



## SITUATION

Claims costs were skyrocketing for a major energy producer, who decided to choose a new third party administrator in hopes of lowering high reserves, increasing savings and reducing their balance sheet liabilities. They began looking for a risk management partner with specific state knowledge to develop a tailored plan that would immediately produce results. Ultimately, claims performance improvement needed to be a priority, both short- and long-term.

## ACTION

Avizent was chosen for the task, and began immediate, aggressive pursuit of claims closure. Our in-house data conversion experts quickly and accurately transitioned historical claim files into our system. Using our precise knowledge of applicable state regulations, our account service team was able to review and act upon a significant number of claims, also working to increase savings through settlement, an improved transitional duty program and implementation of our managed health care plan.

Key to initial and ongoing success of our partnership with the client was the creation of a new account team structure, designed specifically to meet their needs. Our dedicated team of an account executive, claims adjusters, and nurse case managers worked in tandem with the client's internal staff to develop special account instructions, detailing ongoing claims management procedures.

Close, consistent communication between the Avizent team and the client team was essential. By building a true understanding of the client's claim philosophy and establishing agreed-upon guidelines, Avizent was able to proactively launch early cost-saving efforts and now continues to produce positive outcomes for the client.

## RESULTS

In the first month of Avizent's service to the client, over 1200 claims were closed, reducing reserves by more than \$8 million. In our first contract year, we reached a claims closure ratio of 542%—more than five times our goal.

Total savings in Avizent's first year of service exceeded \$12 million. Case management efforts, including innovative return-to-work strategies, contributed to savings by significantly reducing lost time. Total TTD paid decreased by 45% in the first contract year. Utilizing our managed care plan, our team also reduced the client's medical costs by 37% over the first year of service.

The client continues to expand the use of our services. Additional savings have been realized through increased utilization of medical management. The grievance process within our managed health care plan has become a savings tool, helping to reduce litigation costs through expedited dispute resolution rather than a formal legal process. In addition, Avizent was able to take one segment of the client's business into a self-insured program, resulting in first year workers' comp savings of more than \$3 million—a 67% reduction.

The client was very satisfied with the smooth transition and the outstanding results of our first year as their TPA, and they continue to work with us years later. They are pleased with their dedicated Avizent team and how we have developed a true partnership.