

WebSphere. software

Regional healthcare payer empowers providers with new self-service tools using IBM's Composite Business Services Platform

Overview

■ Challenge

Give healthcare providers highly personalized self-service tools to automate claims processing and error correction to increase provider satisfaction and reduce costs for both payer and provider

■ Why IBM?

IBM provided the leading end-to-end SOA platform for composite business services and included a healthcare industry feature pack to reduce time to market for new solutions

■ Solution

Deliver self-service tools and differentiated services from existing legacy IT systems using configurable business services that leverage Web service and industry standards

■ Key Benefits

Automated claims error correction; improved claims auto-adjudication rates; shortened provider payment cycles; reduced provider ramp up costs; reduced clearinghouse fees; improved business visibility and control; reduced operating costs; reduced provider support costs



IBM is helping to transform provider services for a regional leader in healthcare financing. The healthcare payer employs approximately 4,300 people and provides insurance products and services to more than two million members. It has always been an innovator in applying advanced technologies for the delivery of superior member services and streamlined operations. The company was looking for new, more effective solutions to improve healthcare provider satisfaction, secure their provider network from competitors, and reduce operating costs for both their providers and for themselves.

“We chose IBM after a detailed product evaluation and review of their prior results.”

– Director of IT, major regional healthcare insurer

Key Components

Software

- WebSphere Business Services Fabric
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Improving the provider's ease of doing business with a health plan has become increasingly important to locking in and defending provider supply chains from competitors. This leading company was constantly under attack from national health insurers and smaller regional health plans. The company recognized the opportunity to securely expose and personalize their core administrative processes to providers with new "self service" tools unavailable from any clearinghouse or competitor.

The company was continually seeking ways to streamline processes that required manual touch-points, such as phone, fax, e-mail and paper-based transactions. The company was especially interested in identifying solution areas that would have the potential to reduce costs both internally and for providers. Reducing costs for providers, as the company viewed it, was an important factor in increasing provider satisfaction and securing their loyalty.

To move forward with these initiatives, the company evaluated several alternatives before choosing to deploy composite business services (CBS) using IBM's WebSphere Business Services Fabric. The IBM solution provided an end-to-end platform for composite business services that extends and enhances IBM's SOA Foundation products. WebSphere Business Services Fabric also included an optional healthcare industry feature pack, which would reduce time to market for service oriented architecture (SOA) based healthcare solutions.

The IBM software enabled the company to deliver new personalized and configurable process automation solutions using the standards-based technology of Web services and healthcare industry standards such as the Health Insurance Portability and Accountability Act (HIPAA). This flexible suite of composite business services helped the company rapidly automate payer-provider collaborative processes to the benefit of both the regional healthcare payer and their provider network.

Automating claims self-service error correction

The healthcare insurer pursued a phased approach to its SOA and CBS adoption, deploying the IBM software incrementally while preserving and extending its existing IT assets. The first phase was delivered in just six months and focused on further automating the claims lifecycle, including new solutions to streamline claims error handling and self-service claims error correction for a pilot group of providers.

This automated claims correction capability included comprehensive HIPAA validation, Workgroup for Electronic Data Interchange (WEDI) 1-7 edits, and company companion guide and business edits exposed and personalized to providers through a Web portal. This enhanced provider portal improved claims auto-adjudication rates, reduced overall processing costs, and accelerated provider payment cycles.

Using the IBM software, the regional healthcare payer also deployed a composite business service to automatically generate an online claims status report for providers based on a configurable number of days since the claim was filed. This reduces duplicate claims submissions, proactively addresses returns, and facilitates disputes and appeals.

Later phases of this CBS initiative will expand the scope to include additional claims sources and other lines of business, as well as scaling up provider direct-connect programs. Future projects will also include the implementation of composite business services for benefits and eligibility inquiries.

Delivering personalized service

The company recognized that their business objectives were dependent upon high provider utilization of automated tools and processes. Ease-of-use, convenience and personalization were key to increasing utilization, and a successful solution would have to tailor service delivery for each provider segment including both technically sophisticated and “low tech” providers.

The IBM software enables the company to dynamically personalize service delivery based on the context, content and contract for the service request through the use of sophisticated runtime profiles, policies, and service meta data. This helps the company minimize costly and time-consuming exceptions, delays, and manual touches, and helps improve the overall provider experience. The IBM solution also managed consistent service quality, visibility and control across shared work processes.

Reducing time to market and re-using IT assets

The company was also able to quickly launch new composite business services and deliver rapid business results using prebuilt healthcare SOA assets and the WebSphere Business Services Fabric. Future composite business service deployments at the company will continue to leverage existing business services and IT assets using the IBM software as the system of record for faster time-to-market, reduced cost, and better solution reliability. In addition, the IBM software leverages HIPAA, Health Level (HL) 7 and Web-service standards for faster application deployments and reduced integration risk and expense.

WebSphere Business Services Fabric has helped the regional healthcare payer quickly launch new products and services that expose core business processes and deliver personalized self-service capabilities to providers.

Greater cost savings and visibility

The regional healthcare payer and its providers are reducing operating costs in several areas, including call center management and related phone calls, faxes and paper-based processes. The IBM software includes dashboard visibility services to monitor performance, improve operational efficiency and obtain a more holistic view of the provider network. Additionally, the software unifies machine-to-machine, Web portal, secure FTP and other types of communications on to a single platform for centralized maintenance and lower total cost of ownership.

Bringing providers on board faster

The IBM software was able to dramatically reduce the time and cost of on ramping new providers, and does not require providers to alter their existing PMS/HIS systems. IBM software capabilities include self-service and assisted service provisioning, robust file bundling/unbundling, content-based routing, and legacy transformation capabilities for National Science Foundation (NSF), Health Care Financing Administration (HCFA) 1500 and HCFA Uniform Bill 92 (UB-92) file formats into HIPAA-compliant American National Standards Institute (ANSI) X.12N transactions.

Reducing clearinghouse fees

The IBM software enabled the regional healthcare payer to receive claims previously processed by clearinghouses to direct-connect solutions that free providers from usage fees. The healthcare payer has also strengthened its provider relationships by delivering a range of advanced services not available through clearinghouses.

Staying focused on provider needs

At each stage of incremental transformation, the regional healthcare payer improves the efficiency and productivity of its provider services to achieve greater competitive advantage. By maintaining its focus on customer service and business agility to respond to new market needs, the company is further establishing itself as an innovative healthcare leader.

For more information

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Route 100
Somers, New York 10589
U.S.A.

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