

About BETA Healthcare Group

As the largest professional liability insurer of hospitals on the West Coast, the organization provides liability coverage to more than 250 hospitals and healthcare facilities, 6,000 physicians and more than 50 medical groups on the West Coast.

As a joint powers authority, the organization enables district, county, city, and nonprofit healthcare facilities to self-insure their liability claims and losses by pooling risks among similar healthcare facilities.

BETA Risk Management Authority provides workers' compensation coverage for over 40,000 healthcare workers in California.

Number of members: 107

Number of employees: 110

Number of locations: 4

Beta Risk Management Authority Greet Change with InsurTech

Before it merged with Beta Healthcare Group earlier this year, Alpha Fund was a monoline workers' compensation organization established by an enterprising group of healthcare districts that pooled their capital and decided to self-insure and manage their own claims.

Now as **BETA Risk Management Authority**, the organization provides workers' compensation, healthcare professional liability, medical professional liability, directors' and officers' liability, and auto liability and physical damage coverages to healthcare providers.

At the time of the merger, Alpha Fund serviced members ranging in size from \$250K to \$2M in contributions, and only business segments in the healthcare space – from large non-profit hospitals with up to \$300M in payroll, to super-small accounts with only five employees.

As the two organizations joined forces, they realized they shared many customers, but offered completely different programs and did not compete in those lines of business. Since the merger, however, many programs have been combined, including workers' compensation and liability. Together, the vision is one: reduce costs and provide better outcomes for members and patients. In fact, that vision is a differentiator for BETA, and as such, requires top notch people and technologies.

Rick Krepelka, a member of the Technology Committee of the California Association of Joint Power Authorities (CAJPA) and Chief Operations Officer at Golden State Risk Management Authority, agrees that technology is a game changer for the JPA industry. "The JPA world is having to grow up," he says. "Consider that 10-15 years ago we didn't worry much about data or care about analytics, we just wanted to figure out how much it would cost, then we'd write the checks and pay the bills. Now the focus is on the government asking for more and more data; we are starting to look at analytics so we can be more progressive on loss prevention and savings."

Seeking a Far-Reaching Solution

The idea that cost savings and loss prevention (better outcomes) are table stakes is not lost on Bill Scribner, who served as Alpha Fund's Director of Technology and Operations in 2012 when Alpha Fund first engaged CHSI Technologies to streamline efforts around servicing members. "We wanted to centralize Alpha's membership database into a single source system. Of course, we didn't know we would see exponential growth, or ultimately merge with another fund."

Of the many modules that comprise CHSI's Connections core enterprise-class software, the organization's initial interest was in solving something as elementary as looking up a contact at XYZ facility, and after evaluating a number of other options, its interest was piqued with Connections' CRM system.

"Five different people with five different names would pop up on spreadsheets—never correct," recalls Michelle Reager, Director of Underwriting, Workers Compensation.

"Secondarily, we wanted to create consistency with our reports and data analysis, so we needed a report writer that would allow the output for everyone's reports to look the same, with ease of production and data integrity, from loss prevention to accounting."

Other considerations were the varying size of member accounts, the complex nature of the workers' compensation business, and the constant management and frequent touches with clients (notably with claims, their injured workers, employers, etc.).

Now employing all of Connections' cloud-based, configurable modules, the system has been particularly useful in helping BETA with payroll audit underwriting and renewals, says Reager, a 14-year veteran of the organization.

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Unique Requirements

Most of BETA's members are guaranteed cost, which means underwriting, risk management, and claims management from a severity standpoint become completely integral – the member pays a guaranteed cost price, regardless of the amount of claims costs incurred.

"JPAs have had to step up and do what insurers have been doing for years: do a lot more with still the downward pressure on contributions (premiums), which can make for a high-pressured underwriting environment," notes Krepelka.

"It's so important to be as precise as possible with underwriting and binding, and being able to share information across all functional business areas. It's where we see the biggest value components to Connections," Reager says.

Once underwriting is complete, Connections helps, from the back office to the front, with the quote process. "Connections enables us to mask certain data that is visible to the broker vs. the member," Reager points out. "Although commission data is part of the quote-building process, often the broker will ask that their commission not be reflected on the quote, and Connections can be configured to leave that information out."

Efficiencies are also seen with the renewal process. "In 2011, we were hand-typing our letters in Microsoft Word, entering the rates, doing a mail merge, etc.," says Reager. "Now with Connections, because of the way we backfill the quote from payroll audit area, which holds payroll, class codes, etc., it auto-renews, so it's just a matter of inputting what the Xmod is, importing our rates, and out comes the document."

Now that the two organizations (Alpha and BETA) are one, Scribner, (now BETA's Vice President of Business Intelligence), reflects on the changes and customized configurations made possible by Connections. "We can do so much more today than five years ago," Scribner says. "It's not just the fact that we can perform more efficiently and can produce more quality work; it's that we have a repository of information – namely, data."

That data will gain more and more importance as the BETA organization moves forward. "We have a 12-month vision, and are very early in the integration process," he says.

"Connections will be a big part of that."