

TPA Guide

Anchor Risk & Claims Management

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I. Organization & Structure of ARCM

Anchor Claims/Risk Management is a premier provider of Claims Administration for Non-Subscribers in the state of Texas. Anchor has been handling Non-Subscription Claims for over 30 years throughout the state of Texas for various types of businesses.

Learn more about Anchor Risk & Claim Management's:

- Philosophy
- Experience
- Client Listing
- Leadership

Our Philosophy

Provide the highest level of service to our Clients with the emphasis in sharing information to create and maintain a proactive Claims management partnership.



Experience

Anchor is a Third-Party Claims Administrator with experience and exposure to complex Non-Subscription Claims. We pride ourselves in stating, “We are more than just Benefit Administrator, we are a full-service Claims Administrator.”

- Anchor has been handling Non-Subscription Claims since 1989
- Over 200,000+ Non-Subscription Claims handled
- Staff average of over 14.5 years of handling Non-Subscription Claims
- 3,000+ Litigated Claims handled in all venues (Arbitration, State, and Federal Courts)
- Full-Service Claims Administrator
- Dedicated Adjuster Program: Adjuster involved with our Client’s development, customized service needs, Mediation/Arbitration attendance and daily claims administration

We understand the importance of taking care of your Employees through/by the Administration of your Injury Benefit Plan. However, we also understand the importance of Negligence and the type of Investigations that need to be done on **ALL** claims, so our Adjusters investigate all incidents.

Carrier Relationships

Anchor is approved to act as a Third-Party Claims Administrator for the following Carriers:

North American Insurance

American Fidelity Insurance

Republic-Vanguard Insurance

United National Insurance

Lexington Insurance

Highmark Casualty Insurance

Safety National Insurance

Arch Specialty Insurance

Midland's Insurance

Great American Insurance

Crum & Forster Specialty Insurance

Old Republic Insurance

Convex Insurance

Zurich Insurance (Workers Comp)

Swiss Re

Client Listing

Some of our clients include...



Dedicated Service Team - Leadership

Byron McBride, *Claims Manager*

Manager for the Non Subscription Claims Department. Multiple years of experience in managing, administrating, and consulting on Non Subscription Claims and employer benefit plans. Actively involved in the more complex benefit disputes, coverage issues, and negligence Claims. Prior experience in workers' compensation, general liability and commercial auto, as an Adjuster, Supervisor and Manager. Licensed in Texas. Over 30 years Insurance Industry experience.



bmcbride@anchor-risk.com



214-295-1543

Argelia Castanon, *Assistant Manager*

Non Subscription Claims Supervisor. Supervises team of Adjusters and assist with Department Operations. Experience in the interpretation of a variety of Employer Benefit Plans, Medical and Disability Management, and Litigation. Licensed Adjuster in Texas. Over 19 years of Insurance experience. Bilingual (Spanish).



acastanon@anchor-risk.com



214-295-1537

Corie Autry, *Director of IT & Database Administrator*

Dedicated to the development and support of Anchor Risk & Claims service products including Pyramid, Insured System, & vendor interfacing. He is responsible for Oracle data redundancy & 100% uptime. He is responsible for custom claim reports and claim interfacing.



autry@anchor-risk.com

Dedicated Service Team

Anchor's Texas Non Subscription team consists of over 28 claim adjusters and support, plus two nurses. Anchor is dedicated to and achieves the highest client service standards. Anchor is a well experience Texas nonsubscription team with an average tenure of over 15 years. Anchor adjusters handle a variety of Employer Benefit Plans, Medical and Disability Management, and Litigation files.

II. Program Overview

- ✓ Reporting of Claims
- ✓ Claims Administration- “Two Prong Approach”
 - Benefit Administration
 - Negligence Investigation
- ✓ Litigation Management
- ✓ Claims Escrow/payment process
- ✓ Statutory Filings
- ✓ OSHA Data Storage & Reporting

Reporting Claims to Anchor

Anchor is prepared to customize their claim in-take process to meet the needs of our Clients.

