Memorandum

To: Jim Collins, Dean of Science and Allied Health, Sacramento City College (SCC); Julie Holt, DSN Health, North region; Angela Cordell, DSN Small Business, NFN region

Cc: Mike Iredale, Assistant Professor, Nursing (SCC); Tammy Lane, Assistant Professor, Dental Assisting

From: Aaron Wilcher, Director, Center of Excellence (COE), North-Far North region

Date: May 9, 2019

Re: Program endorsement request for health insurance claims processor program

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Background and Methodology

Sacramento City College and the Deputy Sector Navigators of Small Business and Health contacted the Center of Excellence (COE) NFN regional office to understand the labor market implications for developing a training program related to administrative positions related to health insurance. SCC, like other community colleges, faces the challenge of providing services and alternatives for students who want to gain entrance to impacted allied health training programs at the college. Administrative positions in health insurance offers one possible alternative for program development in a related area. The COE used various research methods to analyze the organization of health insurance industry and workforce. These methods included,

- Staffing patterns to determine occupational makeup of health care sector
- Job postings position mapping to investigate the org chart and common job categories
- Preliminary executive interviews to verify job categories and understand the industry and workforce
- Focus group to deepen the workforce and industry understanding, similar to the interviews

Findings

- Insurance-related occupational employment makes up a small, but significant segment of several primary industries related to health care. When analyzing six primary health care industries in the 7-county Sacramento region, the analysis shows 4,500 jobs related to insurance.[1] (See Appendix A.)

- Detailed occupational analysis, jobs postings data, and interviews revealed that claims processors represented the primary job category that could present a training opportunity for the community colleges among the various occupations and job titles in the research. (See Appendix B.)

- Job category analysis using Burning Glass revealed an org chart of distinctive categories—a sort of organization chart for health insurance administrative positions.[2] The analysis showed that claims processors had the highest number of job postings of the categories, one indication that these positions could be in demand. The research also indicated that claims processors bear some relationship to medical billing and customer service, but that other categories, like coding, medical records, and patient services, are separate, less related, categories. (See Appendix C.)

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[1] Emsi, 2018.4 The analysis includes the following industries: NAICS 524114 Direct Health and Medical Insurance Carriers; 621111 Offices of Physicians; 621210 Offices of Dentists; 621491 HMO Medical Centers; 6222110 General Medical and Surgical Hospitals; 624120 Services for the Elderly and Persons with Disabilities

[2] Burning Glass, Labor Insight. 2018.4.

- The jobs postings analysis showed a 12-month total of more than 450 postings for claims processor-related positions in the Sacramento region. Dozens more postings in related categories also emerged. Job titles in the claims processor category include the following: Claims Adjuster; Claims Representative; Claims Specialist; Claims Examiner; Benefits Coordinator; Compliance Analyst; Claims Supervisor; Grievance and Appeals Coordinator; Auditing Analyst; and Auditor 1. Preliminary executive interviews revealed other job titles: Adjudicator levels 1-4; and Authorization representative.

- Analysis of the occupations and job postings shows that employers prefer or require a majority of claims processors (perhaps 60%) to have a high school education or an associate degree. At least some, perhaps a third, require a bachelor's degree or above. Interviews and the focus group indicated that a strong majority of claims processors are hired with no training or experience and work their way up from an entry-level positon.

- Occupational analysis, interviews, and the focus group show that these positions start at $20 per hour or more, and rise to more than $30 per hour within one or two years of experience. These positions appear to pay well above the living wage for one adult one child household for the region, $26.90[3], within a short period of time.

- No specific public or private training and education programs were cited for entry-level pipelines in the interviews; interviewees and focus group participants indicated that no specific programs exist. Internal training and recruitment from other areas of allied health and the general public were cited as recruitment pipelines. Again, claims processors largely are hired with no postsecondary education or training requirements and gain advancement by experience and internal training. However, interviewees and focus group participants said that preparatory training would be valuable, and could lead to quicker advancement. Turnover in the first year was cited as a hiring and recruitment challenge.

Recommendations

- Medical claims appears to be a well-paying career with current demand, and pathways for advancement. While the labor market is relatively small, these positions appear to be good opportunities for some students.

- The COE recommends moving forward with a program that targets medical claims processors, but also provides curriculum related to other administrative positions in allied health. The program should begin with a small cohort that draws on existing curriculum and works closely with employers for placement in entry-level claims processor programs.

