



CAN AUTOMATION BULLDOZE THE MOUNTAIN OF COSTS?

Abstract

When Mathew Donner, the business owner of the member enrollment process for a US-based managed care company, was faced with high enrollment costs, Infosys BPM stepped in and transformed the entire process, which eliminated 500+ person months of work resulting in a yearly operating cost savings of \$2+ million annually.

The enrollment blues

Mathew managed the enrollment process for a US-based multi-state Medicaid Managed Care Organisation (MCO). A typical MCO handles financing, insurance, delivery, and payment to provide healthcare services to members. In this process, approved members are signed up with the health insurance company (health plan), which, in turn, provides health coverage based on premium agreed by the members. The health plan onboards the members to their insurance plans, and this process takes place during a particular time period every year for every insurance company. This is referred to as the open enrollment period, which is usually from mid-October to mid-January.

During the enrollment period, health plans witness a surge in enrollment-related tasks, and if members face delay in onboarding process, there is a possibility of them switching to a different health plan. The MCO was witnessing steady growth with a concurrent increase in membership volume. With rise in volumes, the costs of enrollment also began to increase. This resulted in increasing enrollment-related requests and fluctuating volumes.

Mathew also had another aspect to worry about in the premium billing process: a high percentage of backlogs in the premium reconciliation inventory. This caused several delays in premium collection, resulting in revenue loss for the

company. In insurance parlance, premium reconciliation is the process by which an insurance company ensures that the expected premium payments are received, and the members are kept enrolled within their health plan.

With delays in premium reconciliation and surge in enrollment tasks, Mathew had to juggle with a steep increase in costs due to increasing membership, huge volumes of inventory backlogs, and delay in revenue realisation. His immediate target was to overhaul and transform the entire enrollment and premium reconciliation process so that he could reduce the inventory backlog and meet the SLAs.

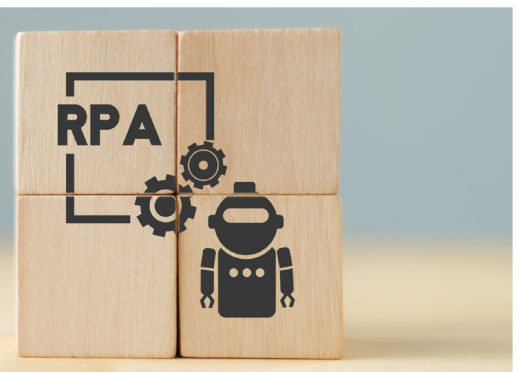
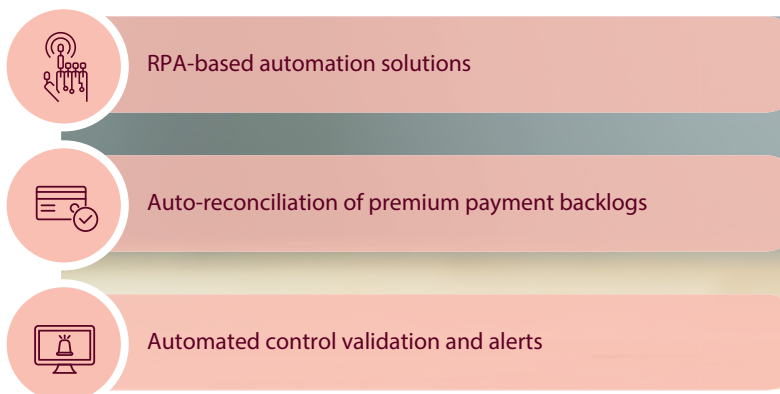
A helping hand

Mathew was initially skeptical whether these issues could be rectified in-house. While he struggled to find answers, he felt that an external vendor would be able to resolve them. He connected with Nicholas Meyers, the client representative for Infosys

BPM, who was spearheading this effort. When Mathew explained the inventory backlog problem, Nicholas assured him of a solution to the problem. After an initial assessment, Nicholas and his team evaluated the high-priority processes,

which were fluctuating and had high volumes. The key aspect of the solution was that it needed to handle greater volumes of data while minimising quality errors and avoiding manual interventions.

Approach summary



Nicholas presented a proposal to Mathew, which would be implemented in several steps. The first step would involve EDI 834 processing logic changes to improve

auto-enrollment rates. These logical changes included address validation, rate code checks, enrollment-related logic, and so on. Nicholas proposed an

automated control validation and alerts to identify and proactively fix eligibility data inconsistencies. For instance, when a member is applying for enrollment,

Infosys BPM team would verify whether the member is eligible to be enrolled. If the team notices any inconsistencies in the data or with the member application, it will be fixed manually by verifying against the state portal.

The second step would be RPA-based process automation solutions for PCP (primary care physician) assignments and claim pends, which would help reduce manual errors. The final step was auto-reconciliation of premium payments based on EDI 820 files for timely collections from

states. While Mathew was delighted that Nicholas had identified multiple solutions, Mathew wanted Nicholas to prioritise items associated with auto-enrollment rate, premium recognition, and growing inventory backlog.

Transforming the process

Mathew was amazed by how quickly Nicholas and his team started implementing the solutions into practice. With various automation solutions, Nicholas managed to eliminate 500+ person months of work, which resulted in yearly operating cost savings of \$2+ million. Additionally, the solutions helped in lowering the AHT from 6 minutes to 2 minutes and TAT from 7 days to 2 days. With the reduction in AHT, Nicholas was

able to meet the client SLAs as well as eliminate non-productive steps, optimise costs, and reduce inbound exceptions in the inventory. These process improvements resulted in efficient handling of member enrollment exceptions, which eventually resulted in a better member experience.

Mathew and his team were able to optimise timely collection of premiums with a more streamlined and automated reconciliation process, and the overall

transactional quality improved by 98% and above. As a result, he was able to lower operating expenses, enhance member satisfaction, and minimise non-value-added activities and associated costs. Mathew was happy with the result since Infosys BPM met all his expectations and expressed his desire to work with Infosys BPM more closely in the future to enhance business KPIs.



Key Benefits



Eliminated 500+ person months of work



Cost savings of \$2+ million per year



Improved overall transaction quality by 98%



**Names have been altered to preserve the identities of the people involved.*

For more information, contact infosysbpm@infosys.com

Infosys[®]
Navigate your next

© 2022 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.

Infosysbpm.com

Stay Connected

