



## **Four Opportunities for Long-Term Care Providers to Improve Their Risk Position In A Transitioning Insurance Market**

It's an evolving challenge to be a long-term care provider

Costs are high. Medicare/Medicaid reimbursements are constantly in flux and competition for skilled related services is on the rise. Finding staff that's both competent and caring is an ongoing challenge. Depending on the type of facility, within two years, on average, the resident will pass away.

A large component of these facilities' operating costs is insurance, largely [professional liability](#), [general liability](#) and [workers' compensation](#). Against a backdrop of loss ratios that one study shows are rising by 6 percent annually even as claim severity grows by 4 percent, many insurers are exiting the market completely.

While it has always made good sense for long-term care providers to proactively mitigate losses, today, it's mandatory to do so aggressively utilizing various Risk Management protocols. Even the best-managed facility will experience claims for reasons that are out of their control.

But putting the effort into offsetting risk will cut down on claims, facilitate more effective claims management and negotiation, and make renewals easier to achieve in a tough market. Here are four crucial areas that are tied to preventable losses that every provider should think about addressing:

### **#1: Show the residents' families that you care.**

Get to know your residents' families and stay in touch. And, of course, back it up with high level, quality care. It sounds simple, but it makes a difference. Depending on the type of facility, the likelihood is that the patient will not be leaving it unless a transfer is called for. Expectations have to be set with the family upon admission and, if possible, a relationship established. Families are less likely to file claims if they believe their loved ones have been well cared for.

### **#2: Assess your hiring practices and be painstaking in your approach.**

It's a competitive employment market, which may limit the pool of qualified talent available. Still, prospective employees must be thoroughly vetted for red flags in their backgrounds. Moreover, they need to be able to show that they are knowledgeable about the care they provide, with the requisite experience, a good attitude and an affinity for older people.



**#3: Review and beef up your policies and procedures for resident care and your workplace environment.**

Two of your biggest risk areas as a long-term care provider are wound care and falls (by patients and visitors), but abuse in every form, medication errors and emergency evacuation issues are among other common concerns. Your protocols should reflect best practices for management, and every incident should be documented completely. Don't forget workers' compensation claims. They are also an issue in long-term care facilities that often ties back to lifting and repositioning residents. Ongoing training should be conducted to remind staff of the proper techniques.

**#4: Keep an eye on what others think.**

It's important to manage your reputation. The CMS five-star rating system isn't just used by consumers to guide their choices, but insurers also refer to it when making important underwriting and pricing decisions. A one or two-star rating will certainly impact the both the cost and availability of insurance for an organization. Carriers also routinely perform Internet searches to monitor what's being said about facilities on social media.

Long-term care providers have become increasingly sophisticated in how they run and make a profit in a business characterized by very high costs. Given the cost of insurance and defending against claims in an environment where carriers are leaving the market, providers should apply the same degree of savvy to their [risk management](#) practices.

*HUB International brokers have extensive experience working with long-term care providers , helping to identify and resolve their risk exposures, as well as claims management, negotiation and advocacy*

***If you have any questions, please contact your HUB Advisor.***

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