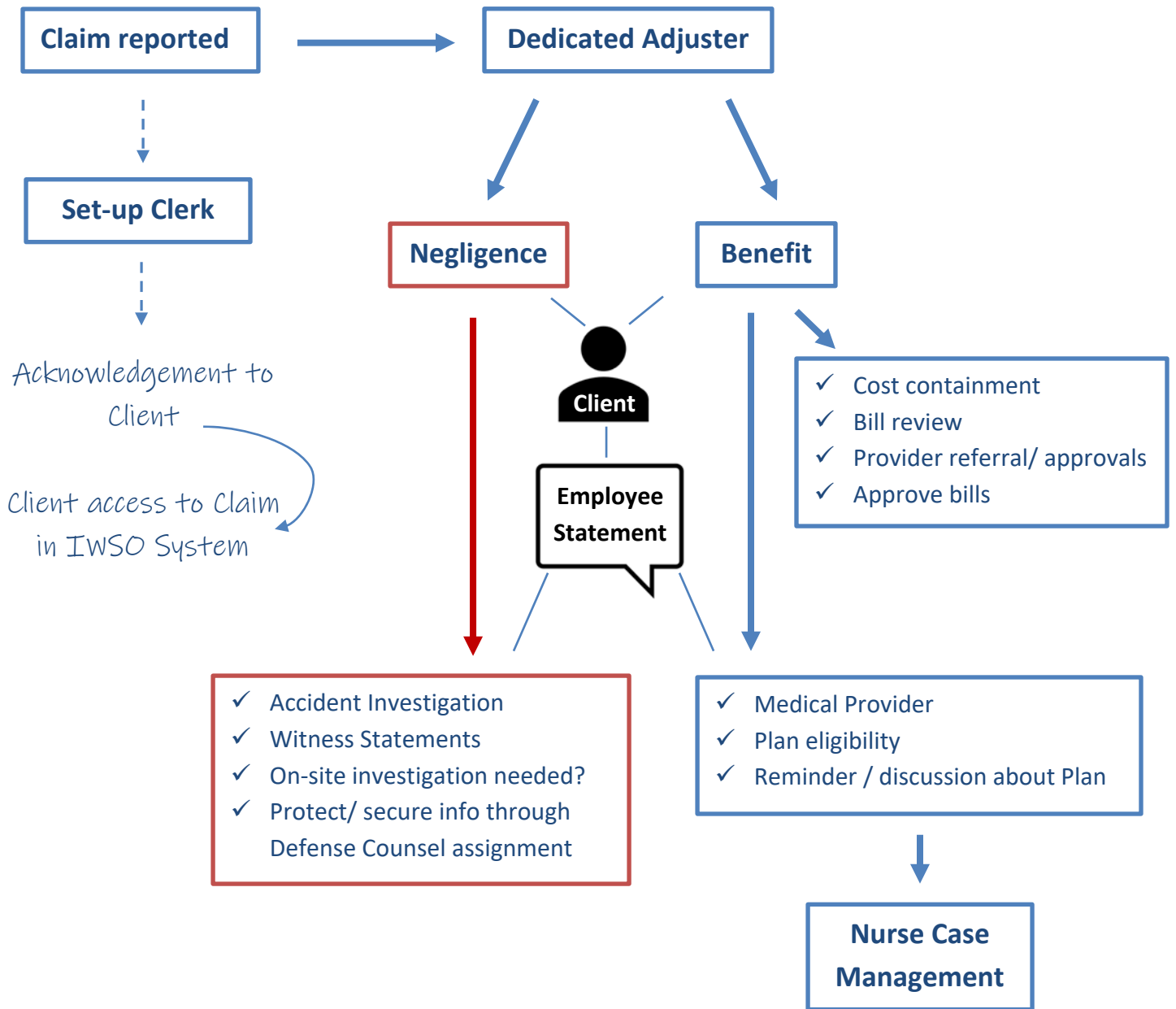
The Standard option of reporting Claims, will be via:

- Online – via www.anchor-risk.com or with claim link provided by Anchor
- Via Email: firstreports@anchor-risk.com
- 1-800: phone reporting system: After Hours or 24/7 intake
- Facsimile: 800 reporting line

Notification of Claim to Client

1. Claim will be entered into our system the same business day upon receipt and/or no later than 24 hours.
2. Auto receipt of claim when submitted by claim link or email.
3. Anchor will send an email notification of claim (with any specific/required information) to designated parties for Client.

Claims Process



Complete Third-Party Claims Administration

Benefit Administration

Majority of the time and effort required for solid claims handling is through proper Benefit Administration of an Employee Injury Claim. We want to make sure that when an Employee is injured on the job, they receive the best quality care. **Three-point contact is made within 24 hours of receipt of claim** (Recorded Statements obtained when deemed necessary).

Our Adjusters...

