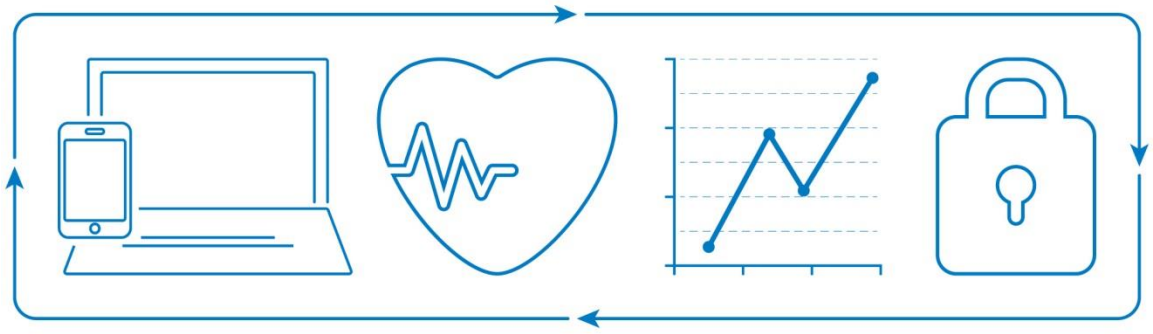
Six Essential Core Administrative System Capabilities to Stay Competitive

Summary

Today's commercial health care payers face increasing competition and business challenges as a result of eroding market shares, premium constraints, administrative cost reduction targets, mergers and acquisitions, and complex payment models. Coupled with the challenge of aging and obsolete technology, health plans incur difficulties in meeting increasing regulatory and consumer demands for compliance, security and responsive mobile and portal strategies, as well as impact speed-to-market for consumer-oriented products and services.

Gartner[1] noted that "payer CIOs need to enhance, append or replace their existing core administrative systems to more effectively compete in an increasingly complex healthcare environment." Having a full end-to-end solution that includes an increased footprint in self-service portals, population health care management and analytics is the new normal.



This article outlines the challenges, market requirements and specific capabilities necessary for an experienced or emerging payer to understand the key factors for identifying which outsourced health payer platform requirements are the best match for their needs.

[1] "Market Guide for Healthcare Payers' Core Administrative Processing Systems – Topic Overview." Gartner, Jan. 28, 2015. www.gartner.com/doc/2972717/market-guide-healthcare-payers-core. Accessed Nov. 10, 2016.

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Essential Core Administrative System Capabilities

Efficiently processing claims is no longer the only purpose of a payer system. Increasing requirements for system modularity have changed the stakes. Flexibility and ease of configuration in the provider, member, benefits and payment modules are necessary to support the challenges facing health payers. In-depth knowledge of the health care industry and supporting compliance and regulatory security protocols are essential to neutralize increasing aggression from external entities. This is evidenced by the number of system-wide breaches occurring industry-wide in recent years.

Recent industry surveys, coupled with conversations within customer and other payer organizations have led to the identification of six key capabilities necessary to resolve challenges and provide for a smooth selection, transition and implementation of a new processing platform.

- **Scalability**

  The ability to scale to accommodate new product lines and speed-to-market is essential. The Affordable Care Act (ACA), managed Medicaid, Medicare Advantage, competitive large group and Affordable Care Organization (ACO) programs driven by value-based care models require rapid turnaround

  A payer may seek a partner to bring the system and subject matter expertise needed to expand on a new product or required skill set. That partner must have an understanding of the payer's core business and specific market nuances to ensure a smooth and successful systems transition.

- **Seamless end-to-end processing with configurable and modularized systems**

  Acquisition of best-in-class systems and platforms are a starting point, however, continued partnership with the platform vendor is required to take advantage of market changes. A highly configurable benefits system allows for scalable and responsive product design as plan and payment structures change to accommodate market and consumer pressures.

  Many vendors approach the aspect of systems design by creating separate modules like membership, claims and portals and then integrating them through a service. An inherent enterprise architecture where components are coupled for a smooth and seamless end-to-end transactional process ensures a high percentage of auto-adjudication.

