



# Project Results from Lean Efforts

## Implementing Visual Management and Standard Work in Handling Claims

Department of Labor & Industries

2011

2012

Jan Apr Jul Oct Jan Apr Jul Oct

Project Duration

### Problem

In January 2010, a team began researching barriers in L&I claims managers (CMs) ability to medically manage a claim. During this research we discovered there were few agreed upon standards about the best methods to manage claims. To accurately identify problems in the claims management process, we first needed to stabilize and standardize the claims management process.

### Causes

Claims Administration had not had the opportunity to step back, observe, and reflect on the process CMs were using. For example, before Lean, when information was needed to progress a claim towards resolution, the CM would send a letter allowing 30 days for a response. If the information was not received in 30 days, a second request was sent giving another 30 days. This process could continue indefinitely, which resulted in delayed progress moving the claim to resolution. CMs piloted a new policy that would result in better outcomes and customer service for injured workers and employers. The pilot allowed the CM to ask for the needed information to be sent within 14 days. After the first request, the CM allowed a second timeframe of 14 days. If the information was not received, the CM made the decision with the information on file.

### Solutions

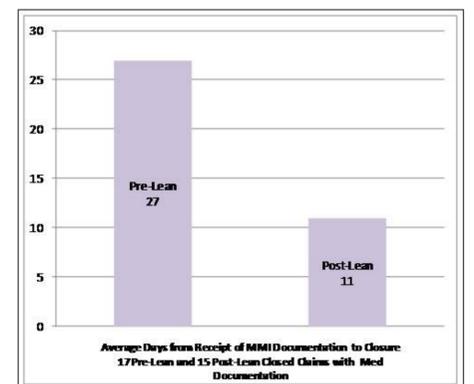
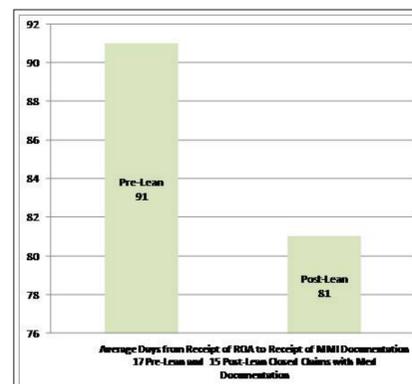
Before	After	Impacts
Reactive claims management did not allow the CMs to plan their work.	Standard work allows the CMs to plan how to respond to their work.	Stabilizing and standardizing the process will allow the CMs to continuously improve their processes.
CMs did not know the composition of their caseload or how to anticipate workloads.	CMs receive a weekly portfolio that details the make-up of caseloads.	Enables the CMs to target claims for closure earlier and prevent long-term disability.
CMs were unable to tell if a claim was "going off track" and unable to respond appropriately.	CMs can identify when they need assistance and know who to contact for help.	Allows for better use of CM resources and improves the CMs ability to manage those issues with future claims.

### Results

In June 2012, quality assurance staff reviewed 25 claims before standard work and another 25 claims after applying standard work. The average number of days for a worker to recover from the injury was reduced by an average of 10 days. The same sample showed claims were resolved an average of 16 days earlier. Standard work laid the groundwork for more improvements discovered by CMs.

### Next Steps

The next steps are to improve the measures and visual management while continuing to develop and improve standard work in Claims Administration.



Visual management tool used in handling claims

### Lean Methods Used:

Value Stream Mapping, A3 Problem Solving, Standard Work, Visual Management

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