

Healthcare Insurance Provider Discovers 4 Month Payback Comprehending Claims Processing

Quick Facts:

- Customer:** Top-Tier health care insurance provider
- Challenge:** Improve claims processing rates while decreasing headcount and costs
- Solution:** *Comprehend* discovered the claims business process, including those claims that required manual adjudication. The claims requiring adjudication were analyzed, the root causes were identified, and armed with that knowledge, business improvement in the form of auto-adjudication was implemented.
- Benefit:** Significant improvement in first pass claims rates
Reduced claims processing costs
Provides 30% more claims processing capacity

4 Month payback on initial investment

Discover

In a quick, 2 week engagement several areas of opportunity were identified, each with millions of dollars of quantifiable value.

Deploy

Based on the ROI calculations in the discovery, a project was funded and executed. Within 2 months, the software was installed, the solution deployed and the staff trained.

Derive

The result was a payback on the investment within 4 months, and auditable ROI continuing to create value on an ongoing basis.

Overview.

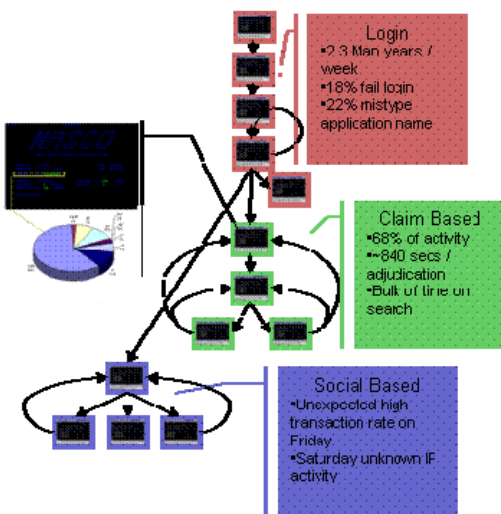
With pressure to keep health care costs down and grow the subscriber base, this insurance provider needed to find ways to improve their business processes. With an expected 35% increase in the number of claims, business process improvement was imperative.

- Claims processing is supported by mainframe applications that have evolved over a number of years.
- No detailed understanding of the process inefficiencies.

OpenConnect's *Comprehend* provided exact details on the manual claims processing business process.

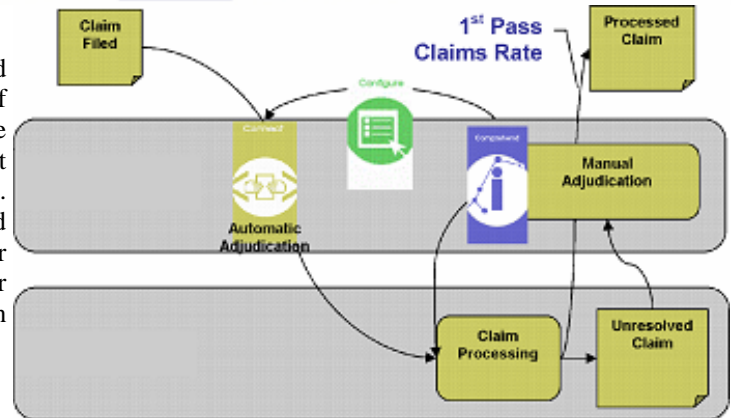
- Different kinds of claims issues.
- Data conditions that caused process variations.
- Number of hours being consumed by each issue.

Configuring automated adjudication was easy with the detailed knowledge of the root causes for process exceptions.



Claims Processing Business Process

Claims originate from external entities and traditionally would pass through the healthcare provider's systems to be passed off for processing at a 3rd party claims processing entity. While the majority of claims would be processed successfully, a significant portion of the claims (~12%) would require manual adjudication. For this, a bank of employees search for unprocessed claims, and then work to resolve any issues and re-submit the claim for processing. Considering a processing load of 45,000 claims per day, even having 10% of those claims require manual intervention creates a significant workload (4,500 claims per day).



Comprehend

Comprehend was used to capture the claims processing process, including the mainframe based manual claims adjudication. *Comprehend* provides a business process map including the probabilities of executing process variations, the data that invokes those sub-process variations, as well as, the human behavior patterns, think times and error rates associated with the process. *Comprehend* provided a root-cause analysis of what claims issues were driving the need for manual adjudication, including the data to create a full ROI of automating the adjudication process to automatically examine and resolve claims issues.

- *Proactive prioritization*
 - Root cause issues are classified, and prioritized.
 - Auto-adjudication processes are proactively created based on a prioritized list of specific adjudication needs.
- *Automatic Business Process Discovery*
 - Prevents errors due to misinterpretations, or unintentional omissions of key process information.
 - Greatly reduces the time and effort required.
- *Business Process Improvement Validation*
 - Continue to monitor the business process to validate the improvement
 - Prepare for next business improvement initiative

Within 2 quarters, we're able to effectively do the same job with 50% of the staff it used to require, as a result of targeted productivity improvement.

OpenConnect provides technology that automatically discovers business process inefficiencies, allowing organizations to quickly improve critical business practices. The company's product, *Comprehend*, records the attributes and relationships of all the events that occur within an organization's systems to determine the root cause of business inefficiencies. The information resulting from *Comprehend's* analysis is the first step these organizations must put into place before implementing business improvement projects.

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Benefits

The overall benefit of the OpenConnect solution is a significant improvement in first pass claims rates, taking our first pass claims rate from 88% to 92% within the first 3 months of deployment. This translates into hard benefits associated with:

- Reduced Claims Processing Costs, by reducing claims re-submission overall processing costs declined.
- Increased claims processing rates, to support the growth goals we needed to be able to grow to 50,000 claims per day without increasing our cost structure.

Productivity increased by 50%