- ⇒ Are experts in handling benefit Claims under the Employer's Injury Benefit Plan
- ⇒ Identify and provide the best medical care for an Employee
- ⇒ Have thorough knowledge of the plan and its provisions
- ⇒ Determine compliance of medical care and plan participation by the Employee
- ⇒ Collectively work with the Client to advise, recommend, and implement action plans to return the Employee back to work as soon and safely as possible.

If there is any sense of the Employee being uncooperative or trying to circumvent the benefits under the plan, the Plan Administrator is notified immediately. A plan for future handling is discussed between the Employer and Anchor Claims.

Complete Third-Party Claims Administration

Negligence Investigation

Even though litigation is minimal, it is an exposure that MUST be part of the initial file investigation.

Our Adjusters...

- ⇒ Investigate and review accidents for negligence exposure to the Employer.
- ⇒ Document file with a liability investigation and preserved as part of the Claims file.
- ⇒ Carefully monitor and review for any fraudulent activity by the Employee.
- ⇒ Are knowledgeable in Defense Strategy based on experience in handling Litigated Claims.
Attend Mediations, Arbitrations, and Trials on/with the Client.

Service Offerings

Claims Escrow Account (payment of claims on behalf of Client)

Anchor will create an account specifically for the Client with our banking partner, Compass Bank. An initial paid loss deposit will be determined by Client based on average amount of paid losses. Our preferred method is to have the Client wire the initial funds and subsequent funding via a wire transfer. All accounting functions will be provided Anchor.

Check register will be sent Monthly to the Accounting contact for the Client for “replenishing funds for account”. Custom features can be established at the Client’s request should they wish to implement any additional steps to this standard procedure.

Claim/Program Review meetings

Anchor believes in communication. We will coordinate Quarterly, Monthly or Annual reviews with our Clients to discuss claims, Benefit Plan enhancements/adjustments, Safety & Risk issues.

I.T. Services

Anchor will allow its Clients to have access to all their Employee Claims via their ClaimsSonic program. Clients will be provided a view only access that allows them to see claim notes, financials, investigation information, etc.

ADDITIONAL SERVICE OFFERINGS ARE AVAILABLE

Statutory Filings

DWC-7 Form

Will file Monthly with the Texas Department of Insurance – Division of Workers Compensation.

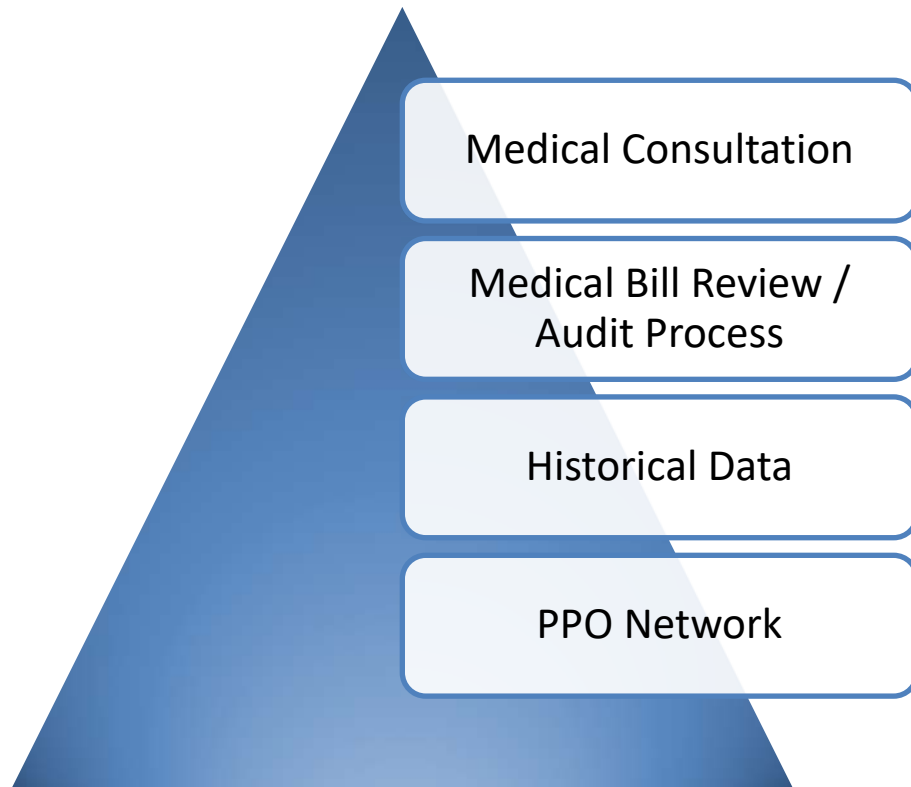
Medicare Query/Reporting

Will act as Client's Account Manager and file all claims with Medicare (within required reporting guidelines). Complete any required information with Medicare upon request.

