A Different Perspective to Core Administrative Platforms; Relevance for Evolving Payer Challenges

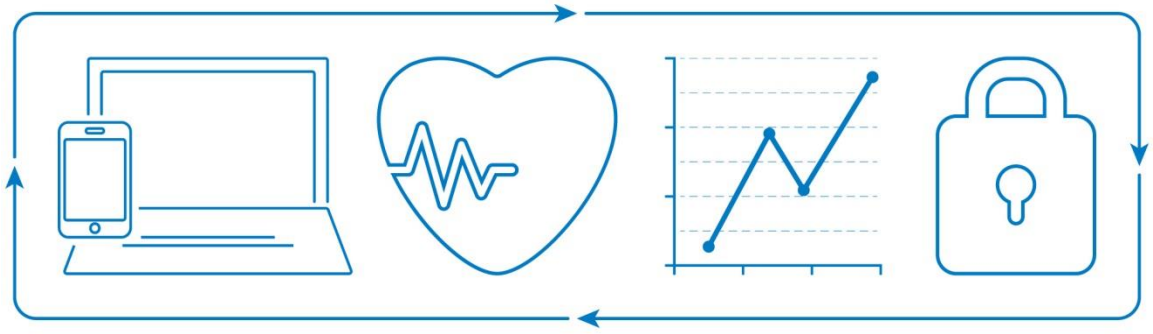
Challenge Overview

Amidst the continuing changes brought about in 2020 related to the COVID-19 pandemic, healthcare payers continue to operate with a high provision of quality services to members and constituents even with the significant disruption and compliance challenges. Core operations have been updended as new mandates on interoperability and transparency issued by the Centers for Medicare & Medicaid Services (CMS) put data competencies under a microscope…

Per Gartner "…. healthcare payers cannot adapt to disruptive market conditions or effectively counter tech-savvy competitors using legacy core administrative processing solutions.

Now more than ever, health plans need to be looking for administrative efficiencies in their core operating and administrative platforms, web portals, vendor integration and ongoing requirements for member concierge-type services.

A thorough review and assessment of core application architecture, as well as mobile and portal strategies, help payers positively impact speed-to-market for consumer-oriented products and services in this challenging environment. Having a full end-to-end solution that includes an increased footprint in self-service portals, population healthcare management, value-based benefit design, access to virtual visits in a secure manner, and all of these supported by meaningful analytics, is the new normal.



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

Essential Core Administrative System Capabilities

Efficiently processing claims is no longer the sole purpose of payer operations. Increasing requirements for system modularity and integration 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.

Additionally, from security and compliance perspectives, in-depth knowledge of the healthcare industry and supporting compliance and regulatory security protocols are critical in neutralizing increasing aggression from external entities, which is evidenced by the number of system-wide breaches occurring throughout the industry 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 horizontal (new product lines, speed-to-market) as well as vertical growth (number of covered lives) is essential. The Affordable Care Act (ACA), managed Medicaid, Medicare Advantage, commercial group and Affordable Care Organization (ACO) programs, driven by value-based care models, require rapid turnaround. In 2020, many health plans struggled with the regulatory changes coming out of the pandemic, requiring expensive coding changes in their aging lecacy platforms.

  A payer benefits in selecting a core solutions platform partner that brings both 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 is 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 frequently change to accommodate market and consumer pressures.

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Many vendors approach the aspect of systems design by creating separate modules like membership, claims and portals and then integrating them through a service. This is a valid approach utilizing industry-standard interfaces in modular environments, reducing risks of vendor lock-in. On the other side, inherent enterprise architecture where components are tightly coupled for a smooth and seamless end-to-end transactional process **ensures data integrity, reliability and availability.**

With a tightly coupled real-time in all channels architecture, payers experience the advantage of always having their member, provider and financial data in sync. This allows for better "voicing" in the member and provider portals and mobile apps ensuring a high degree of data consistency and a meaningful "concierge-type" experience for the member. Accommodation of complex payment structures

Given the complexity of evolving ACO, capitation, provisional, value-based, bundled and other payment models, payers need to look for important characteristics such as configurability and flexibility of the financial processing functions in future system capabilities.. In addition to financial settlement system, the provider and benefits modules need to address configurability at the group, member and product 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 in most health plans, this often results in the inability to trust, reconcile and accurate synchronize data becomes a become major concern for many payers. Additionally, their members are adamant about the ability to enjoy a seamless real-time experience in their mobile apps. Increase in use of debit cards tied to HSA accounts is one example. Voicing of a processed payment at point-of-service is necessary to ensure balances and co-payments are accurate. Real-time processing and a holistic singledata repository architecture are needed to ensure success for the end-to-end auto adjudication rate and consistency with real-time member data across delivery channels like portals and mobile applications.

- Security and compliance

Millions of dollars are spent yearly by health plans to ensure aging legacy systems and systems supported by disparate integration partners meet the baseline mandated changes and requirements of HIPAA, ICD-10, HITECH and Hitrust. New requirements continue to emerge as healthcare data continues to be a major target of hostile external entities.. Whether achieving compliance with federal mandates or coping with the recent onslaught of costly breaches, the requirement for a secure and compliant processing platform has never been

stronger. Instead of continuously paying substantial amounts to software vendors for endless number of patches just to meet these basic needs, health plans might consider outsourcing operational services with the platform known as Business Process Outsourcing (BPO) or Business Process as-a-Service (BPaaS), thereby, covering costs through scale, efficient processing, necessary security and compliance and integrated reporting..

