

Colossus 101

Handling Insurance Claims in the Age of
Computerized Claims Adjusting.

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What is Colossus?

Colossus is the name of a computer software program that was developed and licensed by The Continuum Company. Now a subsidiary of Computer Sciences Corporation, Continuum is one of the largest computer service corporations in America. Colossus is a specialized program sold to insurance companies to ensure an objective valuation and consistency when assessing damages for personal injury claims.

The software requires adjusters to enter specific information regarding a claim including liability, specific injuries, treatment amounts, duties performed under duress and future treatment probability. Colossus categorizes injuries as either “demonstrable” or “non-demonstrable.” Demonstrable injuries can be objectively verified by definitive medical means, such as an x-ray. Non-demonstrable injuries refer to soft tissue damages, more frequently seen with personal injury claims. Colossus is not equipped to evaluate severe physical trauma, death and claims with a value exceeding \$100,000.

Because this program was designed to create consistency when adjusters finalize a settlement value; once the data is collected and processed, the claim is compared to similar claims in the Colossus database and a valuation range is assigned.

Who uses Colossus?

Each of these insurance companies uses the Colossus program differently when valuing personal injury cases. While most use Colossus as an evaluation tool, other companies, such as Allstate, use it almost exclusively when determining settlement value. The weight given to the Colossus output also varies from adjustor to adjustor. The more time and experience an adjustor has within a certain insurance company, the more latitude they are general given when it comes staying within the Colossus settlement range.

Other details that vary by insurance company include the programs baseline set. This is because each insurance company chooses the number of settled cases in a particular region to determine the appropriate settlement range. The baseline for each insurer will also vary based on their prior valuation histories. This will make it clear to see if insurance companies are disclosing the appropriate verdicts for each case or if they have particularly low values in a certain area.

Some of the insurance companies licensed to use Colossus are:

- Allstate Insurance
- American Family Mutual Insurance
- American National Property and Casualty
- AXA Insurance
- CNA
- Encompass (owned by Allstate)
- Esurance (owned by Allstate)
- Farmers Insurance
- Federated Insurance Group
- Great American Insurance Company
- Keystone Insurance
- Metropolitan Group
- Motorist Mutual
- MetLife Home and Auto
- State Auto
- Travelers Property Casualty Insurance
- USAA
- Utica

Why is this important?

The program requires each complaint regarding medical treatment and all data regarding the claimant's injuries to be documented in the claimant's medical records. Attorney and Claimant allegations are generally given no weight as evidence when it comes to injuries sustained or impairment endured. This is why it is absolutely critical that medical providers maintain detailed records of both the objective and subjective findings of the patient and how it affects their daily life. Chiropractors who keep limited records regarding these details will notice their patients receiving consistently lower values for their claims than those of other practitioners who clearly document the presence of muscle spasms, decreased range of motion and other objective symptoms.

Colossus breaks down each injury sustained by the claimant, requiring the adjuster to input numerous entries in a detailed fashion. The adjuster has limited latitude in what can be taken into account, if there is no information on a specific variable, the value will be zero. This is why it is critical to document every detail regarding:

- Initial treatment
- Each individual injury and/or impairment sustained
- Each prognosis with respect to the individual injury
- The duration of treatment for the individual injury
- Future treatment probability regarding the individual injury

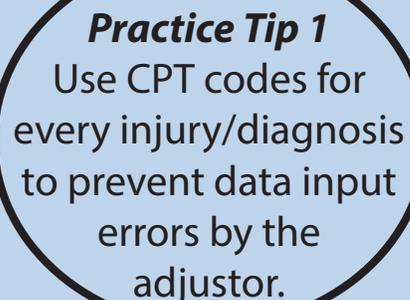
Specific factors to be considered

Nature of Pre-Existing Injury

When pre-existing injuries have been aggravated in an accident it may increase the value of the overall claim if properly documented. The respective condition must be documented in a medical record, along with the degree and permanency of the aggravation.

Injury Diagnostics

Because Colossus uses its own descriptive terms for injuries, be sure to use CPT codes when listing injuries in medical records. This will help prevent the adjustor from incorrectly inputting data and ensure your client is fairly compensated.



Practice Tip 1
Use CPT codes for every injury/diagnosis to prevent data input errors by the adjustor.

Initial Treatments and First Visits

Adjustors will be prompted to enter information about the first visit concerning a specific problem, the doctor's prognosis, any immobilization or complications and more. Be sure to spare no details when listing this information in medical records.

Prior Injuries and Worker's Compensation Permanent Partial Disability

Adjustors will request information regarding prior injuries and workers' compensation claims. While they will be aware of prior claims, they may not be able to identify those treating or the degree of the Permanent Partial Disability (PPD) assigned. It is important to note that Chiropractor PPDs are not accepted under the Colossus system. However, the adjustor will not be able to obtain a "consultation" until all of the information on prior injuries is disclosed and reflected in records of treatment.

Chiropractic Visits, General Physicians and Specialists

Colossus rates treatment based on what they value as "more" or "less" important. This means chiropractic visits are valued no greater than a general physician, whereas visits to medical specialists are considered "more" important treatment, thus valued higher. If there is a medically documented referral to a chiropractor the value of the claim will increase.

