

Back office transformation for a large employee benefits company



Hexaware's transformation journey for one of the largest payer in USA

About the client



Our client provides health insurance, life insurance, voluntary benefits and benefits management services through its subsidiary businesses. It also provides benefits administration for fully insured and self-funded employers. With more than \$2Bn assets, our client has been in business since 100 years and employs more than 4100 full time and part time employees. Its located in the USA across 25+ locations serving millions of customers.

Client Situation



When this major health insurer decided to refit its less efficient claims processing system, there was a further need to streamline every sub process of the entire claims cycle. Workflows had to be redefined and technologies introduced to enable accuracy and throughput during peak volumes. The client was also looking to cut down cost without compromising on the quality, accuracy and timelines of claims processing.

Operational challenges included managing varying volume of claims, fraud prevention, process standard claims as well as non-formatted claims. Since the process was manual led, another requirement was to eliminate inaccuracies arising out of the manual intervention.

Processes in Scope



- § **Smart data solutions-** Mail room management, indexing and data capture
- § **Claims pre-adjudication-** Eligibility management, member & provider maintenance, re-pricing routing, claim validation and improve the data accuracy and first pass rates
- § **Claims adjudication-** Claim payouts

Facts



- § Years of engagement- 11
- § Claim transaction handled per year- excess of 7 mn
- § Total payout in excess of \$1.8 Bn
- § No of locations supported- 9
- § Operations spread across 2 delivery centers in India

Major Challenges



- Lack of flexibility and scalability in current operational model
- Increasing cost pressures due to a competitive market
- Optimum operational efficiency
- Lack of sufficient and effective reporting leading to minimal insights from business metrics
- Lack of strong documentation was proving a challenge in change management

Main Objectives



- Needed a flexible and scalable partner to support the end to end claims operations with no impact on service levels
- Reduce total cost by ~25% annually
- Use of technology for enabling efficient processing and implement a scalable model to support future state of business
- Technology enabled business metrics
- Improve standard of documentation and workflow

Hexaware's Solution



Hexaware implemented a state-of-the-art people-process-technology solution to perform all claims processing services initially by migrating the current processes with minimal or no impact to business operations. The solution included full suite of services that covered the requirements for mailroom services, storage and retrieval, digital imaging, data entry, preadjudication and adjudication. Hexaware proposed a best fit working model to the client that comprised of:

- § Flexible staffing model to accommodate the customer needs during peak volumes within weekdays & seasonal variations of the year. The model also supported the backlogs created during customers onboarding and platform migrations
- § Forecasting methodologies to estimate staffing requirements
- § Implementing **hNext** workflow engine for data processing with OCR integrated functionalities
- § Implement **PCAT** (Production, Control & Audit Tool) reporting system that provides real time production metrics and a flexible Quality Assurance program
- § Developed an transparent online reporting multipurpose dashboard for greater visibility. This served as an efficient document repository, an issue log, and inventory management status reporting
- § Creative training methodology to shorten the transition timelines & reducing efforts for eg creating an offshore shadow team during onshore knowledge transfer
- § Implementing Six Sigma methodology in day to day operational controls like Root Cause Analysis reports, Pareto Analysis etc
- § Mapping Downstream processes with Upstream processes to eliminate redundant steps and implement validations in Upstream processes to improve Turnaround Time and Auto Adjudication rate

Technology environment



§ Clients core platforms

§ Hexaware's in-house developed tools:

- Data Entry: hNext workflow engine
- Tracking : PCAT (Production, Control & Audit Tool)
- Dashboard: UniView

Results and benefits delivered



Achieved 30% savings on total cost of operations



Accuracy:
Expected – 95%;
Achieved – 99.5%



Reduced transition timelines
by 2 weeks for simple processes and 4 weeks for complex processes



End to End improved TAT:
~Automated Transmission System to reduce dependence on client availability