OSHA

Anchor can assist the Client with OSHA filing requirements. We can track and record the accident information in our Claims System. This will allow us to provide accurate information for the Client's annual filings whether by hard copy or utilizing the OSHA data upload system. Anchor can create OSHA 300 logs and OSHA 301/per accident forms.

III. Medical Cost and Containment



Medical Director

As part of our Claims Service team, Anchor has an “in house” nurse, via our affiliated company, CrossPoint Medical Management. We are able to offer Michele Villa to act as the Medical Director for our clients.

She will assist on Claims with complex and/ or questionable medical issues through our telephonic Nurse Case Management and Medical Review Department. Her goal is to provide a cost-effective design commensurate with the level of services we can provide our partners. The focus is achieving best possible outcomes through optimal medical management. In addition, she will monitor and assist with any Outside Field Case Organization utilized by Client. In some cases, she can also provide:

Active Telephonic Case Management - This level of service is for those partners that want CIA directly involved in the administration of the Claim. Beyond just reviewing and making recommendations, in this capacity we are involved with assisting in the decision-making process.

- Assess need for/facilitate on-site field case nurse
- Provides medical case management to achieve goals of med plan and best possible outcome
- Monitors / oversees field case nurse manager to achieve goals
- Recommends alternate options for medical care including outside medical review/expert opinion to facilitate Claim resolution

On – Site Case Management - Comprehensive, independent assessments of injured worker medical status through entire Claim episode and evaluates need for on-site case management services

- Review medical records for appropriateness of care and progress
- Flexible services according to employer and/or Adjuster requests
- Coordinate Onsite Case Management through actual assignment and monitor of services to be rendered
- Coordinate Onsite Case Management through actual assignment and monitor of services to be rendered

Medical Bill Review / Audit Process

Anchor Claims performs an audit and review on all medical bills submitted on a Claim. The Bill Review is completed in our office through a professional auditing software that is currently being utilized by several large medical bill re-pricing companies.