- Two cautionary notes arose from the research. Interviewees and focus group participants noted the highly specialized and customized nature of trying to square insurance claims. Claims processors represents a small, but significant segment of the health care workforce. Rules, regulations, plans and software requires complex human intervention and consideration. However, the occupational data indicates that the insurance industry, and its related workforce, appears to be at risk of automation in the long term. Insurance-related occupational data for this and other studies shows widespread job losses in the last 10 years. Processing claims is an activity that is at risk of automation in the future.
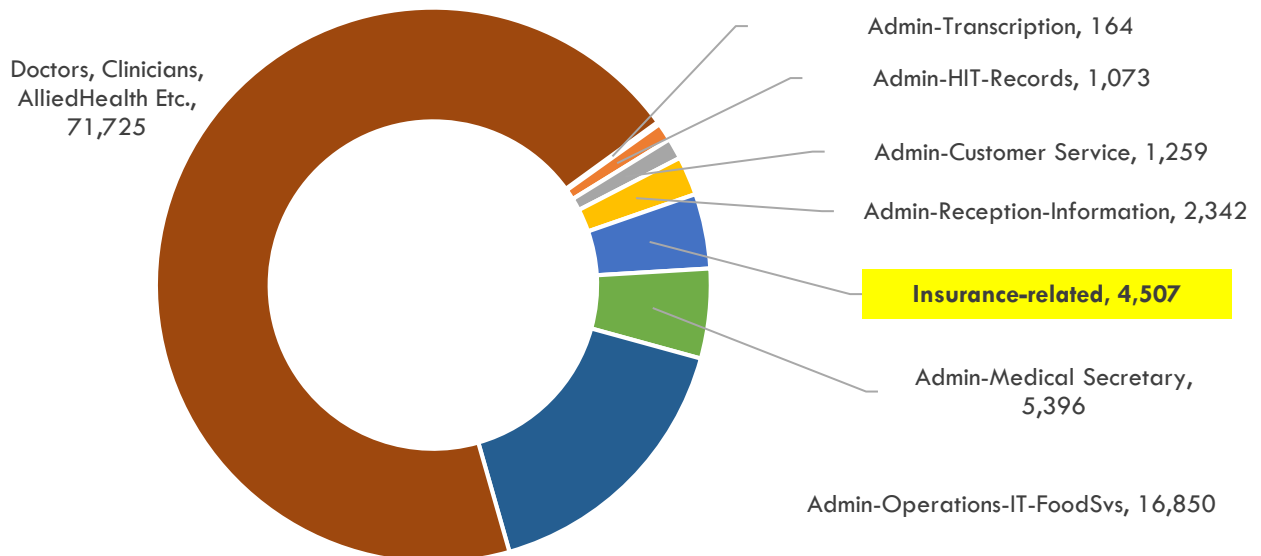
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[3] MIT Living Wage Calculator. http://livingwage.mit.edu/

- Interviewees and focus group participants recommend preparatory skills and knowledge training that would appear to not require many hours in the classroom. Coursework in ICD-10 coding, medical terminology, basic, contextualized math for insurance and allied health, overview of the insurance and medical industries, and overview of medical records software were among the suggested preparatory items that emerged for industry partners. These skills and knowledge will serve students for claims processor positions, and other administrative positions in allied health. They will also enable students to earn coursework that will be valuable for a range of allied health programs.

Please contact Aaron Wilcher, COE director, for further information at wilchea@losrios.edu or 916-563-3233.

Appendix A: Occupational categories, and employment based on staffing patterns of six allied health industries in the 7-county Sacramento region[4]

The staffing patterns shows that perhaps 4,500 occupational jobs in prominent health care industries is related to administrative positions in insurance.

Doctors, Clinicians, AlliedHealth Etc., 71,725

Admin-Transcription, 164

Admin-HIT-Records, 1,073

Admin-Customer Service, 1,259

Admin-Reception-Information, 2,342

Insurance-related, 4,507

Admin-Medical Secretary, 5,396

Admin-Operations-IT-FoodSvs, 16,850

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[4] Emsi, 2018.4

Appendix B: Detail of staffing patterns on six health care industries in the 7-county Sacramento region[5]

Claims-related occupations occupy a small segment of the occupational employment in the Sacramento region. Of the more than 4,000 related occupational jobs identified in the staffing patterns, perhaps just more than 1,000 of the jobs are claims related. Other jobs are management or supervisory in nature, requiring a bachelor's degree. One occupation is a sales occupation. Another occupation requiring a high school diploma, is a bill and account collector.