- 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 predictable recurring cost.

A Solution for health payers: CDS Healthcare Payer Suite℠

CDS Healthcare Payer Suite℠ providesthe platform and features recognized by the healthcare industry as being critical to success.

Healthcare is in our dna, with over 70 years of experieces as a health care delivery organization. Designed by a payer with health plan needs in mind, 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 healthcare expenditures
- **Secure hosting** in one of the largest healthcare 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 CDS Healthcare Payer Suite Benefit

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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 benefit counters for Health Savings Account (HSA) processing.

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

- Retention, growth and diversification of business
- High member satisfaction
- A single platform across all lines of business, ensuring operational efficiencies for mandates and processing rules
- Accuracy in benefits with one "source of truth"
- Speed-to-market through ease in benefit setup
- Functional configurations as compared to extended development efforts

Coupled with our unique CDS Healthcare Payer Suite 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, or line of business transition approach that is flexible enough to support Application Service Provider (ASP), BPO, BPaaSor a hybrid model depending on the health plan's specific business needs.

Co-Pilot Implementation Approach	
Phased Transition: One Line of Business at a Time	• Minimize risk while acceleratinging 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 the health plan's 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

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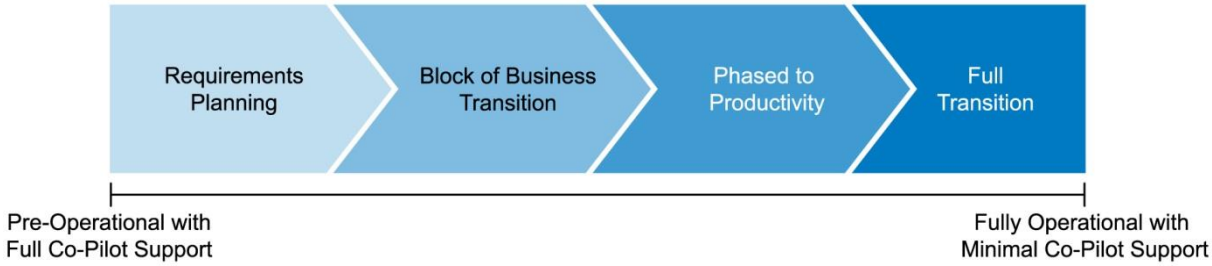
Our implementation design process allows for a detailed assessment of the health payers current environment to ensure final pricing is accurate and predictable.



CDS Healthcare Payer Suite solution offers the member, provider and customer service representative a 360 degree view for customized interactions and increased satisfaction. Components driving high member retention and support of first-call resolution with member concierge services are:

- Configurable 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), ID cards, remittances, system-generated letters and inquiry responses, fully supported by real-time processing, all securely stored electronically and viewable by member in both mobile and secure web log-ins
- Mobile website and member engagement tools including: wellness challenges, HSA processing, ID Cards, 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 CDS Healthcare Payer Suite Workflow Management System (WMS) solution, powered by our award-winning Docfinity® software product that is used by hundreds of customers in healthcare, government and higher education.. This industry-regarded platform handles all routing and processing of non-claim workloads in real-time, highly secure and reliable manner. Modular yet integrated input channels like EDI and HIPAA compliant web transactions allow medical records to be securely attached to ensure accurate and timely processing of pre-authorizations while supporting green initiatives through reduction of paper.

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Our processing efficiencies and capabilities are secured in our highly rated facilities specifically designed for healthcare payer operations. Handling close to 1 billion claims per year and 12 million pieces of mail per month, we handle high volumes of processing with ease and the highest level of security. Platform and hosting security features meet the level of compliance expected in healthcare claims processing environments and data centers.. CDS' experience in the federal government holds us to even higher security standards required for the processing of the Centers for Medicare and Medicaid Services' Part A and B hosting contracts.

Conclusion

Scalability Accommodate new product lines and speed-to-market	✓	CDS Healthcare Payer Suite℠ **PROBLEM SOLVED**
Seamless end-to-end claims processing Configurable and modularized systems to meet changing speed-to-market demands	✓	CDS Healthcare Payer Suite℠ **PROBLEM SOLVED**
Accommodation of complex payment structures	✓	CDS Healthcare Payer Suite℠ **PROBLEM SOLVED**
Integrity of data Singleepository across all channels and processing levels	✓	CDS Healthcare Payer Suite℠ **Problem Solved**
Security and compliance HIPAA 5010, ICD-10,HITECH, Hitrust, FISMASOC 2, ISO	✓	CDS Healthcare Payer Suite℠ **PROBLEM SOLVED**
Predictable cost structure Predicability in dministrative cost reductions and Medical Loss Ratio (MLR) targets in ACA line of products	✓	CDS Healthcare Payer Suite℠ **PROBLEM SOLVED**

With more than 40 years of experience in the provision of secure healthcare systems and responsive operational processes and staff, Companion Data Services and CDS Healthcare Payer Suite℠ are uniquely positioned to support health plans in navigating the current and future market requirements.

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