



CLAIMS LAG ANALYSIS

What is captured in this report?

The Claims Lag Analysis report presents a range of months in which claims were incurred compared to a range of months in which claims were paid for Medical, Dental or Short-Term Disability coverage. Gross paid claims are displayed, including those reimbursed by the reinsurance carrier. The report displays data in three separate sections: the total number of claims paid, the accumulated number of days for claims payment and the total dollars paid for those claims. The report shows the months in which claims were incurred on the vertical axis and shows the months in which claims were paid on the horizontal axis. The calculation of number of days for claims payment is based upon 5 business days, including holidays.

Why run this report?

This report may be used to monitor the turnaround time of claims and to develop completion factors that allow forecasting of monthly claims payments and an estimate of incurred but not reported claims (IBNR). Actuaries may refer to this report as a claims triangle and may use the report for setting claims reserves at the end of a plan year.

The estimated incurred but not reported (IBNR) calculation in the summary section below each coverage is only an estimate and not a guarantee of outstanding claims. Claims waiting for carrier or client reimbursement may inflate the average claims payment turnaround time.

What are the required data parameters?

Users must specify a range of incurred and paid dates to create this report. Typically, this report is run with a 24-month incurred look back and a rolling 12 months paid.

What time periods are available?

The data is refreshed nightly and is available as far back as 36 months from the current month.

Glossary of Terms

For a complete glossary of terms, please see the Getting Started Guide.