



Happy with PMAMC in Happy Valley

Penn State University Enjoys a Long Track Record of Success in Workers' Compensation Claims Management and Cost Savings

Pennsylvania State University is the largest university in the Commonwealth and one of the largest in the United States, with more than 80,000 students at 24 campuses across the state. For more than 55 years, Penn State has relied on The PMA Insurance Group for workers' compensation insurance products and services.

"Our history of service goes back to the 1950s," says Dutch Bogaczyk, Senior Account Consultant, PMA Management Corp. "PMA started out as Penn State's insurance carrier for workers' compensation. Today, PMA Management Corp. (PMAMC) serves as the third-party administrator for the University's workers' compensation program, which is now self-insured." PMAMC, a service affiliate of The PMA Insurance Group, offers complete claims and commercial multi-line risk management services to individual, captive and group self-insured clients.

The PMA Insurance Group provides general liability and business automobile liability insurance to Penn State. PMA Management Corp. also provides Penn State with risk control services on an as request basis. PMAMC has served as consultant for the University's Safety Council meetings and has conducted loss prevention management and supervisor training.

A Synergistic Approach

Over the years, the two organizations have developed a synergistic approach to doing business together. “PMA Management Corp. is very responsive to our needs,” says Penn State University Employee Benefits Manager, Robin Oswald. “The company understands our working environment and the challenge it presents with over 30,000 employees at 24 campuses across the state.”

Three years ago, when the University was looking for a way to reduce its reporting time for claims, PMA Management Corp. worked with them to develop an internal reporting system that would streamline the reporting process from the University’s multiple locations to its workers’ compensation office at University Park. Since the system was implemented, the University’s average reporting time on lost-time and medical-only claims went from an average of 32 days in 2003 to 9 days in 2005.

“Penn State is a very responsible risk management organization,” says John Burke, Vice President, Claims—Eastern & Central Regions, The PMA Insurance Group. “The University makes sure their supervisors get the details of a loss together and report it very quickly. Timely reporting on their end facilitates our investigation process and allows for a prompt compensability determination, which ultimately leads to better financial outcomes.”

2003
32 DAYS



Average reporting time on lost-time and medical-only claims decreased 72% from 2003 to 2005.

2005
9 DAYS

Aggressive Claims Practices

Within 24 hours of receiving a claim, PMA Management Corp. Claims Representative, Curt Henry contacts the Penn State Human Resources Department, the injured worker and the attending care provider’s office to gather the facts of the claim. “If the claim investigation concludes that compensability should be accepted, we will start to pay the injured worker as quickly as possible,” says Henry.

On both lost-time and complex medical-only work injury cases, Henry works closely with Penn State Workers’ Compensation Specialists, Olga Perez and Deidre Yingling to lay out a strategy for investigating the claim. “We work together to come up with the best plan of action,” says Perez. “Curt has 15 years of experience with Penn State and serves as a consistent resource for us. He also plays a critical role in helping our employees understand the workers’ compensation process.”

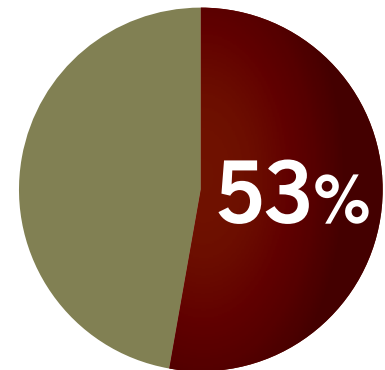
When an employee can't return to work because of an injury, Henry further investigates to determine if the employee can be released to modified work duty. "Penn State has established a panel of quality providers with an ethical return-to-work standard," says Henry. "They want quality care for their injured workers and, at the same time, they want the doctors to release them back to work when it is possible to do so."

To track the progress of their claims at any given time, Penn State personnel can log on to PMA CINCH®, an online risk management system that allows them to review their claims data, in a detailed format. "CINCH is one of the best tools we have," says Oswald. "It allows us to review medical documentation and adjuster log notes. We also pull data to design our own reports. It also enables us to respond to employee inquiries about the status of a claim or a medical bill. It's important to us to maintain a high level of customer service to our employees and CINCH helps us tremendously."

Repricing Programs

To enhance savings, PMA Management Corp. has all medical bills reviewed to ensure that they meet state fee schedules and to flag unnecessary charges. In 2005, this process resulted in a 53 percent reduction on medical bills for Penn State, which represented a savings of over \$1.6 million. "You have to be very sophisticated in your repricing programs in order to protect the assets of your client, and PMAMC is very aggressive in doing that," says Burke.

Penn State achieves additional cost savings through PMA Management Corp.'s strategic partnership with one of the largest managed care provider networks in the country. "When a provider within the network renders treatment, we may be able to take further reductions on medical bills below the Pennsylvania medical fee schedule," says Burke. "In many cases, these contractual discounts range from 8 to 20 percent on top of fee schedule savings."



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Continuous Improvement

PMA Management Corp. and Penn State strive for coordinated execution when it comes to managing claims and containing costs and the results speak for themselves: "For the past six years, Penn State's average payout for lost time claims has been approximately 44 percent lower than the average for the Commonwealth of Pennsylvania," says Bogaczyk. "We accomplished this by combining efforts on earlier reporting and aggressive claims practices."

To ensure continued success, the two groups meet quarterly or more frequently as needed. “PMA Management Corp.’s knowledgeable staff is always available to us. They advise us, listen to our concerns, accept our input, and gather all the details of an investigation so that a correct decision can be made regarding an employee and his or her injury,” says Oswald. “PMA continuously works with us to make our processes better for both the injured worker and the University.”