  When accomplished in true real-time architecture, modular systems have the advantage of remaining in sync across all channels, offering a more cohesive member strategy with engagement in mobile and web portals.

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- **Accommodation of complex payment structures**

  Given the complexity of evolving ACO and other payment models, payers need to look at future system capabilities for important characteristics such as robustness and flexibility of the financial system processing and configuration. In addition to a financial settlement system, the provider and benefit modules need to address configuration at the group, member and product specific levels, which allows for frequency of change, while maintaining the consistency of data, outputs and measurements.

- **Integrity of data**

  Consistency is critical at the architectural and database levels for any core or modular system platform. Given the number of disparate vendor systems and platforms, the inability to trust, reconcile and accurately sync data is a concern for many payers.

  Real-time processing and a single-data repository and architecture are needed to ensure success for the end-to-end auto adjudication rate and consistency with real-time member data in portals and mobile applications.

- **Security and compliance**

  Millions of dollars are spent yearly by health plans to meet the baseline mandated changes of aging legacy systems and disparate integration partners. Whether achieving compliance with federal mandates such as HIPAA 5010 and ICD-10 or coping with the recent onslaught of costly breaches, the requirement for a secure and compliant processing platform has never been stronger. One major reason for a health plan to consider platform outsourcing, either as an Application Services Provider (ASP) model or full services with platform known as Business Process Outsourcing (BPO), is to cover costs through scale for mandated compliance.

- **Predictable cost structure**

  The ACA and resulting administrative cost reductions (ACRs) have necessitated a requirement for payers to fix costs for items not related to a member's direct care. Typically, core processing systems and the supporting processes fall within the administrative cost side of the Medical Loss Ratio (MLR) equation. Through sourcing with the right partner, a health payer can realize higher service levels and increased functionality, while gaining the added benefit of a compliant, secure platform infrastructure, at a repeatable and predictable recurring cost to ensure better fiscal management.

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Introducing CDS Healthcare Payer Suite

Through the Companion Data Services (CDS) Healthcare Payer Suite® of solutions, we provide the platform and features recognized by the IT health care industry as being critical to success.

The CDS Healthcare Payer Suite includes:

- **Customized dashboards** that offer real-time access through a web portal or mobile application for the member, employer and provider
- **A fully integrated customer service experience** that presents a 360 degree view of each member and allows for customized interactions that increase retention and satisfaction
- **Membership and billing** with one-click enrollment with retail-oriented collection and posting of premiums
- **Real-time, end-to-end claims processing** in all channels, including enrollment, billing, web, mobile and payment processing
- **Easy access to accurate reporting that serves as a** single-source data repository
- **Integrated total population health management** that aims to positively impact members' health, enhance lifestyle and reduce health care expenditures
- **Secure hosting** in one of the largest health care data centers in the United States

A Full End-to-End Solution

Our flexible, secure and scalable platform functions are bound by a common architecture, leveraging across modular components to support self-service by the health plan user and member. This is accomplished through our configurable and robust Benefit Determination System (BDS), which offers the types of member-level benefits setup required for today's complex value-based design and ACA-compliant processing.

Multi-tier benefits are seamlessly loaded and handled throughout real-time processing to include settlement and liability determination. For the member, provider and customer service representative, our architecture delivers relevant data to the member and provider portals and executes on real-time deductibles for Health Savings Account (HSA) processing, where allowed by plan design.

For health plan customers and partners, these flexible system features support:

- Retention, growth and diversification of your business
- High member satisfaction
- A single platform across all lines of business, ensuring operational efficiencies for mandates and processing rules

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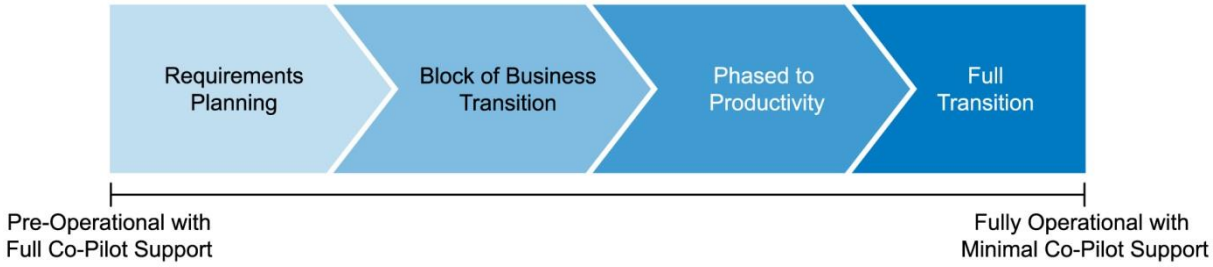
- Speed-to-market through ease in benefit setup
- Functional configurations as compared to extended development efforts