SOC	Description	2017 Jobs	Median Hourly Earnings	Typical Entry Level Education	Typical On-The-Job Training
11-9111	Medical and Health Services Managers	1,529	$55.10	Bachelor's	None
13-1111	Management Analysts	964	$33.30	Bachelor's	None
43-9041	Insurance Claims and Policy Processing Clerks	853	$20.56	HS Diploma	Moderate OJT
41-3021	Insurance Sales Agents	758	$26.41	HS Diploma	Moderate OJT
13-1031	Claims Adjusters, Examiners, and Investigators	415	$35.96	HS Diploma	Long term OJT
43-3011	Bill and Account Collectors	245	$18.66	HS Diploma	Moderate OJT
13-1141	Compensation, Benefits, and Job Analysis Specialists	157	$31.35	Bachelor's	None
13-1041	Compliance Officers	104	$33.46	Bachelor's	Moderate OJT
13-2053	Insurance Underwriters	89	$36.56	Bachelor's	Moderate OJT
43-4061	Eligibility Interviewers, Government Programs	22	$24.58	HS Diploma	Moderate OJT

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[5] Ibid.

Appendix C: Job category analysis of job postings in the 7-county Sacramento region[6]

The diagram below shows job categories for administrative and customer-facing categories in health care. The categories represent groupings of related job titles and skills. Each category has a distinctive set of titles and skills. The diagram shows the relationship between categories. The more related the job categories, the closer together they are on the diagram. Medical claims processors is a distinctive category. It is most related to medical billing, and not much related to medical transcription, based on the analysis. Medical coding is quite related to transcription, records clerks, health information technicians, and medical billing.

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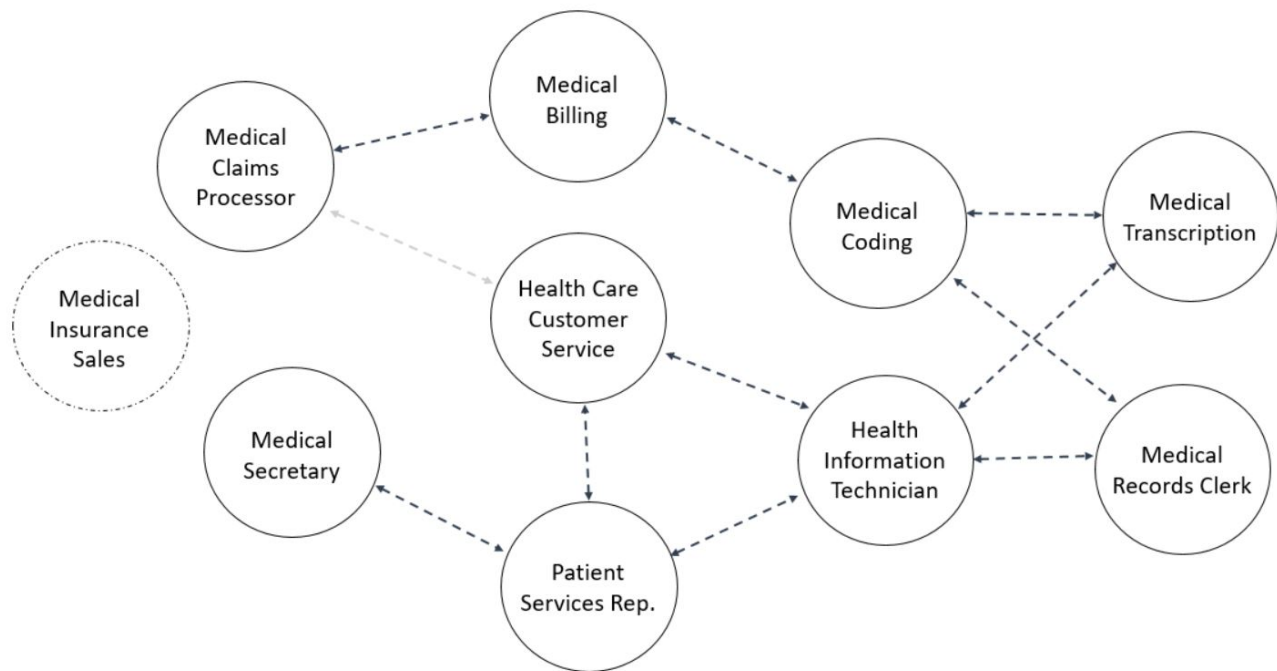
[6] Burning Glass, Labor Insight. 2018.4, COE calculations and analysis.