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Building Up In-House Technology

DANIEL MORIARTY
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There are many advantages to working in a small corporate law department. But they do not include the information technology support found at a large corporate law department.

Large corporate law departments may have dedicated technology professionals to engage in cost-benefit analyses of new technology prior to implementation. These IT professionals identify and determine technology needs and build the business cases to satisfy those needs with new technology. Then they plan and implement the solutions and follow them up with documentation and end-user training to ensure that the corporation realizes the benefit of its investment.

Smaller law departments like Kindred Healthcare's Liability Claims Department have scarce IT resources that do not scale up or out. This scarcity made it difficult to assess technology needs, identify solutions and engage in cost-benefit analyses. But Kindred's Claims Department cleared these hurdles and successfully implemented numerous technologies to improve its efficiency.

Kindred provides long-term health care services primarily through hospitals and nursing centers across the United States. Its liability claims department manages hundreds of claims and litigated matters each year, involving facilities in more than 40 states. To reduce the amount of time spent on producing the same or similar corporate documents in each case, we needed to find a way to track recurring discovery requests, streamline our information distribution, and coordinate our defense efforts. We wanted to provide our outside counsel a place to easily obtain needed documents as well as provide a platform for shared information.

From involvement in industry groups and previous experience with other employers, I was aware of the increasing popularity of legal collaborative systems and Web-based databases. With the approval of our general counsel, we began the process of identifying and researching vendors who provided this product.

COLLABORATIVE SYSTEMS: BUY OR BUILD?

Kindred's Information Systems staff helped analyze our needs from a technical perspective. They quickly realized it would make sense to buy a product that was commercially available rather than build a system. Because the system would primarily be used and maintained by the claim department staff and our outside counsel, the network had to be user-friendly and flexible. In an environment where IS staff is a corporate resource shared by everyone -- and often stretched thin -- we needed a vendor with a strong maintenance program. IS assisted us in establishing a project committee, formalizing our requirements through a Request for Proposal, and interviewing each vendor.

In assessing possible solutions, we considered the infrastructure and budget constraints of our outside defense counsel as well as our own internal structure. We wanted to find a solution with a common and easily accessible platform that would not require each law firm to overhaul its own network or purchase and install expensive software. Within a few months of the RFP distribution our committee analyzed vendor responses, conducted interviews and product demonstrations and came to a decision. We chose TrialNet's Web-based collaborative network for its quick deployment, ease of access and low cost. The network, which connects the liability claims department staff in real time with its law firms across the country, enables users to log on 24/7 from any location. Through the network, counsel can access and contribute to best practices, briefs and motions, expert and fact witness databases, and legal research and mediator databases as well as documents commonly requested in discovery.

This initiative forced new disciplines on both inside and outside counsel, which added even more value. To populate the network, the liability claims department had to collect, organize and edit the materials counsel had amassed over years of past litigation. Through the network, Kindred encourages counsel to take advantage of the intellectual capital of the entire defense team and build on work already completed, instead of reinventing the wheel every time a new matter is assigned. The network provides a secure online environment

where Kindred's various defense counsel can quickly and easily share information on case strategies, expert witnesses, new case law and any other matters pertinent to their defense.

E-BILLING

Once the counsel network was in place, Kindred turned its attention to finding a solution to better analyze its litigation expenses and streamline its legal bill review process. Electronic billing is a complicated and expensive endeavor because the billing system needs to integrate with Kindred's existing internal systems, requiring additional IS support. It would also require support and acceptance from our law firms who would need to adapt their billing practices to accommodate the system we chose. The challenge was to find technology that was cost effective, easy to implement and simple to use that would facilitate widespread adoption and require little internal training and support. Our previous success with a Web-based solution made the selection process much easier.

After assessing the options, we chose to expand the collaborative network already in place by simply adding e-billing functionality. E-billing allowed Kindred to better streamline payment of legal bills and gather more information about its defense firms and the individual lawyers representing the company. More importantly, it gave Kindred the capability to track all the work being done by outside counsel and run detailed reports quickly showing exactly where expense budgets were being spent. For example, we can now run reports comparing law firms by timekeeper category, showing exactly how many hours in any given period of time, partners, associates and paralegals billed on Kindred files. This analysis allows management to identify areas where our defense firms can be more efficient. We continue to find new uses for this functionality, e.g., we can determine down to the hour and dollar exactly which lawyers are working on any given case.

Through cooperation with TrialNet and at very little cost we designed an electronic approval process for all accounts payable. Now, not only do our firms request that a lawyer be approved to work on Kindred cases but also they must complete a written online interview and attach a CV. This process has allowed the company to keep a tight control on how many lawyers work on their files. It also ensures that only lawyers with the proper experience and background work on their cases.

A similar electronic approval process is now in place for the retention of outside medical experts. Prior to the electronic process, lawyers would call and ask permission to retain a specific expert. Now, this process is automated and accomplished through the Kindred collaborative Web site. In the end, the process triggers an e-mail to the claim representative who reviews the request. If the expert in question is already in Kindred's expert database the firm selects him/her from a list; however, if they are not, then the requestor has to enter a minimum amount of data about the expert and include the expert's CV for the request to be processed. If the expert is approved, an e-mail is generated back to the firm and copied to a Kindred paralegal who then schedules a meeting where defense counsel, claim representative and the expert discuss the expert's opinion of the case.

Through the use of technology, Kindred's Liability Claims Department has advanced its efficiency in claims and litigation management. Department staff has improved internal communication, file documentation, expense management, and mediation, arbitration and trial preparation. With the aid of the technological tools in place and a well-groomed file system, Kindred's staff can immediately focus on analyzing the facts, assessing risks and options, coordinating with outside counsel and quickly deploying a strategic plan. As a result, we operate at lower staffing levels and consistently achieve faster claim resolution.

Daniel Moriarty is Sr. Director and Counsel, Liability Claims, at Kindred Healthcare.

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