



Flexibility

The only way to conform to your specific organizational needs



An Overview
of an Accountable & Always Available
Staffing Model for
Maximizing TPA Claims Outcomes

Claim Management Challenges

Accountability begins with your TPA and adjuster, each of whom should be as flexible as possible

You need to:

- A. Have immediate, individualized access to knowledge with onsite or nearby dedicated staff who are proficient with your claims practices and objectives without the caseloads associated with many traditional, designated adjuster models
- B. Gather information quickly using non-proprietary, industry leading, risk management information systems software with a dedicated systems support staff and trained dedicated adjusters
- C. Monitor & allocate expenses effectively by having a partner who is completely objective when recommending added claim services
- D. Maintain full disclosure with a partner who keeps you apprised on open claims and has immediate access to you for file reviews and provides strategies for claims resolution

We have the solution ...



What is Flexibility

A new way to conform to your specific organizational claims needs:



What does Flexibility offer you ?



Immediate Claims Access

- On-site or nearby fully devoted staff
- Instant claim analysis
- Assistance with basic RMIS functions



Best Quality Control

- Anytime claims review
- Join meetings instantly for valued input
- Targeted training specific to one business account
- Dedicated staff's work is supervised monthly



Transparency

- Use of vendors specific to one business account
- Regular reporting available
- We manage the staff on behalf of your organization
- You assist with choosing your dedicated staff

Why not consider a traditional claims model ?

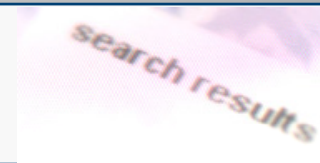
- Limited time devoted to one account deters always-there availability
- Personal face-to-face access for discussions may be distance limited
- Adjuster training may not be specific to one customer's needs, rather the needs of the TPA or additional accounts
- Caseloads may reflect multiple customers which may factor in potential account turnover
- Staff retention issues

What makes Flexibility attractive to risk managers ?

- The need for cooperative quality control



- No need for large expenditures for talent search, paycheck processing, benefits, etc.



- Having one single point of claims information contact for fragmented locations



- Allowing for choice of partner vendors



Why choose ASC ?

Because it is your business; our core business.



Extensive expertise in dedicated unit arrangements:

- Units set-up in less than 60 days
- Experts in both rural and urban area design
- Experts in public entity dedicated units

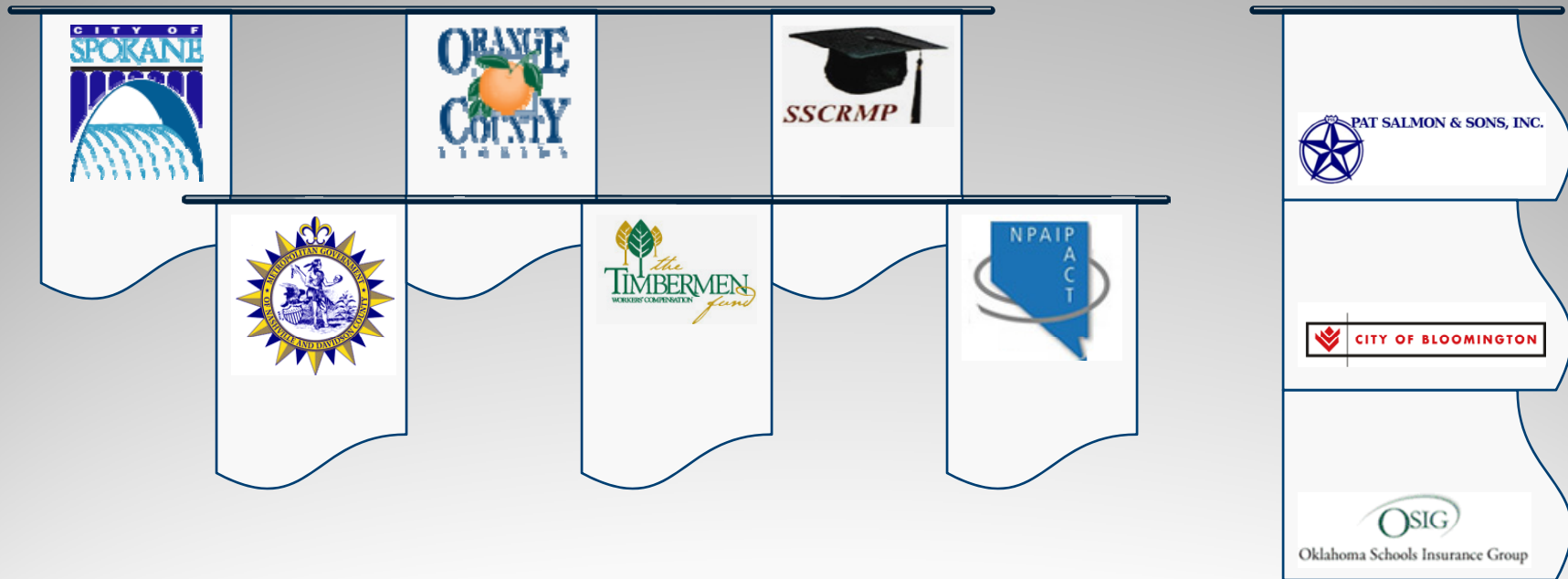


Our historical track record:

- Active in claims administration since 1975
- We administer over 26,000 claims per year
- Supervision over every dedicated unit

A great book of business to add your name to

A new way to conform to your specific organizational claims needs:



Flexibility: A Case Study

ASC helped the Public Agency Compensation Trust, PACT, build a dedicated Reno-based claim and a case management service program to meet the unique needs of a rural customer base.

Company Profile:

- Formed by the membership of the Nevada Public Agency Insurance Pool in 1996
- Designed to meet the workers' compensation needs of the membership

Challenge:

- Rural nature of the program spread out over a large geographical area
- Access to quality medical care and specialists

Solution:

- ASC and Specialty Health partnered to build a claim and case management service program
- Specialty Health formed a managed care organization (MCO)
- Ongoing cooperation between the PACT membership, ASC and Specialty Health expands and improves the services of the MCO
- ASC's flexibility to offer dedicated services on a cost plus basis allows PACT to control their expenses and change the dynamics of cooperation with other vendors such as Specialty Health.
- Unlike fee-per-claim TPA pricing models, which tend to drive up caseloads and encourage TPA's to develop their own ancillary firms for additional revenue, the ASC unit in Reno is staffed so that there is adequate time for working with Specialty Health and PACT on improving the results year after year

Value Statement:

Comparing the average cost per claim with three different "like" employers:

- Public employer #1 does not utilize a TPA in combination with a medical management company
- Employer #2 and employer #3 utilize a TPA (not ASC) and a medical management company
- Rural PACT utilizes ASC in combination with Specialty Health's medical management



1. The most expensive claims are always the indemnity claims.
2. The goal is to reduce the number and the average amount paid on indemnity claims.
3. The longer the claim is open the more it costs exponentially.
4. The focus is early identification of potential problem cases, and using the expertise of Specialty Health to manage the medical exposure.

Constant review of the program by PACT, ASC and Specialty Health lowered the average cost of indemnity claims despite medical inflation as shown in the following chart:

| Year | Avg. cost of Indemnity claims |
|------|-------------------------------|
| 2007 | \$33,692 |
| 2008 | \$24,493 |
| 2009 | \$24,292 |
| 2010 | \$19,103 |