Coupled with our unique Co-Pilot implementation approach, a health plan can determine timelines for onboarding the CDS Healthcare Payer Suite within their organization. This enables a product line, line of business transition approach that is flexible enough to support ASP, BPO or a hybrid model depending on your specific business needs.

Co-Pilot Implementation Approach	
Phased Transition: One Line of Business at a Time	• Minimize risk while speeding implementation • Reduce need to perform costly data conversions • Repetitive learning model • Members start with a clean slate in the benefit year
Co-Pilot Support: Parallel Systems & Staffing During Transition	• Real-time training with expert support as your team develops aptitude • Cleaner transition to the new platform • Increase speed to productivity • Reduce change resistance due to early wins
Cost Model: Flexible & Predictable	• Provide early returns and control over costs • Model adjusts to reflect actual timetables and resources • Improve speed to market with new products and services

Our implementation design process allows for a detailed assessment of your current environment to ensure final pricing is accurate and predictable.



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From a customer service perspective, the CDS solution offers the member, provider and customer service representative a 360 degree view for customized interactions and increased satisfaction. Components driving high member retention are:

- Customizable rules engine to support unique, member-level processing parameters for member and group specific benefits
- Responsive, configurable web portals for each health plan audience (member, provider, broker and group specific)
- Multi-media document generation system to support Explanation of Benefits (EOB), remittances, system generated letters and inquiry responses, fully supported by real-time processing
- Mobile responsive website and member engagement tools including: wellness challenges, HSA processing and full access to member portal features
- Centralized archive reporting and contact management system

Real-time processing is fully supported by a responsive framework for effectively managing operational tasks through our automated Workflow Management System (WMS) solution. This industry regarded platform handles all routing and processing of non-claim workloads in real-time, highly secure and reliable manner. Modular, yet integrated in processing channels like HIPAA web, medical records can be securely attached through the provider web portal to ensure accurate and timely processing of pre-authorizations and support green initiatives through reduction of mailroom paper.

Our processing efficiencies and capabilities are secured in a highly rated health care hosting center. Handling close to 1 billion claims a year and 12 million pieces of mail a month, CDS Healthcare Payer Suite handles high volumes of processing with ease and the highest level of security. Platform and hosting center security features include the compliance expected in health care claims processing environments and data centers like ICD-10, HIPAA 5010, PCI and SOC 2 auditable components. CDS' experience in the federal government holds us to even higher standards required for the processing of the Centers for Medicare and Medicaid Services' Part A and B national contracts.

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Conclusion

Scalability accommodate new product lines and speed-to-market	✓	CDS Healthcare Payer Suite **PROBLEM SOLVED**
Seamless end-to-end claims processing With configurable and modularized systems to meet changing speed-to-market demands	✓	CDS Healthcare Payer Suite **PROBLEM SOLVED**
Accommodation of complex payment structures as required by value-based benefit design	✓	CDS Healthcare Payer Suite **PROBLEM SOLVED**
Integrity of data at the repository and processing levels	✓	CDS Healthcare Payer Suite **Problem Solved**
Security and compliance HIPAA 5010, ICD-10, FISMA High, Fedramp Ready	✓	CDS Healthcare Payer Suite **PROBLEM SOLVED**
Predictable cost structure for administrative cost reductions and Medical Loss Ratio (MLR) targets in ACA lines and products	✓	CDS Healthcare Payer Suite **PROBLEM SOLVED**

With more than 40 years of experience in the provision of secure health care systems and responsive operational processes and staff, CDS and our CDS Healthcare Payer Suite uniquely positions us to support health plans in navigating the current and future market requirements.

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