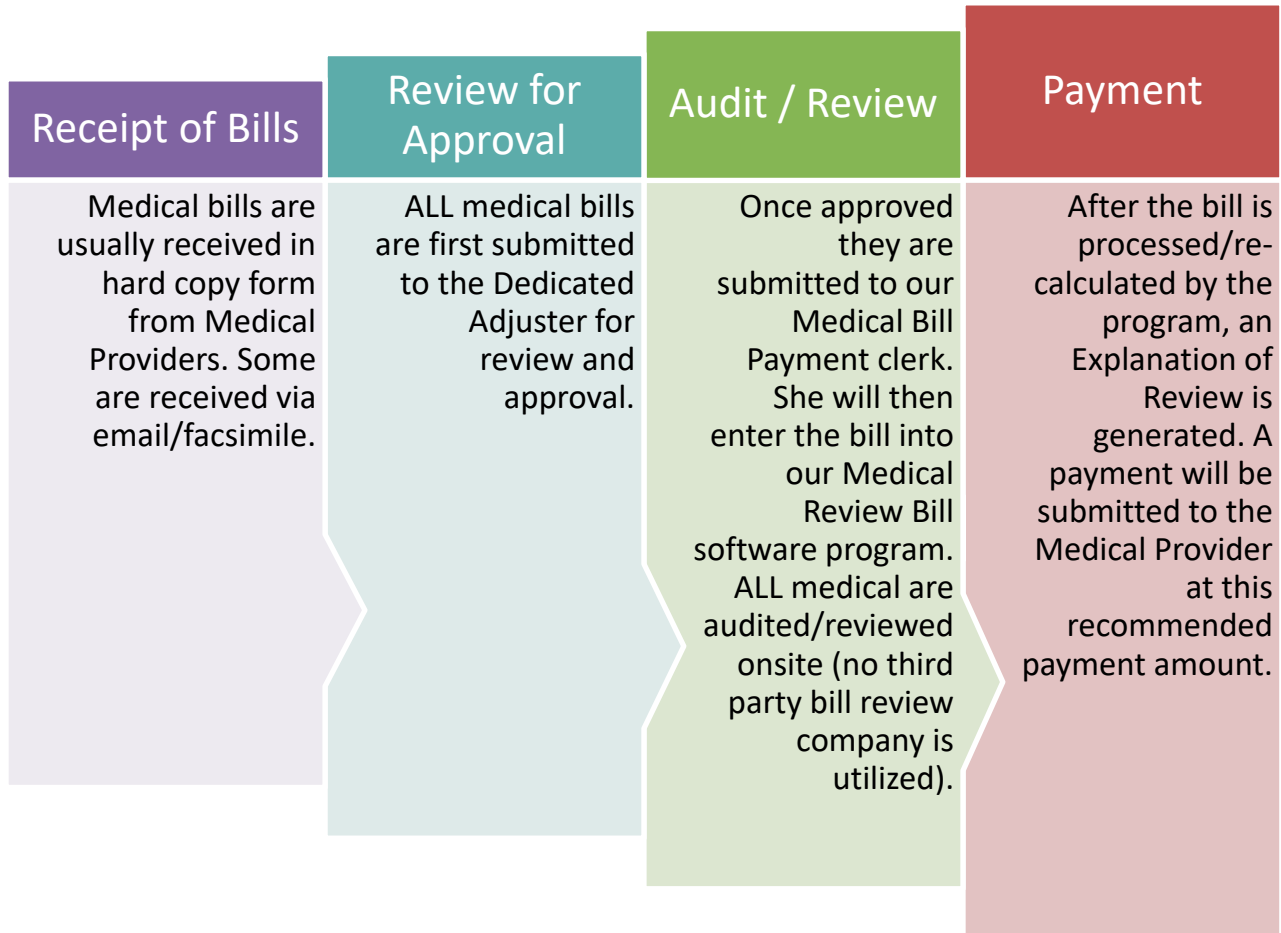
- All completed “In House” at Anchor’s Dallas Claims office
- All Bills audited down to Usual/Customary: Defined as Texas Workers Compensation Fee Schedule, i.e. 125% Medicare accepted rate
- Additional audit feature: All bills after initially audited are then processed through the
- Coventry PPO network to find additional savings. On average 12% additional savings produced
- Currently producing a 40%+ savings per average on all medical bills audited/reviewed
- Ability to negotiate Fee Agreements with Medical Providers
- All medical bills are audited. There is no charge if savings are not produced.
- Explanation of Review is generated on every medical bill (regardless of savings/reduction)

Historical Bill Review Report

Month	Count	Billed Amount	Savings After Audit	Paid Amount After Audit	Total Savings
2021-01	5,213	\$ 3,946,043.64	\$ 2,211,455.42	\$ 1,734,588.22	56.04%
2021-02	3,990	\$ 2,983,239.85	\$ 1,633,682.68	\$ 1,349,557.17	54.76%
2021-03	5,185	\$ 4,092,315.25	\$ 2,273,128.39	\$ 1,819,186.86	55.55%
2021-04	4,725	\$ 3,442,374.58	\$ 1,780,785.71	\$ 1,661,588.87	51.73%
2021-05	3,752	\$ 3,219,955.98	\$ 1,730,842.71	\$ 1,489,113.27	53.75%
2021-06	4,902	\$ 3,533,600.49	\$ 1,819,316.77	\$ 1,714,283.72	51.49%
2021-07	3,897	\$ 2,902,783.37	\$ 1,551,856.29	\$ 1,350,927.08	53.46%
2021-08	5,362	\$ 4,589,206.50	\$ 2,589,808.31	\$ 1,999,398.19	56.43%
2021-09	4,099	\$ 3,696,597.04	\$ 2,184,822.45	\$ 1,511,774.59	59.1%
2021-10	3,948	\$ 3,189,740.87	\$ 1,702,226.67	\$ 1,487,514.20	53.37%
2021-11	5,505	\$ 4,624,402.99	\$ 2,577,587.96	\$ 2,046,815.03	55.74%

