

Proposal for Establishing a Risk Management Department

Introduction

This proposal outlines the creation of a Risk Management Department to proactively identify and mitigate potential financial losses for our clients and for our captives.

Department Functions

The Risk Management Department will be responsible for the comprehensive assessment and management of potential risks associated with our insured population. Key activities include:

Notice Processing and Risk Identification:

- Receive and process all monthly reports and Specific Notices of Loss (Notices).
- Analyze submitted information to identify potential high-risk cases.
- Route Notices to appropriate personnel, including Medical Specialists, for further review.



Clinical Assessments:

- Employ experienced and certified Medical Specialists (RNs) to conduct thorough clinical assessments of high-risk cases.
- Review medical records, consult with healthcare professionals, and conduct additional research as necessary.
- Develop and provide reports with findings and recommendations for intervention or risk mitigation strategies.

Collaboration with Third Parties:

- Maintain close relationships with Third-Party Administrators (TPAs) and Case Management (CM) vendors.
- Collaborate with them to acquire necessary additional clinical data for accurate assessments.

Reserve Management:

- Conduct regular reviews of claim reserves, adjusting them based on updated information and final paid amounts.
- Clearly document the rationale behind reserve adjustments.
- Monitor reserves for ongoing claims involving high-cost treatments or chronic conditions.

Cost Containment Initiatives:

- Proactively identify potential areas for cost management, including:
 - High-cost inpatient/outpatient services
 - Specialty medications
 - Cancers and other chronic illnesses
 - Potential transplant procedures
 - Premature births and high-cost surgeries
- Develop strategies and implement early interventions for cost containment.
- Review all medical bills exceeding a designated threshold (e.g., \$250,000) for audit and carrier approval.

MGU New Business Risk Assessment:

- Analyze potential risk associated with proposed new business ventures.

In-Force Business Projections:

- Develop clinical projections for existing insured groups to manage future financial obligations.

Ongoing Excess Loss Claims Review:

- Continuously assess risk factors within ongoing excess loss claims.

Department Benefits

The implementation of a dedicated Risk Management Department offers significant advantages:

- **Enhanced Risk Identification and Mitigation:** Early identification of high-risk cases allows for proactive intervention, potentially reducing future losses.

- **Improved Claims Management:** Comprehensive clinical assessments ensure accurate claim reserves and efficient claims handling.
- **Cost Containment Opportunities:** Proactive cost containment strategies can help control future financial liabilities.
- **Informed Business Decisions:** Clinical projections and risk assessments for new business and existing groups support informed decision-making.

Department Resources

Staffing:

- This department will initially require two new hires:
 - Risk Management Specialist
 - Medical Specialist (Registered Nurse)

Vendor Network:

- Establishing relationships with vendors specializing in:
 - Transplant programs
 - Medical bill audits
 - Specialty drug sourcing

Conclusion

The establishment of a Risk Management Department is a strategic investment that will be a complement to our claim's services. By proactively identifying and mitigating risks, we can ensure our client's long-term financial stability and sustainability.

Get In Touch

www.alphaisleservices.com
contact@alphaisleservices.com
(978) 882-2412
LinkedIn: @Alphaisle

Interested in working together? Reach out to us today!

