

CASE STUDY

MODERNIZED EDI LEADS TO 40X FASTER HEALTHCARE CLAIMS PROCESSING

INTEGRATION



AGILITY

Claims are processed over 40 times faster, reducing latency from days to seconds



SAVINGS

Reducing the time and cost per claim by bringing claims processing in-house



SCALABILITY

Solution scales as the business expands to provide new products and services

Modernizing HIPAA EDI Workflows

The Company, considered to be one of the most trustworthy financial organizations in the United States, provides health insurance solutions to Americans through a variety of brands, totaling \$4 billion in revenue for 2016. The Company receives between 35,000 and 60,000 Medicare and Medicaid claims per day, ranging between \$30 million and \$140 million in value.

The various insurance providers under the Company's umbrella have differing HIPAA implementations and workflows, and the Company lacked the claims infrastructure needed to handle several key transaction types. In order to accomplish them, it outsourced some HIPAA workflows to third-party providers. Doing so created inflated costs and longer processing times, leading to a need to bring the workflows back in-house.

Furthermore, companies in the healthcare industry are consolidating and providing new products and services. To stay competitive, the Company needed to quickly add and manage new partners that would generate more revenue for the business.

The necessary solution had to be solid from both a governance and compliance standpoint, with the biggest lever being driving down the cost per claim. Out-of-the-box solutions wouldn't be able to solve this problem. The Company needed the right partner to build a solution that could fit its parameters.

It could accomplish this by establishing a consistent, common infrastructure across its business units to handle its 15 existing business partners, as well as new acquisitions.

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About the Company

- ▶ Provides American health insurance solutions
- ▶ Receives 35,000 to 60,000 Medicare and Medicaid claims per day

Business Challenges

- ▶ Outsourced HIPAA workflows had to be brought in-house to reduce costs and shorten processing times
- ▶ Scalability was necessary in the face of market consolidation and the organizational expansion
- ▶ A consistent, common infrastructure was needed across the Company's 15 existing businesses, along with the easy addition and management of new partners

Solution

- ▶ Leverages Prolifics' Healthcare Integration Kit (HIK), a suite of tools and accelerators designed to tackle EDI HIPAA compliance problems and other common issues
- ▶ Gives the Company visibility and control across its HIPAA transactions, as well as compliance throughout its business units
- ▶ Ensures HIPAA transaction data is adequately encrypted and protected
- ▶ Brings claims administration in-house and increases processing speed by over 40 times
- ▶ Harvests metadata from claims to promote extensive filtering, analytics, and reporting
- ▶ Only runs for 30 to 40 total minutes each day, leaving adequate capacity for growth

Finding Success with Prolifics' Healthcare Integration Kit

IBM brought the opportunity to Prolifics based on our success with a separate project under similar circumstances. Although the Company already owned IBM Integration Bus (IIB)—the preferred way of accomplishing what the company needed to do—it wanted to switch from IIB to a solution based on a competitor's software.

While this software alternative could help cut costs, after careful evaluation, Prolifics' experts realized that it would reduce the performance and increase the complexity of the final solution.

Prolifics proposed a different approach that could meet all of the Company's needs. Our Healthcare Integration Kit (HIK) would serve as the backbone of the solution. This suite of tools and accelerators, designed to tackle EDI HIPAA compliance problems and other common issues, tracks and processes claims data as it is processed, transformed, and delivered through the organization's various orchestration layers.

There are various types of HIPAA transaction standards that a healthcare insurance company must embrace. The HIK brought in a number of reference examples and patterns for the various flavors of transactions, creating a basic framework that can be customized and added onto to create the necessary variants that are relevant to the Company's business.

"I felt the Prolifics team did an excellent job for [the Company] working to install the solution with us. I appreciate the efforts of everyone who made our go-live a success."

—Company Project Manager

The merits of the Prolifics HIK were critical to winning the deal—particularly its ability to give the Company visibility and control across its HIPAA transactions and compliance in all of its business units. Business users can monitor the claims process in a summary format via an easy-to-use dashboard.

The HIK serves as a key part of the Company's HIPAA framework. It transforms transactions into the right form for the company's legacy systems to consume, store, and transfer elsewhere. It also provides powerful compliance checking mechanisms and reporting capabilities. Compliance errors are served through an accessible UI so that they can be acted on in real time.

The solution also ensures that transaction data is adequately encrypted and protected both while in motion and at rest. This works in concert with the HIK's security components to secure sensitive HIPAA transaction information.

Prolifics was matched up against several major competitors to seal the deal. Our team won out based on the quality of our HIPAA tools, assets, and accelerators, along with our deep expertise and glowing customer references.

Streamlining Transaction Processing

As the Prolifics team worked to collect the rules that govern claims onboarding and transformation, it became apparent that they were not clearly documented. The team had to delve deep into the Company's systems to find clues that would enable them to build and classify formalized business transformation, routing, processing, and duplicate elimination rules.

Engagement began with a one-week discovery session to understand the system that was currently in place. The Company had limited documentation and information available on what its claims system was capable of. It was disjointed and antiquated, with minimal visibility and no clear way to answer questions based on a single source of information. Data was transmitted in unreliable and unverifiable ways. Business users could not check the integrity of data, ensure that all data was successfully received, and verify whether data was correctly processed.

Processing was mainframe-based and was performed on a fixed schedule, impacting business agility. This led to frustration amongst business users as they grappled to do their jobs efficiently and with confidence. Because of this, a key requirement for the new solution was to enable business users to manage, configure, and administer the system themselves.

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The process of identifying and removing duplicate claims was constrained by the requirement for single-threaded processing. With tens of thousands of claims to check for duplicates each day, a single-threaded approach greatly increased the length of the time the system would need to run each day to perform all the necessary claims processing. The Prolifics team formulated a creative solution that dramatically sped up duplicate claims checks while keeping it on a single thread.

Expanding Critical Functionalities

The resulting HIK-powered system is simple, yet highly sophisticated. Four major software pieces work in concert to offer robust claims processing, filtering, and insight via user-friendly assets, templates, and interfaces.

Where the Company's mainframe-based batch processing created unacceptable latency by processing events and transactions on a set schedule, the Prolifics solution processes them as soon as they are received. Claims administration is over 40 times faster, reducing business latency from hours or days down to just seconds. Furthermore, it brings HIPAA claims processing in-house, further reducing the time and cost per claim—major success metrics for health insurers.

The GTM component of the solution elevates processing beyond the conventional steps of onboarding, transformation, and storage. The Company receives files that contain tens of thousands of individual claims. The solution extracts each claim from these files. They are tagged, harvested for metadata, and stored as separate entries in a database. The metadata is catalogued for easy retrieval, enabling extensive filtering, analytics, and reporting through an online interface. This creates a goldmine of insight that fuels more informed business decisions.

The system runs for only 30 to 40 total minutes each day as it transforms claims, checks for duplicates, and archives data, all in real time—meaning that the solution has enormous capacity for growth. The Company is able to confidently participate in the ongoing consolidation of the healthcare marketplace and grow its market share via acquisition while preserving the economies of scale.

ABOUT PROLIFICS

Prolifics creates a competitive advantage for organizations around the world by implementing customized, end-to-end IT solutions that achieve business success, leveraging leading technologies in a global delivery model. For more than 40 years, the company's technology expertise, industry-specific insights and certified technology accelerators have transformed organizations around the world by solving complex IT challenges. For more information, visit www.prolifics.com.