Average savings per bill: 54.67%

Medical Cost Containment Process



Preferred Provider Medical Network

Anchor utilizes a National PPO Network – CareWorks PPO & Coventry PPO Network

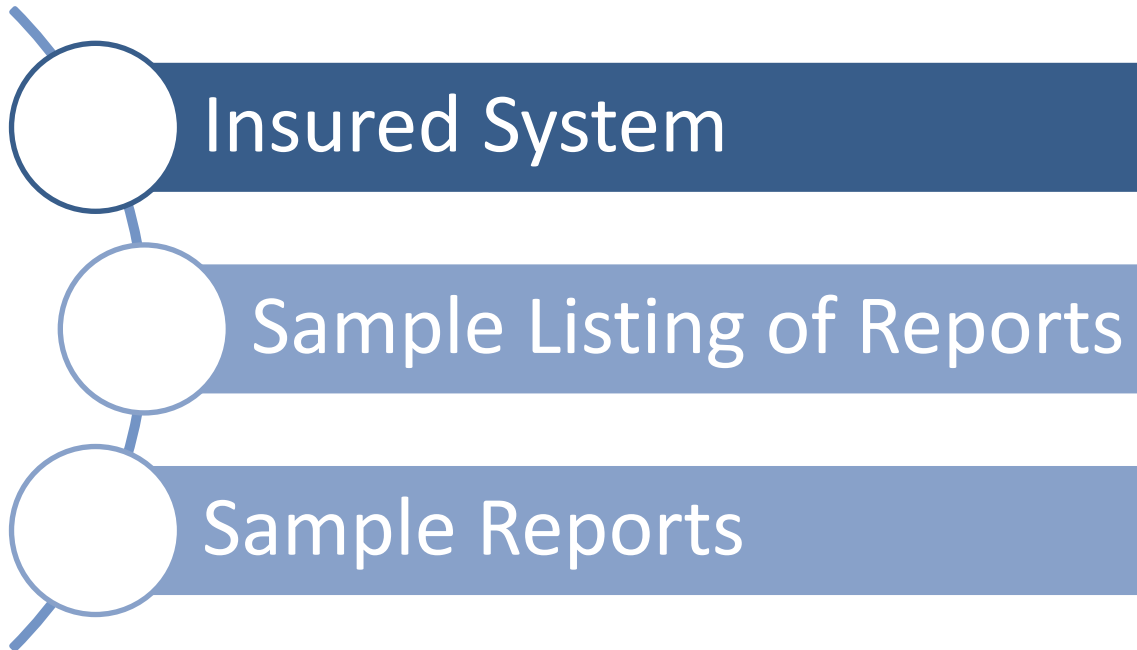
Rockport has created a special Texas Non-Subscription Network for Anchor: Rockport's HCN offering, which was certified by the Texas Department of Insurance (TDI) in November 2010. Rockport currently provides coverage in 105 counties, covering the majority of the population in Texas. We have recently filed a material modification to expand our coverage to include an additional 45 counties, extending coverage to over 95% of the population with 150 counties representing our network service area once approved by TDI. With respect to the remaining counties, primarily in rural areas, Rockport will continue to expand if sufficient provider and hospital access is available.

Anchor Claims Management does not require the use of our Healthcare/Physician Network. Our clients should have the right to select what Physicians they want their Plan Participants to see. We do have Physicians that we can recommend based on demographics and specialty field.

We would create and/or obtain the Physicians being utilized by the Client and then ask that the Medical Provider(s) to adhere to the Client's service request for the exchange of information on the treatment of their Employees. We recommend establishing a customized network for each location for our client. This would be made up of 2-3 primary care providers and one Hospital/Emergency facility.

Anchor selectively utilizes the Providers within the Rockport Healthcare Network, to insure the clients' employees are receiving the highest quality medical care and adherence to Client's protocols. If any concerns should arise, then the Adjuster would discuss the matter with the Client's Plan Administrator to decide if a change in provider is necessary.

IV. Claims System & Loss Trend Report



Insured System

100% Transparency

Anchor believes in the integrity of its work product and communication with their clients. We want to put information at their fingertips. Therefore, Anchor Claims Management has created an on-line system to allow our Clients to view their Claim activity. This system can be accessed through our website: www.anchor-risk.com

The System:

- ⇒ Allows our Clients to report a Claim on-line
- ⇒ View Adjuster notes
- ⇒ View all Claim file documents (Medical reports/bills/correspondence)
- ⇒ Review Financials: Payments and reserves
- ⇒ Print and Review Explanation of Review (document showing Medical Audit results)
- ⇒ Create Ad-hoc Claim reports and loss runs
- ⇒ All information is “real-time”, no delay on obtaining information.
- ⇒ No limit and/or costs for additional Users
- ⇒ Security: Each User is given their own User ID and Password

Training will be completed with an on-site visit by the Dedicated Adjuster or Account Manager.

Standard System Reports

Anchor will establish a Set of Standard Reports for User to utilize. The reports are specific to Customer's Claims data.

