Understanding and Managing a Membership BPO's Expectations for a Healthcare Insurance provider

Background

There is increasing pressure on healthcare insurance providers to reduce their labor costs associated with claims processing and administration. This is in part due to the Affordable Care Act (ACA) driving the use of Medical Loss Ratios (MLRs). This pressure to reduce processing costs has increased the use of Business Process Outsources (BPOs). The need to protect patient records in accordance with the Health Insurance Portability and Accountability Act (HIPAA) results in many healthcare insurance companies utilizing technologies such as Citrix to maintain full control over Protected Health Information (PHI).

Problem

As part of a major healthcare insurance provider's initiative to reduce processing costs for new member applications, they sought to utilize a BPO for the majority of this work. The deployment would utilize Citrix to allow the BPO to access the provider's membership enrollment system. The project manager for this initiative was challenged with trying to understand why the BPO, during their initial efforts to enter membership applications, were taking an average of 8 minutes to enter a new member's application, where as their onshore organization was taking only 6 minutes (i.e., **a potential 30%+ reduction in productivity**). The challenge was determining if the issues was with the new BPO agents, their understanding of the business process or the performance of the application. The BPO indicated that they felt it was the application's performance that was impacting their ability to process the membership applications and was hinting that they might require a higher per application rate than had been negotiated in the contract.

Solution

The healthcare insurance provider had deployed a solution from Evidant prior to this BPO initiative. Evidant in this process had:

1. Determined the specific steps associated with the business activity for adding a member – see Figure 1. This included working with the business to complete user time study generating a Business Activity Model. The resulting analysis showed that of the 6 minutes, **less than 40 seconds was associated with application transactions**.

Add Member (all times in seconds)	Expected	Dwell Time
Macess - Open Workflow	5	2
Macess - Open PDF	8	7
Open FAX/Letter		30
ABS - Member Update	4	5
Verify enrollment form		17
ABS - Member Info	4	28
Verified zip code availability for product		10
Verified address in USPS & update email address		139
ABS - Additional Member	4	3
ABS - Dependent Data	4	17
ABS - Provider Data	4	30
Verify Provider Data in CSI		25
ABS - Confirm Provider Data	4	5
ABS - Confirm Member Add	4	1
Reverifying form against ABS for accuracy		11

Figure 1: Business Activity Model

2. Deployed Aternity's Frontline Performance tool to capture the actual application performance for the end-users for the critical application transactions identified in the Business Activity Model.

Evidant utilized the real user transaction data from Aternity to see what the end-user experience was for those onshore agents performing membership addition functions and the specific offshore agents that were complaining about application slowness. The resulting comparison in Table 1 demonstrated that the overall difference in application performance associated with adding a member was no more than 5

Transaction	Offshore	Onshore
Additional Member Info Screen	0.99 sec	1.07 sec
Confirm Member Add	0.39 sec	0.57 sec
Confirm Member Address Change	0.63 sec	0.44 sec
Dependent Data Screen	0.40 sec	0.19 sec
Member Address Screen	8.21 sec	5.57 sec
Provider Data Screen	0.64 sec	0.46 sec

Table 1: Average Response Times for Critical Membership Add Transactions

seconds between the onshore and the offshore groups – **nowhere close to the 3 minute difference**.

Evidant also reviewed the Citrix latency experienced by the offshore group of end-users to determine if network latency could be a contributing factor. This analysis showed the latency in the useable range more than 99% of the time.
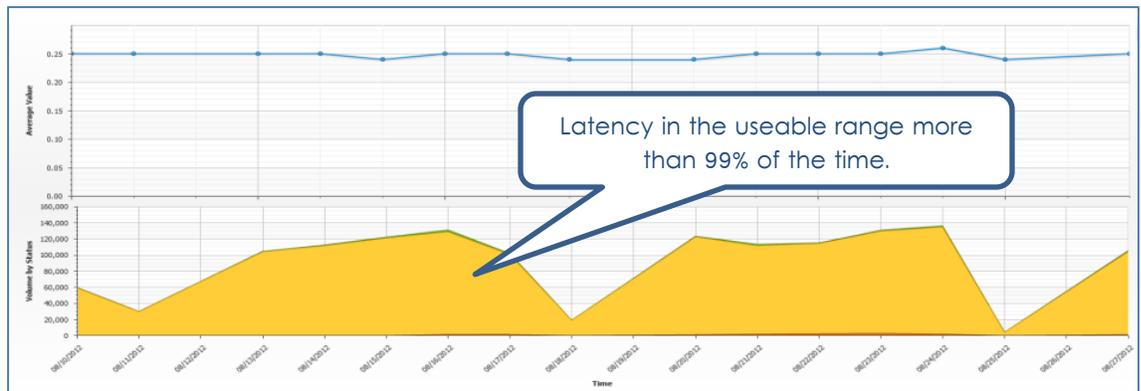

Figure 2: Citrix Latency for Offshore Group

Armed with objective application performance information, the project manager was able to go back to the BPO and determine the real issue was around training – **getting to the real issue faster**. The project manager continued to receive a monthly report based on the real-user experience to assure that neither application nor network performance were impacting the offshore BPO group. This allowed the IT production support group only to be engaged when there as real issue impacting the offshore users.

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