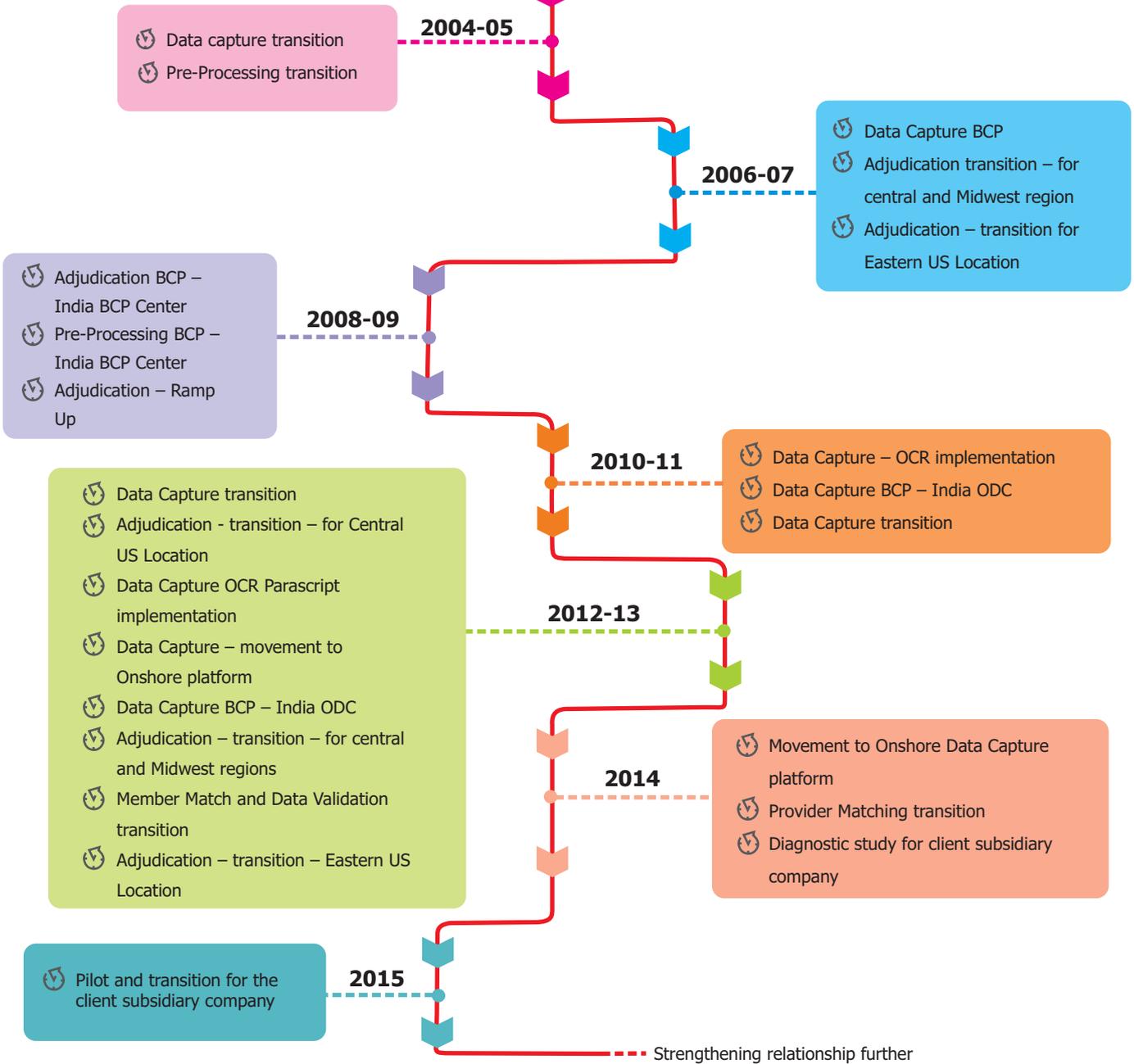


Productivity Improvement:
10-12% with benefits passed onto client



Robust documentation & Process Mapping

Our journey so far



Our Payer BPO Services Highlights



- § 11 years of strong expertise on Payer BPO services
- § We process over 10 Mn transactions annually
- § We serve payers, including insurers and third party administrators and offer flexible pricing model
- § In-depth services including mail room operations, data conversion, account maintenance, member/provider services, end to end claims administration and analytics
- § Leverage industry best practices, process knowledge and expertise for process transformation and optimization
- § **hNext**- the best in class platform to address technology needs
- § Global footprint with delivery model across onshore, near-shore and offshore providing significant scale and advantage to clients

About Hexaware Business Process Services



- § Pioneer in providing Business Process Services and Consulting solutions to large and growing enterprises
- § Preferred partner to major Fortune 500 clients spanning diverse geographies and varied industries
- § Alliances with global technology giants to enable automation and technology advances
- § Global presence in: Americas, Europe, APAC, Middle East with over 11 delivery centers
- § State of the art delivery centers capable of delivering work through Onshore, Offshore, Near-shore,
- § Right-shore and hybrid models
- § Best in class security infrastructure to protect client data and Intellectual Property with unmatched Disaster
- § Recovery / Business Continuity Plans capabilities

To request consultation please write to us BPS@Hexaware.com

To know more about us please visit- <http://hexaware/business-process-services.htm>

Hexaware office locations- <http://www.hexaware.com/worldwide.htm>

USA Headquarters

1095 Cranbury South River Road
Suite 10, Jamesburg, NJ 08831
Tel: 609-409-6950
Fax: 609-409-6910

India Headquarters

Building 3, Sector 2, A-Block,
Millennium Business Park,
Mahape, Navi Mumbai- 400710
Tel: +91-22-27783300
Fax: +91-22-27782370

EU Headquarters

Level 19, 40 Bank Street,
Canary Wharf,
London - E14 5NR
Tel: +44-020-77154100
Fax: +44-020-77154101

APAC Headquarters

180 Cecil Street, #11-02,
Bangkok Bank Building,
Singapore 069546
Tel: +65-63253020
Fax: +65-62212728

Safe Harbor Statement

Certain statements on this brochure concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry

© Hexaware Technologies. All rights reserved.