Group benefits trends:

Scanning technology turns the paper claims process into a paperless one, with increased speed, accuracy and fraud prevention capabilities. For plan members, it means getting their money in the bank quickly. And, for plan sponsors, it means greater accuracy, advanced fraud protection, better cost management – all of which lead to peace of mind.

Here's how and why technology will continue to play a greater role in our industry.

The plan sponsor experience – a focus on claims management

As health care costs continue to outpace inflation – especially in the prescription drug area – it’s no surprise that many employers struggle to maintain their current level of coverage to employees.

This puts sponsors in a difficult position. Their current plan may now be too costly, and yet significant reductions to benefits are seen by members as a takeaway. Benefit cuts reduce employee morale and they can also eliminate a competitive advantage the sponsor may have had in terms of attracting and retaining talent within their industry.

Plan sponsors invest significantly in their group benefit plans – and these plans provide plan members with invaluable protection. They can form a key part of the total compensation package that an employer provides, and yet plan members often undervalue the benefits.

It couldn’t come sooner. Plan sponsors seek greater efficiencies to help manage rising benefits costs – and with the increasing expectation of plan members for ease and speed in their benefit plan transactions – the days of filing cabinets full of paper claims, long, complex plan booklets and extended wait times for simple claims adjudication are over.

Now is the time to turn talk into action. Innovation without execution is just an idea – and ideas don't help plan sponsors or their plan members get more from their benefit plans.

Good news; change has begun. The use of e-claims is rising rapidly – with instant adjudication that typically provides payment in 24 to 48 hours for health and dental claims – and a greener future for everyone.

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Increasingly, sponsors are looking to benefit providers for solutions, relying on them less as a claims payment processor and more as a claims management provider. This is where technology can play a critical role, allowing providers to increase efficiency, contain costs and help ensure sponsors only pay for claims that they have agreed to cover and are free from fraud and abuse.

A good example of the way technology drives foundational changes is in the way paper claims are processed, from submission to payment.

**Going Paperless**

With claims imaging and data lift using Optical Character Recognition, plan members’ paper health and dental claims can be processed faster, more accurately, and more efficiently. Sun Life’s FastForward system is one example that demonstrates how it works:

1. As claims are received, they’re scanned at high speed and automatically entered into the claims system, creating an online record of each claim.
2. Technology automatically inputs key claims data onto online forms that are fed into the adjudication system.
3. Specialized software identifies any missing information and prompts staff to make the entry required.
4. With all the information in electronic form, the claim is distributed immediately to the claims adjudicator – no couriers, no backlog, no limitation on time and place – just quick, accurate adjudication, and fast payment.

The advantages for plan sponsors are many. In terms of speed and accuracy, the imaging process reduces bottlenecks and gives much greater capacity during high-volume periods. The imaging and data lift capability gives better control over claims, so there is far less risk of misplaced claims. This ultimately translates to taking fewer days to process claims while dramatically increasing accuracy. And, the bottom line is money in the bank quicker for the plan member.

**Anti-fraud technology makes a huge difference**

This technology is also invaluable from a cost containment perspective. Benefits fraud is more easily detected, with faster access to images versus retrieving paper claims from storage. And the electronic capture of these paper claims means that insurers can more easily and effectively help plan sponsors analyze changes in claims utilization to help find ways to reduce benefits costs.

In addition to the scanning and imaging technology, powerful anti-fraud technology is now available to benefit providers. It uses data mining and profiling capabilities looking for unusual claiming patterns from among millions of claims data points. This also means that potential fraud is much easier and faster to detect.

With plan sustainability a very real concern for plan sponsors and cost containment an imperative – benefit providers must continue to leverage technology in this and other ways to help plan sponsors affordably maintain their plans.

**Plan members benefit too**

The use of technology in claims submission and processing is of significant benefit to plan members. It means:

- For benefit providers who have instant adjudication capability, plan members get their money faster;
- Call Centres can instantly access images of the submitted claim and can track its progress in real time;
- Increased accuracy.

E-claims submission is a green solution that significantly reduces the amount of paper used in the claims process. This is a key benefit in terms of the environmental stewardship that many providers, sponsors and members now expect.

For paper claims submission, data lift software can help members by reducing instances of data entry errors and resulting delays. Since claims are tracked electronically from day one, members receive faster response times to their questions as benefit providers can immediately identify a claim within the adjudication process.

**The plan member experience – a focus on engagement**

While technology can play a key role in claims management, it can also be used to communicate and educate to more effectively engage members in their plans.

Plan sponsors invest significantly in their group benefit plans – and these plans provide plan members with invaluable protection.
They can form a key part of the total compensation package that an employer provides, and yet plan members often undervalue the benefits.