Standard Reports:

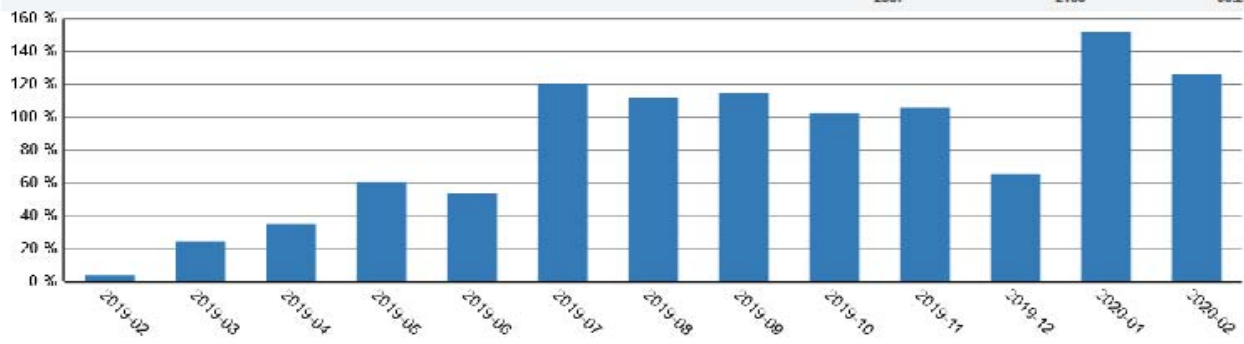
- Average Paid by Location
- Body Part Summary
- Claim Closed Ratio
- Claims by Age of Employee
- Claims by Department
- Claims by Length of Employment
- Claims by Location
- Claims by Loss Cause
- Claims by Month
- Denials by Location
- Lag Time
- Losses by Location
- Nature of Injury Summary
- Source of Injury Summary

XYZ COMPANY

Claim Closed Ratio

Insured:
Date Range: Feb-2019 - Feb-2020

Accounting Date	Added Claims	Closed Claims	Ratio %
2019-February	74	3	4.05 %
2019-March	90	22	24.44 %
2019-April	136	48	35.29 %
2019-May	179	109	60.89 %
2019-June	179	96	53.63 %
2019-July	225	272	120.89 %
2019-August	210	235	111.90 %
2019-September	184	211	114.67 %
2019-October	211	216	102.37 %
2019-November	212	224	105.66 %
2019-December	308	201	65.26 %
2020-January	175	266	152.00 %
2020-February	184	232	126.09 %
	2367	2135	90.20 %



Anchor Risk & Claims Management

TPA General Service Offering

All Inclusive Quote

Claim Type	Service Fees
Indemnity Claims	Included in yearly contract / inclusive fee
Medical Only Claims	Included in yearly contract / inclusive fee
Record Only Claims	Included in yearly contract / inclusive fee
Duration of Claims Services	Included in Per Claim Fee. Service for claim handling is for <u>life of contract</u> from inception to end of contract.
Claims Index Search	Fee on per claim basis: Client will establish which claims they would like for Anchor to send to ISO for review.
IT Services / Initial Account Set Up	One Time Set Up Fee. Cost associated with establishing Client within Anchor's Claim System. Includes: establishing Escrow Account, linking/use of Clients Location and/or Department codes, and/or data bridge to external Agent/Claims/Risk Management systems.
Medical Bill Review / Repricing (Usual and Customary)	Percentage of Savings (subject to cap per claim and/or bill) Anchor will audit all medical bills on behalf of Client on site. Anchor utilizes a software program (same used by National Bill Review Companies) to review/audit medical bills. An Explanation of Review document created.
Optional services provided by Anchor	
Customized Reports	Hourly fee for I.T. Development: Anchor has extensive Database of reports already created that are accessible and can be modified for Client at no charge. However, this cost is associated for I.T. programming of any kind of Special/Custom report for the Client that are not already created in our Loss Trend Report Database.
800 – Telephonic First Report Service	Monthly fee: Anchor provides an '800' telephonic claims reporting service with one of its exclusive trading partners. Clients can call in their claims and Anchor will create an information gathering template to obtain all necessary (and Client requested) information about incident.
Nurse Case Management	Hourly fee: Telephonic Case Management (done by Anchor's In-House Nurse) Hourly fee: Field Case Nurse

