underpinned by a comprehensive change management programme that was supported by the Executive Leadership Team. 15,000 hours of formal training was delivered to 2,000 staff. Typical users of FINEOS Claims are case managers, case administrators, claims assessors, case co-ordinators and lifetime rehabilitation planners.

Today, FINEOS Claims provides a multi-line, enterprise claims management platform that can scale to meet large numbers of users and provide data to the data warehouse for reporting on a fine level of detail for more accurate forecasting. FINEOS Claims provides ACC with a single, holistic view of an injured client's information, enabling staff to manage the client as a person with an injury, rather than just managing the injury itself. Logical, information rich screens and electronic document storage enable staff to locate and access information easily and quickly.

By leveraging FINEOS Claims' standard out-of-the-box workflow rules and tasks, ACC staff can manage a client's rehabilitation instead of just acting as a data storage system. In the legacy system appropriate historic client information had proved difficult to locate, affecting customer service and outcomes. Consistency is increased through using FINEOS Claims to process tasks, which steps staff through processes ensuring important stages in a client's rehabilitation management are not omitted.

The process management capability of the solution enables ACC to reduce overheads around document processing, faxing, photocopying, letter generation, etc.; task management to automatically create, allocate and monitor tasks; and management information to monitor individual and team performance and check pipelines.

"By using FINEOS Claims, ACC has positioned itself as a global best practice organisation and a model for Enterprise Claims Management in the industry. We are delighted that ACC has confidence in Eos and FINEOS Claims to support its strategy to change and grow its business in response to future market conditions. The ACC project is held in high regard within the New Zealand public sector and has a reputation in international public sector circles as a real success story."

- Michael Kelly, CEO, FINEOS Corporation

THE FUTURE

The ACC project is one of the largest public sector projects ever undertaken in New Zealand and has delivered ACC the flexibility and agility it sought to move forward. ACC is well on the way to achieving its original objectives (see Table A) and has also positioned itself as a global best practice organisation and a model for Enterprise Claims Management in the industry. FINEOS continues to consult with ACC in relation to maximising the solution and is working towards providing additional product components and enhancing FINEOS Claims functionalities. In addition, FINEOS provides on-going maintenance to ACC and they work collaboratively to identify business improvement opportunities to optimise the benefits of FINEOS Claims across the Corporation. In 2008, independent analyst Celent named ACC as a Model Carrier for their report of the same name².

¹ Australia and New Zealand Return to Work Monitor 2006/2007 Report

² Celent Model Carrier 2008: Case Studies of Effective Technology Usage in Insurance, Chad Hersh, Craig Weber and Ashley Evans, Celent 2008



Graeme Osborne on ACC TV

"With FINEOS Claims, we can move from a more transactional system to a claimant-based system managing relationships. It's more of a CRM (Customer Relationship Management) approach."

- Graeme Osborne, CIO, ACC

“The final wave of the go-live at ACC and the signing of the Support Agreement signal a new phase in our partnership with FINEOS. The project does not end here. We are committed to continuously improving the performance of Eos to ensure that ACC staff, claimants, treatment providers, funders and other stakeholders benefit from world-class digital solutions to support the delivery of ACC’s operational and strategic priorities.”

- Graeme Osborne, CIO, ACC

FEATURES

- Single, holistic view of customer information
- Reporting on a fine level of detail
- Logical, information rich screens
- Electronic document storage
- Out-of-the-box workflow rules and standard tasks
- Process and task management

BENEFITS

- Provides superior management of client rehabilitation
- More accurate forecasting
- Enabling users to locate information easily
- Enabling users to access information quickly
- Results in higher levels of positive outcomes
- Significant reduction in administrative overheads

Enterprise Claims Management at the Accident Compensation Corporation (ACC)

Channels	Geographically dispersed branches, service centres, central processing units, call centres and specialist units
Number of users	2,300 in 48 offices across New Zealand
Legacy integration	Pathway, Oracle Financials, Oracle Stellent Content Management, Medical Fees Processing
Application platform	IBM Websphere Application Server
Third-party software	Microsoft Word, Oracle Stellent Content Management

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