It’s understandable. With a densely written plan booklet, a static website and little else in the way of communication, plan members have little reason to engage and learn more about what their plans offer. So, their knowledge of the benefits they have – and the processes that are available that can save them time and effort and save the plan sponsor money – needs improvement.

All that is changing. Education is leaping from words on a printed page to a more engaging and interactive experience. Many popular technology-based communication methods are bringing benefits information to life.

Rather than just a cover letter and booklet, new plan members receive an email that is personally addressed to them, with information that reflects their age, gender and their region. It welcomes them to the plan and provides a link to a video communication that the new members can access immediately. The video explains the key benefits of plan membership in an easy conversational style. The use of video – whether through live action or computer animation – is highly effective in terms of the level of engagement it creates. One University of Western Ontario study has shown that those who view videos retain 68% of the material they see, compared with just 10% content retention with Web text.

The following week, the plan member receives a brief, engaging desk drop print piece that provides a summary of the plan’s benefits coverage. The piece contains an M-tag, which is a barcode that can be scanned using a smartphone. When the member scans the M-tag, it automatically loads call centre and other plan information directly into the member’s phone. The plan sponsor may also use these tags in other ways, such as having the scan provide a link to a video that the member can play directly on their phone. For example, try this tag if you have a smartphone:

![M-tag](http://gettag.mobi)

Of course, a detailed benefits booklet is still required for members to understand the extent of their coverage. When the member needs the information, it can be accessed online. The booklet is viewed using flipping book technology. Flipping books are flash version of PDF documents that provide page-flip visuals to the user. They offer a dynamic and interactive experience for users, with the ability to embed video and audio clips, animation, and even surveys to help with plan member communications and engagement.

The technology imperative

Based on societal demographics, a majority of plan members (Generation X and Y combined) expect technology solutions as either a convenience or a necessity in their lives. And that number is growing. The group benefits industry must deliver. Here’s how the demographics break down.

Early Boomers (14% of the workforce, born 1946 - 1955) learned to appreciate the convenience of technology and have gained a level of comfort using the web for information and communicating, but there exists wariness around making transactions online.

Late Boomers (24%, born 1956 - 1964) are somewhat fluent in technology in their professional and personal lives; however, their eagerness and speed to adopt new technologies is not as high as younger generations.

Generation X (37%, born 1965 - 1979) expects the convenience of “always on”, anywhere convenience. Technology is a highly valued tool, and for most Gen. X, a necessary part of professional and personal life.

Generation Y (almost 25%, born since 1980) considers technology an “extension of the self”. It forms the infrastructure around which their lives (social, work, school) pivot - instant access, anywhere, anytime is expected.

The good news is that all of this technology is available now. It’s up to the group benefits industry to use it to enhance the plan member experience and the perceived value of the plan.

Looking ahead – 2011 and beyond

Arguably, one of the greatest innovations emerging today is the use of smartphones in the claims submission process.
By 2011, over 85 per cent of new mobile devices will be capable of accessing the mobile web [source is http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats#internet-phones]. It will soon become the norm for individuals to handle their financial needs - on the go through their mobile device taking advantage of constant and instantaneous connection. It will soon become the norm for individuals to handle their financial needs - on the go through their mobile device taking advantage of constant and instantaneous connection.

Plan administrators and sponsors have a great opportunity to take advantage of this trend by implementing a smartphone claims system. This allows plan members to access mobile applications with their smartphone and conveniently submit a claim online - and have it adjudicated instantly via their mobile device. This is another example of money in their bank accounts a lot faster.

On the plan member education side, watch for “augmented reality” technology to add even more impact to video presentations. Augmented reality uses a computer’s webcam to trigger a virtual 3D video. Such a video could detail the benefits of their plan or explain how to submit their claims online. It will be an exciting way for members to experience the information in a dynamic and engaging environment.

And as technology continues to evolve, the group benefits industry must keep pace. Though generation Y currently makes up just less than a quarter of the workforce, in 10 years the generation’s influence will be much greater, with the demographic comprising 40% of plan members, according to a March 2008 Human Capital Institute white paper. Now is the time for plan sponsors to partner with their benefit provider to ensure they adopt these innovative solutions that will not just meet the needs and wants of their members – but highly engage them to appreciate the value of their benefits plans. As benefit providers, our responsibility is to ensure that we provide our clients with the cost effective tools they demand while continuing to innovate and use emerging technology.

About Stuart: Stuart Monteith is Senior Vice-President of Group Benefits with Sun Life Financial. In this role, he sets the direction for Group Benefits and oversees all business unit initiatives to ensure they are aligned with Sun Life Financial’s overall goals.