TPA General Service Offering

Per Claim Quote

Claim Type	Service Fees
Indemnity Claims	Fee on per claim basis: Indemnity is defined as Lost Time Claim (Disability Benefits Paid), Denied Claim, and/or Litigated Claims
Medical Only Claims	Fee on per claim basis
Record Only Claims	No charge/ fee
Duration of Claims Services	Included in Per Claim Fee. Service for claim handling is for <u>life of contract</u> from inception to end of contract.
Claims Index Search	Fee on per claim basis: Client will establish which claims they would like for Anchor to send to ISO for review.
IT Services / Initial Account Set Up	One Time Set Up Fee. Cost associated with establishing Client within Anchor's Claim System. Includes: establishing Escrow Account, linking/use of Clients Location and/or Department codes, and/or data bridge to external Agent/Claims/Risk Management systems.
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Optional services provided by Anchor	
Customized Reports	Hourly fee for IT Development: Anchor has extensive Database of reports already created that are accessible and can be modified for Client at no charge. However, this cost is associated for IT programming of any kind of Special/Custom report for the Client that are not already created in our Loss Trend Report Database.
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Nurse Case Management	Hourly fee: Telephonic Case Management (done by Anchor's In-House Nurse) Hourly fee: Field Case Nurse

TPA General Service Offering

Services included with All Inclusive Fee Quote and Per Claim Fee Quote

General Services	
Dedicated Adjuster(s)	Anchor will initially assign multiple Dedicated Adjusters to solely handle ATW claims only. If volume of claims warrants additional Adjusters be assigned to account, Anchor will do so with no additional charges/fees.
Claim / Loss Trend Meeting	Anchor will provide Quarterly, Bi-Annual, or Annual Claim Reviews/Loss Trend Meetings.
Benefit Plan Administration	Dedicated Adjuster will utilize Insured's Benefit Plan to administer Employee Injury Benefit Claims.
Subrogation Investigation / Management	If Employee's injury is due to the negligence of a Third Party, Anchor will pursue on behalf of the Client at no additional charges or % of recovery.
Litigation Management	Anchor has handled and monitored over 1,000 Texas Non-Subscription litigated files. We will provide guidance in the management of litigation. Client will be provided with our Panel of Attorneys, if needed. Anchor will attend Mediations, Trials, and Arbitrations on behalf of the Client.
Adverse Benefit Determination Letters and/or Correspondence	Anchor will complete and draft all necessary documents, letters, and filings on behalf of the Client as it relates to the administration of their Benefit Plan.
Escrow Account for payment of claims within Retention	Anchor will establish a Bank Account for payment of medical bills & Invoices that are within the Client's Self Insured Retention. Anchor will make payments out of this Account on behalf of the Client. All Banking activities will be completed by Anchor. Weekly and Monthly Check registers can be supplied to Client, upon request. Client is asked to deposit and maintain an agreed amount into Account.
Statutory Filings: DWC7	Anchor will file all DWC7 on behalf of the Client as required by TDI. In addition, Anchor will respond to all TDI inquiries.
Medicare –Sect. 111 Reporting	Anchor will assist in the managing of filings for Section 111. Anchor will act as the Account Manager and allow the Client to utilize Anchor's Submission Agent for the filing of claims that are within the Section 111 reporting rules.
Fax/ Express & Certified Mail Postage/Copy work / Phone	All administrative services are deemed internal operating costs at no charge to Client.
Monthly Loss Runs	Anchor will provide monthly loss runs via automated email sent on 1st day of each month to Client. Agent can also be included, if requested by Client.

TPA General Service Offering (Cont.)

Services included with All Inclusive Fee Quote and Per Claim Fee Quote

General Services	
In House Nurse Case Management	Anchor has an in-house Medical Director. Client will be able to utilize R.N. to assist with general questions and non-complex medical guidance on claims. <i>Ability for Client to utilize R.N. for telephonic/field case Management at additional charge.</i>
Risk Management Reports (Standard)	Anchor has developed numerous Risk Management/Loss Trend reports for its clients. Anchor will provide these created reports at no charge to the Client.
Internet Viewing of Claim File	Anchor has a web-based claims viewing system via www.anchor-risk.com . The Client will be able to view all claims. The System allows the Client to see Adjuster Notes, Financials, all claim documents, Loss Runs, and create some ad-hoc reports. Each User is provided a User ID & password. (Unlimited number of users)
Standard Reporting of Claims	Anchor will provide claim reporting documents and accident forms. Online reporting available via www.anchor-risk.com

Contact Information

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