Healthcare payer cuts costs and increases agility with a better business technology approach

Client
A leading US healthcare payer

Industry
Healthcare

Business need addressed
- Siloed, multivendor, multitechnology setup which caused interoperability challenges, poor data quality, and limited business agility
- Poor data quality prevented the organization from harnessing analytics to generate insights and drive differentiation and growth

Genpact solution
Harnessing a Lean Digital approach, which combines advanced technologies with design thinking and Lean principles to reimagine business processes, an integrated process and technology framework helped maximize the utility of existing technology infrastructure, and enable operations transformation in three areas:
- Product, actuarial, and underwriting sales and membership
- Core services (pricing, claims, care, network and provider management)
- Customer care, customer fulfillment, and finance

Business impact
- Improved governance, integrated planning, risk management and benefits tracking
- Reduced time-to-market for new products enabling revenue growth, and enhanced competitiveness
- On track to realize significant savings in implementation and operating costs with immediate success in a pilot customer relationship management (CRM) implementation realizing $6 million savings already
A leading US healthcare payer was struggling to keep pace with the rapidly changing market dynamics due to its disparate processes, fragmented technology infrastructure, multiple technology vendors, poor governance and resulting interoperability issues. The company implemented an integrated process and technology framework leveraging lean digital principles for an end-to-end transformation. The framework maximized the utility of existing technology infrastructure, ensured robust governance across multiple partners, and accelerated adoption of new changes. As a result, the company is now better positioned to drive revenue growth by reducing time-to-market for new products, reduce costs by rationalizing IT and operating costs, and improve agility. The framework has delivered immediate benefits by already saving $6 million in a pilot implementation of a CRM solution.

**Business challenge**

A combination of regulatory reforms (such as the Affordable Care Act), consumer-centric healthcare models, and increasing competition has forced healthcare payers to focus on customer satisfaction, accountability, and shared savings. This has forced organizations to reimagine operations currently burdened by legacy systems and processes. In this context, agility and customer satisfaction are seen as key outcomes for ensuring customer stickiness and continuous growth in a rapidly changing marketplace.

This healthcare payer faced similar issues and needed an urgent technology enabled transformation to lead its business into the future. The organization had traditionally operated with a “technology-first” mindset. This focus on new technology implementation, without first taking into account the implications of technology on existing systems, processes, and data, yielded suboptimal results due to problems with interoperability, data quality, and business readiness.

The presence of multiple technology systems and platforms had led to underlying processes operating in silos unable to talk to one another due to technical disparities. The resulting poor data quality prevented the organization from generating insights to drive differentiation and growth. More critically, the organization did not have the technology, processes, and people in place to successfully transition from a disjointed, multivendor, multitechnology setup to an integrated, outcome-oriented, and agile architecture—the transition that was necessary to stay ahead in the market.

**Genpact solution**

Typically, in an environment with complex legacy systems and processes, companies tend to either automate isolated processes or opt for a rip-and-replace of existing systems. These approaches which demand large capital investments, are time consuming to implement, and offer little visibility into their usefulness. A more effective transformation approach guided by lean management principles minimizes waste.
and ensures alignment of interventions with outcomes. This involves reimagining processes that have the maximum impact on business outcomes, and powering the transformed processes using advanced digital technologies that complement, rather than replace, existing systems of records.

A holistic review of the legacy technology landscape from a process lens using lean principles preempts the unnecessary proliferation of tools and manual processes and helps unleash the full power of technology. Genpact’s team of healthcare domain experts, process redesign experts, and technology consultants helped define an integrated process and technology framework. This framework helped guide the change initiative by maximizing the utility of existing technology infrastructure while at the same time orchestrating an end-to-end transformation across multiple technology partners. Three key operational areas were identified to drive the transformation:

- **Product, actuarial, and underwriting sales and membership**
- **Core services (pricing, claims, care, network and provider management)**
- **Customer care, customer fulfillment, and finance**

This framework (Figure 1) embedded a process-first paradigm into the technology requirements, design, implementation, production, and support life cycle, and interlinked data, technology, and processes across multiple areas of operations.

This enhanced coordination with key stakeholders across the organization (e.g., training, human resources, communications, compliance, audit, and risk management), ensuring management support to accelerate business readiness.

Finally, robust governance, integrated planning, risk management, change management, and benefits tracking made it easier to align the large technology partner base at the company. This also helped standardize project delivery while establishing overall accountability for business outcomes.

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*Figure 1: Integrated process and technology framework*
In an example of early success, a CRM implementation realized significant benefits in the pilot phase of the framework. The existing manual CRM process built on legacy tools caused errors, low employee productivity, high administrative costs, and lost revenues. The framework helped redesign the process to optimize for technology embedment, and implement a configurable solution that minimized manual interventions and improved employee productivity. Automated workflows and reporting enabled actionable insights and better decision making.

**Business impact**

The successful pilot during the implementation of the CRM solution in the sales and marketing workstream has already delivered a savings of $6 million. Using lean digital principles, the healthcare payer is well positioned not only to achieve its ambitious target of reducing ongoing operating costs by retiring old systems, but also to grow revenues, accelerate time-to-market for new products, and increase competitiveness with the new, digitally enabled operating model.

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**About Genpact**

Genpact (NYSE: G) stands for “generating business impact.” We are a global leader in digitally-powered business process management and services. Our Lean Digital℠ approach and patented Smart Enterprise Processes℠ framework reimagine our clients’ operating models end-to-end, including the middle and back offices – to deliver growth, efficiency, and business agility. First as a part of GE and later as an independent company, we have been passionately serving strategic client relationships including approximately one-fifth of the Fortune Global 500, and have grown to over 70,000 people. The resulting domain expertise and experience running complex operations are unique and help us drive choices across technology, analytics, and organizational design.

For additional information, contact, healthcare.solutions@genpact.com and visit www.genpact.com/home/industries/healthcare-payer

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