



# 5:1 Return on TPA Investment

PMAMC & Bert Fish Medical Center Partner to Improve WC Program

*Bert Fish Medical Center is a 112-bed acute care hospital located in New Smyrna Beach, Florida. The medical center provides a full range of healthcare services, including intensive care, cardiology, surgery, radiology, oncology, and emergency medicine, to the nearly 50,000 residents and visitors in Southeast Volusia County.*



*BFMC maintains a “long-standing tradition of providing compassionate care with quality service,” and is heavily involved in providing benefits to its community, including hosting regular health fairs and blood drives for area residents. The medical center’s more than 700 physicians and medical center employees and 300 volunteers work to ensure that every BFMC experience is a positive one for its patients and employees.*

*A self-insured organization, BFMC engages a third-party administrator (TPA) to handle its workers’ compensation claims. In early 2007, BFMC selected PMA Management Corp. (PMAMC), the PMA Companies’ third-party administrator, for its efficient claims service model and willingness to partner with BFMC to help reduce its workers’ compensation program costs.*

**5:1** Return on Investment

**50%** Improvement in EMR

**45%** Reduction in Medical Expenses

**\$400,000+** In Claims Handling Savings

**\$87,000** In Unexpected Recovery Funds

## 5:1 Return on Investment (ROI)

Together, BFMC and PMAMC are achieving remarkable results for the medical center’s workers’ compensation insurance program. Their collective efforts to improve claims handling and reduce program costs have amounted to a 5:1 return on investment for Bert Fish Medical Center throughout its first two years with PMAMC.

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That means for every dollar BFMC has paid PMAMC in service fees, PMAMC has returned five dollars in program savings as a result of the efficiency of its claims handling model and medical cost containment programs.

“In the past, we were unable to leverage the cost savings available to us from fee schedules and the reduction of duplicate billing,” says Dennis Burgoyne, Director of Risk Management for BFMC. “There were simply inadequate controls in place to identify the cost reduction opportunities that we now experience with PMAMC.”

### Focus on Partnership

BFMC and PMAMC share a similar service model based on partnership and positive outcomes—two hallmarks of this relationship since its inception in January 2007. Initially, PMAMC supported and serviced BFMC during its transition to self-insured status with the State of Florida. While the relationship was a partnership from day one, this set the stage for a collaborative approach that continues to best serve the needs of both organizations.

Since January 2007, BFMC’s Experience Modification Rate—the number given to companies after its workers’ compensation claims experience is compared to other employers of similar size operating in the same industry—has dropped by approximately 50%. That result means BFMC has experienced fewer and less severe claims, which assists in maintaining its self-insured status with the State of Florida.

*BFMC’s Experience Modification Rate has dropped by approximately 50%.*

### Prompt, Effective Claims Handling

PMAMC offers comprehensive claims management services that go far beyond processing claims. Experts in workers’ compensation, PMAMC claims professionals drive a claims process that ensures claims are effectively managed in order to give injured workers the care that they need while controlling costs.

In the past two years, PMAMC has closed approximately 88% of the medical center’s open and takeover claim files, which translates into savings in excess of \$400,000. “Previous to our relationship with PMAMC, it was difficult to obtain sufficient resources to track and manage claims properly,” adds Burgoyne. “Now, through PMAMC, claims are opened, effectively managed and closed almost seamlessly, greatly reducing costs and simultaneously improving employee satisfaction.”

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Researching existing claims that have been open for extended periods, sometimes as long as several years, is part of PMAMC's claims handling model. For example, PMAMC reviewed an eight-year-old claim where BFMC had paid in excess of its workers' compensation requirements. The claim team gathered all available information, itemized BFMC's expenses, and contacted the excess carrier with its findings. The end result for BFMC was a recovery of more than \$87,000 from the excess carrier.

The BFMC risk management staff uses PMAMC's 24-hour online risk management information system, PMA<sup>®</sup> Cinch, to report, manage and track its claims. This system makes the preparation of standardized and customized reports a simple task that can help identify claim trends.

"Cinch is an added bonus in our partnership with PMAMC," says Burgoyne. "From fast and simple online claims reporting, almost instantaneous new claims acknowledgement, through claims status inquiries and powerful yet easy reports, Cinch is very easy to work with."

*PMAMC's 24-hour online risk management information system, PMA<sup>®</sup> Cinch, reports, manages, and tracks claims.*

### Reduced Program Costs

PMAMC scans clients' medical bills using re-pricing software that identifies inappropriate and/or erroneous medical charges. On occasion, based on the complexity of the billed charges, PMAMC's Medical Cost Containment Team of coding and nursing professionals will manually review bills. To date, these efforts have saved BFMC approximately 45%—or \$110,000—on its billed medical charges.

Additionally, PMAMC risk control consultants have assisted BFMC in establishing a formalized Return to Work program. As a result, injured workers are returning to the job, sometimes in light duty or modified roles, as soon as medically cleared to do so. This helps reduce the duration of claims, keeps injured workers active in their recoveries, and assists the medical center with its production and operational needs.

The BFMC-PMAMC partnership is working. Claims are under control and reported and tracked online. Medical costs have been reduced by almost half of what they were. Injured workers are returning to work as soon as medically cleared to do so and the efficiency of its workers' compensation program is saving BFMC money.

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*“PMAMC provides true dollar value and a superb, proven ROI.”*

“Our partnership with PMAMC has proven its value time and again,” adds Burgoyne. “We are able to follow claims efficiently, and when a question arises, the PMAMC staff has been exceptionally responsive, with both our medical center management and with its employees. Costs, and our WC Modification Factor have gone down, while our injured employees have experienced the great service they deserve. PMAMC provides true dollar value and a superb, proven ROI.”