DASHING TOWARDS THE FINISHING LINE WITH CLAIMS AUTOMATION

Summary

When Matt Ambrose, the Claims Director for a US-based health insurance corporation, struggled to meet deadlines in clearing claims, Infosys BPM stepped in to automate the end-to-end manual claims process and helped in clearing 9,200 backlogged claims within 2 weeks.

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Too many roadblocks to clear

In his role as the Claims Director, Matt managed the end-to-end claims administration process, and his goal was to ensure timely processing of claims with accuracy. Although Matt was able to manage most of the claims administration processes seamlessly, however, he encountered multiple bottlenecks during the execution of manually priced claims. This resulted in substantial backlog of claims for processing.

Let's examine how claims management works in a real-world scenario. Every time an insured member visits the provider/doctor/medical facility for treatment, consultation, or review, the provider needs to submit claims in order to reimburse the

cost of services rendered. Once a medical claim is submitted, it goes through various upstream processes. As a next step, the claims adjudication system reviews all the information necessary for the respective claim, then auto-adjudicates those claims, and the fallouts are directed towards manual adjudication. Wherever a claim requires to be priced manually, subsequent steps are taken for manual pricing. When the adjudication is completed, the next step is payment processing and the respective upstream processes.

Last year, Matt and his team had a major problem pricing the manual claims. As per CMS guidelines, all claims need to be adjudicated and payments need to be

released to the providers within 30 days from the claims' submission date. Since the entire process was complicated with high probability of errors, the payment turnaround time (TAT) was extending beyond the mandatory 30-day period. This led to dissatisfaction among the members and providers. Further, there was lack of integration between the claims adjudication platform and manual pricing applications, resulting in backlogs. The manual pricing system used by Matt and his team was a third-party tool, and as such, it wasn't integrated with the company's system. To clear these backlogs, Matt had to hire additional staff, which added to his woes.

Taking control of the situation

In the beginning, Matt searched for in-house solutions to smoothen the process, but his team did not have the required expertise at that point in time. So, Matt began researching external vendors who would be able to tackle this challenge head on. While he was contemplating about various vendors to partner with, Matt decided that Infosys BPM would be best suited to provide resolve and smoothen the process.

Approach summary

- Detailed process review and feasibility study
- Proof of concept
- Manual pricing process automation

Jason Walsh came on board as a representative from Infosys BPM. Since Matt's company and Infosys BPM were existing partners, it gave both the parties the confidence to successfully execute the required task. Jason conducted a detailed feasibility study and process review and then suggested an automation approach to tackle challenges pertaining to existing claims process.

As a first step, the in-house automation team came up with a solution, which was in line with the claim's workflow. The automation team planned to extract the desired claim elements from the platform, transform the data into an acceptable file format for the pricing tool, and upload it in the claims adjudication system. The elements could be details regarding the member's first name, last name, date of birth, nature of services rendered, etc. Once, the pricing tool provided the output, the result was exported and loaded onto the claims platform.
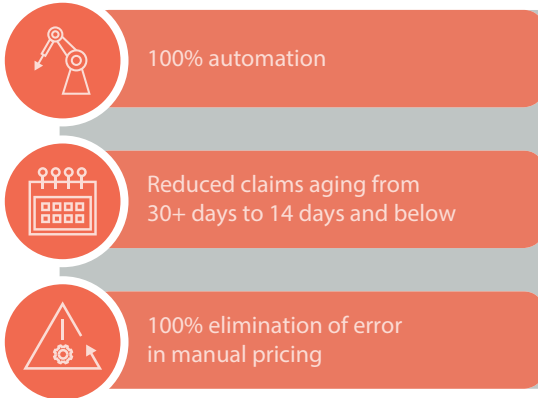
However, Matt had one major concern about the whole plan. He felt that if Jason's automation tool accessed the company's data or if the tool were to run on their systems, it would impact current processes and result in financial implications and cause dissatisfaction among members and providers. Jason shared a detailed automation plan and proposed a proof of concept (POC) to Matt prior to implementing the tool. Once Matt and his team reviewed the POC, they were convinced about the benefits of automation and signed off on the implementation.

At the last lap

Key benefits

- 100% automation

- Reduced claims aging from 30+ days to 14 days and below

- 100% elimination of error in manual pricing

Both the teams worked together to implement the tool in the claims process. As a result, Jason and his team were able to automate the entire process. This meant that Matt was able to save 25% in FTE effort. With automation handling the end-to-end processes, performance related to business metrics and SLAs improved, and

Matt and his team were able to comply with CMS payment guidelines.

With automation, Infosys BPM enhanced an important business metric of aging claims – reducing it from 30+ days to 14 days or below on an average. Matt and his team were also able to clear pending backlogs of

9,200 claims within 2 weeks. Automating the process meant that manual processes were no longer being followed, resulting in 100% elimination of errors. Matt and his team felt valued that the collaboration with Infosys BPM helped them to address the pain points in their day-to-day operations.

Names have been altered to preserve privacy of the people involved.

For more information, contact infosysbpm@infosys.com

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