

Case Study: Oracle Solutions Practice

A Healthier Outlook in the Cloud

With a pressing need to modernize disparate core systems, EmblemHealth opts for a sweeping migration to Oracle Cloud's full suite of SaaS applications.

Waves of consolidation are overtaking the healthcare industry as companies seek to embrace new value-based care models, improve patient outcomes, drive economies of scale, develop sustainable cost structures and thrive in an increasingly competitive market.

Case in point: EmblemHealth, a \$10 billion nonprofit health plan with more than 3 million members based in New York serving the tri-state area. The company has grown via strategic acquisitions and affiliations with regional healthcare providers and payers.

But for EmblemHealth the price of this success was an accumulation of disparate systems that hampered operations and made it difficult for business users to access data they needed to make critical decisions.

Rather than pursuing a series of complex upgrades and integrations, we proposed EmblemHealth execute a bigger transformation – namely, moving

At a glance

One of the largest non-profit healthcare systems in the U.S., EmblemHealth faced the choice of upgrading dozens of disparate systems or taking a more modern approach. EmblemHealth elected to consolidate and migrate to 21 SaaS modules of Oracle Cloud, a major transformation of its back office and enterprise applications.

Outcomes

- The Oracle SaaS Cloud Program consolidated 16 different systems across three different companies.
- Cost savings to the business are expected to reach \$700,000 per year, and IT costs are projected to drop 30% to 35% annually.
- The user experience was standardized and modernized, and mobile capability was added.

its entire infrastructure and enterprise applications to a pure cloud environment.

Fragmented systems across multiple platforms

In recent years, EmblemHealth has merged with, acquired or become affiliated with a number of organizations, including AdvantageCare Physicians and ConnectiCare. As a result, EmblemHealth's key corporate systems including finance, HR and supply chain were heavily fragmented across multiple platforms. To put it simply, there was no "single version of the truth" on which to base decisions.

As a result, EmblemHealth, its subsidiaries and affiliates found it difficult to work in unison. Managers did procurement and invoicing in one system, and account reconciliation, book balancing and budgeting on another. There was no easy way to get a 360-degree view of an employee. And getting reports and analytics for the company as a whole was difficult.

To add to the complexity, the company's core finance system – an early version of PeopleSoft – badly needed an upgrade. But the prospect of piecemeal upgrades was unappealing – too complex, not visionary, not likely to drive business agility and value.

One of the largest Oracle cloud migrations to date

A long-time partner of EmblemHealth, we were responsible for running most of the company's business systems. Our Oracle Solutions Practice devised a bold plan to migrate 16 different PeopleSoft applications onto 21 Oracle SaaS Cloud modules to transform EmblemHealth's enterprise functions and back office. Modules included in this effort represented one of the first full-suite Oracle Cloud migrations in the healthcare payer space.

The implementation covered:

- Oracle HCM Cloud for core HR, self service, performance and goals management, time

■ Disjointed workflows gave way to seamless, end-to-end processes that dramatically increase efficiency. For example, the budget allocation process has become more efficient on the new cloud platform, accelerating the monthly close cycle by more than a day.

and labor, absence management, workforce compensation and learning.

- Oracle Taleo Cloud for recruitment, and onboarding and social sourcing.
- Oracle ERP Cloud for general ledger, payables, receivables and fixed assets.
- Oracle Cloud for procurement, procurement self service, supplier portal, procurement contracts and strategic sourcing.
- Oracle EPM Cloud, including Planning and Budgeting Cloud Service (PBCS), Profitability and Cost Management (PCMCS) and Account Reconciliation Cloud Service (ARCS).
- Oracle PaaS Cloud, including OACS Essbase.

From roadmap to rollout, the sweeping migration to the cloud took just 11 months, certainly one of the fastest projects of its kind.

Benefits of consolidation

Although early in its transformation, EmblemHealth is already seeing tangible improvements. Its financial processes, for example, are increasingly automated and efficient as all three organizations move to a common financial platform and adopt industry best practices for tasks such as expense approval, procurement and budgeting. In HR, everything from compensation cycles to goal-setting is becoming standardized.

The company now has a unified reporting platform along with powerful capabilities for drilling down into the finest details of its operations. And it has replaced disjointed workflows with seamless, end-

to-end processes – from requisition to journal entry, for example. The budget allocation process has become more efficient on the new cloud platform, accelerating the monthly close cycle by more than a day. These efficiencies enable EmblemHealth staff to turn their attention from non-value-added daily tasks to activities that drive customer value.