Spinal Treatments

Any treatment of the spine must be documented specifically regarding the treatment, the injury and why the treatment is relevant. Medically documented needs for aids, such as walkers and crutches, as well as the time of use required are all considered during the evaluation process. Office visits where the doctor does not see the patient will not count as a doctor's visit. Colossus places a great level of importance on regularity and frequency.

Specific factors to be considered

Home Exercise and Physical Therapy

Home exercise can only result in points if it is documented in the medical notes. Physical therapy is categorized by frequency and duration of each service applied. Be sure to ask and include this when recording your patient's course of treatment.

Injections and Medications

Colossus is sophisticated enough to distinguish between certain injections and medications for treatment and/or relief of pain. For example, it treats cortisone steroid injections, epidurals and nerve blocks as separate entities. The specific distinctions of each medication in medical records are vital because the Colossus system adds value to a claim when epidurals and nerve blocks are used. If this information is not reflected in the medical records it will not be considered in the overall claim value. Careful attention is also given to what medications are prescribed and actually taken by the client. Whether you are the prescribing doctor or not, it may be beneficial to the claim to document this in the patient's history.

Disfigurement

This is another area where an adjuster may add their subjective opinion to the claim value. The Colossus program does not create an assigned value for disfigurement but does allow a dollar amount to be assigned for this element. Claims with any type of deformity or scarring can get additional value if the respective elements are clearly documented. Thus, it is important that every scar or change, no matter how small, be documented so they adjuster has access to add value here.

Soft Tissue Complaints

There are certain categories under soft tissue complaints Colossus considers compensable; however, there must be evidence of each complaint in the medical records. For example, while pain is not given value because it is assumed, "radiating" pain is considered a separate category that is compensable. Anxiety and depression complaints are considered only if the claimant received treatment or medication for them. Lastly, credit is not given to "possible" problems, only "probable" injuries are considered by the Colossus program. For example, identifying an ailment as "possible carpal tunnel syndrome" will not be entered by the insurance adjuster, whereas "probable carpal tunnel syndrome" will be.

Practice Tip 2
Describe the pain versus writing "pain" and identify those injuries that are "probable" versus just "possible."

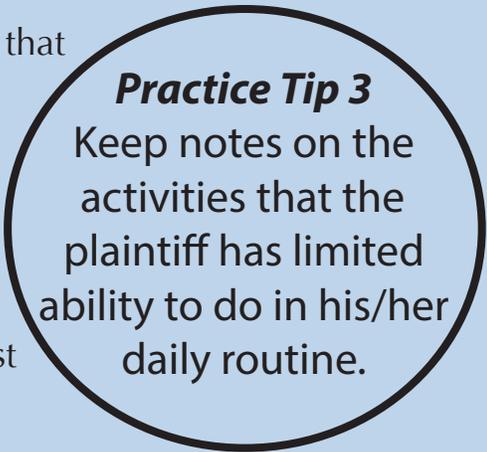
Specific factors to be considered

Delay in Treatment

Any delay or lapse in treatment decreases the value of the Colossus claim. The longer and more inconsistent these gaps are, the more the value will be decreased. Any reasons for delay or interruption of treatment should be reflected in the medical records to help protect your patients claim value.

Duties under Duress

This area of the Colossus evaluation is one of only a few areas that allows the adjustor to apply a subjective opinion to an overall objective process. Claimants who return to work or attempt normal duties while “under duress” can add value to their claim. For example, returning to light duty work or mowing the lawn while hurting can both add value to a claim, while staying home from work or hiring someone else to mow the lawn does not. Again, the evidence of duties under duress must be documented in the claimant’s medical records.



Practice Tip 3
Keep notes on the activities that the plaintiff has limited ability to do in his/her daily routine.

Loss of Enjoyment of Life

This variable is only included if the claimant identifies a specific loss and that their loss is supported in the appropriate medical records. A permanent impairment may be required. For these reasons, it is imperative that the chiropractor interview the claimant and document the expected areas of impact which their patient will have to deal with as a result of the permanent injury.

Aggravating Factors

Colossus also allows adjustors to include specific factors including whether the injured patient was wearing a seatbelt, whether the patient is represented by an attorney, any medical liens on file, high property damage and aggravated liability such as excessive speed or driving under the influence. While this information does not affect the overall claim value, the presence or absence of such factors can be used by the adjustor to offer the low or high end of a specific range, and in some cases abandon the range all together. A medical professional can help by documenting any facts reported that may support aggravating factors tending to show high impact or negligence on the part of the defendant where appropriate.

Conclusion

Colossus is a tool that many insurance companies are using to evaluate claims. Medical professionals must be aware of this system and how it works if they want to be reimbursed for medical care at a fair rate. It is important that the medical provider remember to take the time to fully document all of the patient's complaints, conditions and treatment. By being aware of and documenting the data that Colossus allows to be factored in, medical providers can provide their patients with a much better chance of receiving a fair settlement offer in their case.

At Simmons and Fletcher, P.C., our attorneys understand the complexities and consequences associated with Colossus and are available to assist our client's chiropractors and other medical professionals when dealing with insurance adjusters using similar systems.