

Disability income: Translating bio-psychosocial research into claims management practice

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Last month a fascinating article looked at the impact of bio-psychosocial factors on disability risk for underwriting purposes and some important research done at the University of Cardiff UNUM Centre for Psychosocial and Disability Research unit.

The concepts described will be familiar to many experienced claims professionals, and some of them have already found their way into standard best practice disability claims management. Ideas such as promoting early intervention, identifying barriers to a return to work and gathering information about the claimant's social environment are now recognised as effective claims management techniques.

So what does the latest research add to our current thinking and how can we translate this into moving current best practice disability claims management forward?

Current claims management is very variable between markets and companies within different markets but for the purposes of this article, I would suggest that as well as top-notch administration and application of the policy conditions, 'best practice' includes the following features:

- some form of triage at initial claim notification to screen for obviously ineligible claims, fraud risk, reputational risk, need for special handling (e.g. catastrophic accident, claimant incapable of handling own affairs, etc) and other non-standard features
- early verbal communication with the claimant by a skilled claims professional
- regular and targeted liaison with the employer in the case of group schemes
- detailed medical reports and objective functional assessments
- detailed understanding of occupational demands
- assessment of current activities against claimed restrictions and limitations
- identification of rehabilitation potential
- targeted reviews of progress
- good communication and negotiation with the claimant/employer throughout the claim duration
- future planning in conjunction with the claimant and his/her advisers/employer
- appropriate support for return to work efforts

Of course there is a lot more involved in successful disability claims management, but attention to the areas above would be typical in a well-functioning claims team.

The process is largely linear and tends to follow the typical model of medical care, with rehabilitation starting once the medical treatment has run its course. The claim

may be many months old before all of the medical and occupational reports are received and before any rehabilitation assessments take place.

Many larger claims teams are organised according to the nature of the medical condition stated as the cause of claim, for example with specialist psychiatric teams. The Cardiff research tells us that, with the exception of catastrophic injury or disease, the nature of the medical condition is one of the least influential factors in determining the outcome for the patient's productive life.

So should we worry less about what the claimant reports as the cause of claim and pay more attention to the psychosocial factors that influence claim duration in virtually all cases? On a practical level, should we be turning the typical process upside down and getting some form of rehabilitation assessment (although we may give it a different label), in the early stages of the claim, perhaps even before all the medical reports have been received?

The research is useful for helping us to understand the key pieces of information that we should be gathering in the initial claim interviews. Resilience and coping are identified as key factors in a successful outcome but can we get clues to this, for example, by asking the claimant to describe a previous challenge in their lives and how they dealt with it? Are there clues in the information gathered at underwriting stage that will help us to understand how the claimant will behave at claims stage?

False beliefs are also said to play a pivotal role in perpetuating subjective illnesses – so how to identify and challenge false beliefs is a key issue for disability claims teams.

The current best practice model focuses on barriers to a return to work and interventions that will help in overcoming or working around them, but we hear less about the positive influences on return to work.

Factors such as a feeling of moral obligation, respect for the employer and strong health literacy were identified as having a positive role to play in encouraging people to go back to work. We can't influence all of this but we can help people to understand and take control of their condition and there are implications for the employer's role in minimising the impact of health issues in their workplace.

According to the UK government's Pathways to Work trials, which are now being rolled out across the UK, one of the most positive influences on working is actually doing it. This rebuilds lost confidence and convinces people they are often more capable than they realised. The trials achieved a doubling of Incapacity Benefit claimants (the current UK State benefit for inability to work through illness or injury) entering work, a take-up of five times that expected from other return to work interventions and the initiatives exceeded the threshold for cost-effectiveness. Their trials included, amongst other initiatives, financial incentives to try working for a limited time and this could be considered in future disability product development.

A further key factor identified in the Cardiff research is that people recovering from a health issue do better when they feel in control. This is significant because a lot of current claims management practice effectively removes control. For example, we

send people for additional medical evaluations and any support offered is *contingent* on a report being sent to the insurer, sometimes without the claimant even seeing it. Are we inadvertently scuppering our own best efforts to help people back to a productive life? Is it time for a re-think?

Such a re-think would need to include a detailed examination of how each stage of the company's claims process potentially removes a feeling of control from claimants and crucially, what claimants themselves are expecting and feeling at these points. We would need to look for opportunities to put the control back without compromising the end result, for example, by offering options rather than instructions and accepting that even if we don't know what's happening in the claimant's road to a productive life, something may still be happening!

Many of the ideas described do not involve additional funding, but more of a rearrangement of the order of current processes or a tweak here and there to the information gathered. But how will companies know if the new approach is any more successful than the old one? The key to this is in taking a portfolio view. People are unpredictable and even the best triage will not correctly identify all individuals who might respond to a specific intervention, so we must look at performance in terms of aggregate spend and overall reserve release.

As claims assessors we still need to be aware of the purely practical issues that may play a part in the success or otherwise of return to work efforts. The best rehabilitation in the world will not be able to manufacture a job opportunity that simply doesn't exist in the claimant's locality and pouring resources into unsuitable cases could distort the results of any pilot study into the effectiveness of any new approach.

No doubt as this research is consolidated with further work, and claims management professionals spend more time analysing its significance for their daily work, the best practice disability claims model will move on further. And it will be no surprise to see the specialist disability claims teams, like those who funded this important research, leading the way.

www.cf.ac.uk/psych/unum/index.html

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