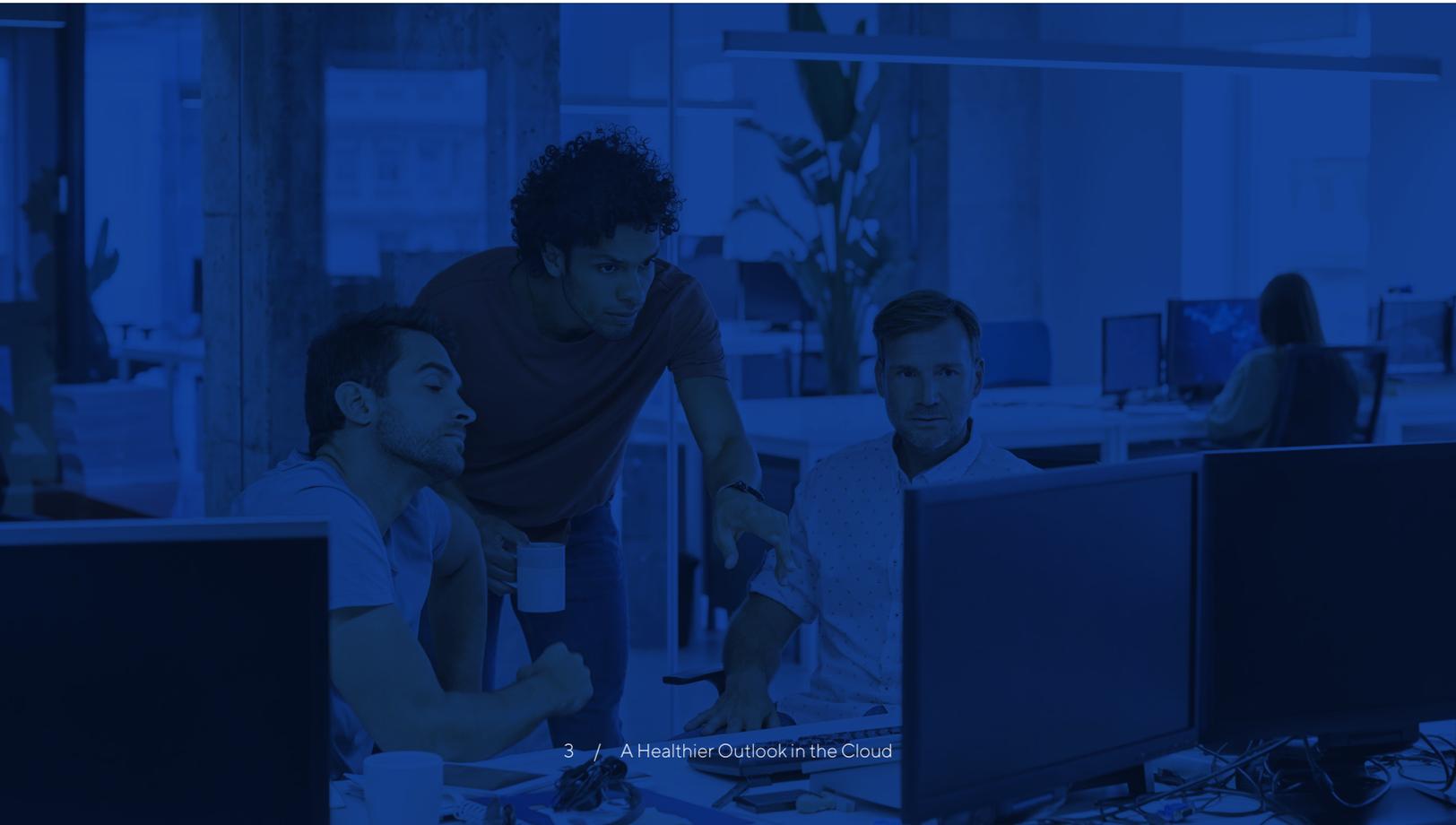
Other important business outcomes and user benefits of EmblemHealth’s migration to Oracle Cloud include:

- The Oracle SaaS Cloud Program consolidated 16 different systems across three different companies with savings to the business of about \$700,000 per year and IT-related savings of 30% to 35% annually.
- A host of user experience upgrades and the addition of mobile capability.
- Replaced disjointed workflows with seamless, end-to-end processes, from requisition to journal entry. The budget allocation process has become more efficient on the new cloud platform, accelerating the monthly close cycle by more than a day.

Looking ahead

Our team is continuing to collaborate with EmblemHealth to fine-tune the new cloud-enabled capabilities, such as automated invoice processing, and using optical character recognition technology. Our shared goal is to eventually reduce manual processing by as much as 60% or more, generating more savings and speeding the vendor payments process.

Ultimately, EmblemHealth hopes that by consolidating in the cloud, it will not only save money but be able to leverage the savings and efficiencies to help improve the health of its 3.1 million members. If it succeeds in doing that, then its transformation will be more than worth it.



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